



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Fire and Rescue Authority.

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

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

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

A meeting of **Fire and Rescue Authority** will be held at **Lecture Theatre, Dunstable Community Fire Station, Brewers Hill Road, Dunstable LU6 1AA** on **Thursday, 28 March 2019** starting at **10.00 am**.

John Atkinson
Secretary/Monitoring Officer

A G E N D A

Item	Subject	Lead	Purpose of Discussion
1.	Apologies	Secretary/ Monitoring Officer	
2.	Declarations of Disclosable Pecuniary and Other Interests	Chair	Members are requested to disclose the existence and nature of any disclosable pecuniary interest and any other interests as required by the Fire Authority's Code of Conduct (see note below).

Item	Subject	Lead	Purpose of Discussion
3.	Communications	Chair	
4.	Minutes	Chair	To confirm the Minutes of the meeting held on 7 February 2019 (Pages 5 - 16)
5.	Public Participation	Chair	To receive any questions put to the Authority under the Public Participation Scheme
6.	Executive Committee 4 February 2019	Cllr Chatterley	To consider a report (Pages 17 - 18)
7.	Corporate Services Policy and Challenge Group 27 February 2019	Cllr Chapman	To consider a report (Pages 19 - 122)
8.	Service Delivery Policy and Challenge Group 7 March 2019	Cllr Mingay	To consider a report (Pages 123 - 138)
9.	Audit and Standards Committee 14 March 2019	Cllr Headley	To consider a report (Pages 139 - 150)
10.	Human Resources Policy and Challenge Group 18 March 2019	Cllr Waheed	To consider a report (Pages 151 - 176)
11.	Firefighter Pension Schemes Local Pension Board Report 2018/19	T/ACO	To consider a report (Pages 177 - 190)
12.	Disposal of Assets under the Scheme of Delegated Authority	CFO	To consider a report (Pages 191 - 198)
13.	Governance Review	Secretary/ Monitoring Officer	To consider a report (Pages 199 - 204)
14.	Final Draft CRMP	DCFO	To consider a report (Pages 205 - 262)

Next Meeting

10.00 am on 6 June 2019 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 FIRE AND RESCUE AUTHORITY MEETING HELD ON 7 FEBRUARY 2019

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

CFO P Fuller, DCFO A Hopkinson, T/ACO G Chambers, Mr Atkinson and SOC A Peckham

18-19/FRA/57 Apologies

Apologies for absence were received from Councillors P Downing and R Saleem.

18-19/FRA/58 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of disclosable pecuniary and other interests.

18-19/FRA/59 Communications

Police Community Cohesion Awards

The Vice Chair reported that he, Councillor Atkins and the Deputy Chief Fire Officer attended the Community Cohesion Awards on 1 February 2019, where a number of individuals and community groups were recognised for supporting the communities of Bedfordshire.

18-19/FRA/60 Minutes

RESOLVED:

That the Minutes of the meeting held on 13 December 2018 be confirmed and signed as a true record.

18-19/FRA/61 Public Participation

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

There were no members of the public present at the meeting.

18-19/FRA/62 Audit and Standards Committee 6 December 2018

Councillor Headley introduced the draft Minutes of the meeting of the Audit and Standards Committee held on 6 December 2018. The Committee had received the Statement of Assurance at the meeting and had suggested a number of amendments to the Statement. The updated Statement had been circulated with the Minutes and the Committee had recommended that this be signed by the Chair of the Authority and the Chair of the Committee.

Councillor Headley reported that the Committee had received an update from the internal auditors and had been advised that the cyber security audit had been delayed as a joint audit with Cambridgeshire Fire and Rescue Service had been planned but Cambridgeshire no longer wished such an audit to be conducted. The Committee had expressed the view that, given the growing importance of cyber security, it did not wish to see this audit removed from the Service's audit plan.

RESOLVED:

1. That the submitted draft Minutes of the meeting of the Audit and Standards Committee held on 6 December 2018 be received.
2. That the Statement of Assurance be received and the Chair of the Authority and the Chair of the Audit and Standards Committee be authorised to sign the final Statement on behalf of the Authority.

18-19/FRA/63 Human Resources Policy and Challenge Group 10 January 2019

Councillor Waheed submitted the draft Minutes of the meeting of the Human Resources Policy and Challenge Group that was held on 10 January 2019.

She reported on performance against the indicators that had been rated amber or red for the second quarter of 2018/19, such as EQ1a (percentage of new entrants to the retained duty system to be women) and EQ2 (recruitment of black and minority ethnic staff across the whole organisation). It was hoped that the current recruitment campaign would result in a workforce that was more representative of the communities in Bedfordshire.

HR3 (appraisals completed by 30 September) had missed its target as a result of management vacancies and, in some cases, the second line manager not signing the appraisal off even though it was completed. It was anticipated that performance would improve against this indicator.

Performance against H1(number of serious accidents (over 28 days) per 1000 employees) and H2 (number of working days/shifts lost to accidents per 1000 employees (excluding Retained Duty System employees) had been adversely affected by two accident injuries. Both individuals had now returned to work.

The Committee had also received the Public Sector Equality Duty Report. This detailed the large amount of work undertaken by the Service, including the positive action campaigns to seek to ensure that the recruitment campaign was targeting the best candidates from all the local communities in Bedfordshire.

It was noted that the Committee had resolved to send a letter of thanks to the former Assistant Chief Officer and it was suggested that this should be written on behalf of all Members of the Authority.

The Chief Fire Officer explained that he had conducted a review of the Principal Officer team and, as a result, had implemented a change in the management structure. A way forward had been discussed and agreed by the Executive at its recent meeting on 4 February 2019.

(Please note: the Committee passed the resolution to exclude Members of the public to discuss issues arising from the restructure.)

Councillor Waheed also advised that the Committee's report on the Royal Society for the Prevention of Accidents (RoSPA) audit had been deferred to the Group's June meeting as the audit would be taking place after the Group's March meeting.

RESOLVED:

1. That the submitted draft Minutes of the meeting of the Human Resources Policy and Challenge Group held on 10 January 2019 be received.
2. That the Chair write a letter on behalf of all Members of the Authority, thanking Assistant Chief Officer Evans for her support and wishing her well in her future endeavours.

18-19/FRA/64 The 2019/20 Revenue Budget and Capital Programme

The Temporary Assistant Chief Officer submitted his report on the proposed revenue budget and capital programme. In addition to the consideration of the draft budget at the Authority's last meeting, two Members Budget Workshops had been held. The draft revenue budget requirement had been updated as the three unitary authorities had recently submitted their business rate returns and some of the figures had changed. A revised appendix setting out the final budget was tabled for the Authority's approval.

A Council Tax increase of 2.99%, below the cap level of 3%, was being proposed. This equated to an increase to £98.45 per Band D property.

In addition to the final budget, the Temporary Assistant Chief Officer submitted the medium term savings and efficiencies, the Capital Programme, the Medium Term Financial Strategy, the Reserves Strategy and the Treasurer's Statement on the adequacy of reserves and robustness of estimates.

The final settlement had been issued and there had been no changes to the figures previously indicated to the Authority. The continuing reduction in Revenue Support Grant, from £2.6 million to £2.283 million, was noted.

The Temporary Assistant Chief Officer advised that 2019/20 was the last year of the four year funding settlement from Government and highlighted the uncertainty in the 2020/21 budget arising from the formula funding review, changes to business rate retention and the spending review.

In response to a question, the Temporary Assistant Chief Officer confirmed that he would recirculate the page setting out the precepts as these had changed as a result of the revised budget, as well as a revised Medium Term Financial Strategy.

The Temporary Assistant Chief Officer reported that the transformational earmarked reserve was being used to reduce the revenue budget requirement.

Changes to the original budget included the business rate baseline (line 52) and the separate reporting of the transformational reserve for investment into the Control Mobilisation Project (line 76). The annual use of transformational reserve for strategic projects and improvements (line 77) was set at £250,000 from 2019/20. After the next four year period, this would leave the earmarked reserve at £1.946 million. This was in line with a general principle of reducing the level of reserves.

Consultation on the budget had been undertaken with approximately 1120 responses received. 84% of respondents supported the proposed 2.99% Council Tax increase. 73% had also supported the Service going to referendum for a level of Council Tax exceeding the current capped level of 3%.

In response to a request for a breakdown of consultation responses, the Temporary Assistant Chief Officer confirmed that he would circulate this information to Members of the Authority for information.

In relation to the assumptions made on pay, a generous 9% increase over the medium term period had been budgeted for. Members were assured that these pressures were reviewed every year. Detailed inflation figures for gas, water, electricity and derv had also been included in the budget (line 33).

The prudent use of reserves to support the budget setting process was recognised.

The recommendations relating to the revenue budget requirement of £29.832 million, with a corresponding precept of £20.971 million and a 2.99% Council Tax increase were put to the meeting and the votes recorded thereon were as follows:

For the Councillors Atkins, Chapman, Chatterley, Duckett, Franks, Headley, Khan, McVicar, Mingay and Waheed
Recommendations
(10)

RESOLVED:

1. That the report be considered and it be determined for 2019/20 that:
 - a. A Revenue Budget requirement is set at £29.832 million, met as indicated in paragraph 3.8 of this report.
 - b. In meeting this budget requirement, the Authority's Precept be set at £20.971 million and that as a consequence, a council tax increase of 2.99% up to £98.45 per Band D equivalent property, calculated as shown in Paragraph 3.8 of this report.
 - c. In order to meet the Precept requirement, the Temporary ACO/Treasurer be authorised to issue Precepts in the necessary form to each of the Unitary Councils and for the amounts indicated in Paragraph 3.11 of this report.
2. That the Medium-Term Revenue Plan attached at Appendix 1 to the report and the 2019/20 savings and efficiencies detailed at Appendix 2 be approved.
3. That the 2018/19 year-end underspend be allocated to the Transformation Reserve.
4. That the Medium-Term Capital Programme attached at Appendix 3 to the report be approved.
5. That the Medium-Term Financial Strategy attached at Appendix 4 to the report and the Reserves Strategy at Appendix 5 to the report be approved.
6. That in considering the above recommendations, the Treasurer's statement on the robustness of estimates included in the budget and the adequacy of the reserves for which the budget provides, attached at Appendix 6 to the report, be noted.
7. That any budget amendments, following receipt of the final settlement figures, be delegated to the Treasurer and Chief Fire Officer, in consultation with the Chair of the Authority.

18-19/FRA/65 Shared Principal Officer Cover

The Deputy Chief Fire Officer introduced his report on opportunities to extend the existing collaboration between the Service and Cambridgeshire Fire and Rescue Service for sharing Area Commanders to also include the sharing of Brigade Managers, thereby further enhancing the resilience of the strategic operational command structure within both services. This would be especially important in the event of a large incident such as the Novichok poisoning in Salisbury.

Members were assured the Brigade Management responsibilities for incidents in Bedfordshire would be retained by the Chief Fire Officer and Deputy Chief Fire Officer and that the Principal Officer cover would only be shared in the event of a large incident.

Strategic Operational Commander Peckham shared his experiences of the operation of the sharing agreements. These had been very successful.

The Chief Fire Officer emphasised that these were not cover arrangements, as was the case at Area Commander level, but an agreement to strengthen resilience arrangements. Any further extension of the arrangements would be submitted to the Authority for approval.

RESOLVED:

That the establishment of formal arrangements to share Brigade Manager operational cover between Bedfordshire and Cambridgeshire Fire and Rescue Services be agreed and the development and implementation of these, including any appropriate legal agreements, be delegated to the Chief Fire Officer.

18-19/FRA/66 Brexit 'No Deal' Preparations

The Deputy Chief Fire Officer submitted his report providing an update on the work the Service had been undertaking in preparation for a 'no deal' Brexit, both internally and working with the multi-agency partners of the Bedfordshire Local Resilience Forum (BLRF).

BLRF had begun its preparations in September 2018 and was now meeting on a weekly basis.

Guidance received from the National Fire Chiefs Council had set out the following three areas of focus for Brexit preparations: procurement or supply chain issues, operational impacts and support which may be provided to assist the Police. Command and control arrangements were being implemented as there was the potential for large-scale disorder.

RESOLVED:

That the content of the report and the continued efforts to minimise the impact of a 'no deal' Brexit be acknowledged.

18-19/FRA/67 Localism Act 2011 - Pay Policy Statement 2019

In accordance with the requirement to agree and publish an annual pay policy statement and its constituent parts for the financial year 2019/20, the Chief Fire Officer presented the Service's Pay Policy for 2019. This incorporated the changes to spinal column points and pay increases that had been awarded.

Councillor Headley moved an amendment to the recommendation set out in the report to include the following:

“subject to additional text being added regarding abatement and re-engagement as follows:

- a. that “and in line with all Government guidance” be added to the end of the first paragraph under section 6; and

- b. that the following new sentence be added to section 6: “From 2019, the service will not reappoint Principal Officers after retirement to their previous, or a similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited.”

The amended motion was put to the meeting and carried.

RESOLVED:

That the submitted proposed pay policy statement for 2019/20 be approved, subject to additional text being added regarding abatement and re-engagement as follows:

1. that “and in line with all Government guidance” be added to the end of the first paragraph under section 6; and
2. that the following new sentence be added to section 6: “From 2019, the service will not reappoint Principal Officers after retirement to their previous, or a similar, post save for in exceptional circumstances when such a decision is necessary in the interests of public safety. Any such appointment must be transparent, justifiable and time limited.”

18-19/FRA/68 HMICFRS Update

The Chief Fire Officer introduced his report on the outcomes of the inspection process in 2018 conducted by Her Majesty’s Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Strategic Operational Commander Peckham advised that all reports from the first tranche of the inspections were available on the HMICFRS website and a “State of Fire” report would be produced when all fire and rescue services had been inspected. The effectiveness of the Service had been judged as “good” with efficiency and people being judged as “requires improvement”. A number of the areas of improvement had been identified by the Service in its self-assessment. The inspection had not identified any causes for concern.

An action plan to address the areas requiring improvement had been prepared and would be monitored by the Corporate Management Team.

The Authority was advised of apparent inconsistencies that would be addressed in a meeting with Inspectorate officials. This included statements in the report that indicated that the Service had a budget deficit. Members, having just received and agreed the budget proposals for 2019/20, noted that this was not the case.

Members recognised the opportunities for improvement provided by the inspection process but expressed concern about the apparent inconsistencies with some of the statements included within the inspection report.

RESOLVED:

1. That the content of the report and the findings of the HMICFRS inspection of Bedfordshire Fire and Rescue Service be acknowledged.
2. That the Authority commits to supporting initiatives that provide a response to any recommendations to benefit further improvement across the Service.

18-19/FRA/69 Calendar of Meetings 2019/20

The Secretary and Monitoring Officer introduced the proposed calendar of meetings for 2019/20. The calendar was based upon a new governance structure that would be submitted to the Authority for approval at its next meeting.

This included a change in the structure of the Policy and Challenge Groups to align with the themes of the HMICFRS inspection regime, with a Group for Effectiveness and a Group for Efficiency and People.

RESOLVED:

That, the submitted provisional calendar of dates for meetings of the Fire and Rescue Authority and its associated Committees and Groups for the forthcoming year be approved, subject to consideration of the Governance Review paper to be received in March 2019.

18-19/FRA/70 Community Risk Management Plan 2019-2023 Update

The Deputy Chief Fire Officer introduced his report informing Members of the progress made toward the completion of the Community Risk Management Plan (CRMP) 2019-2023, including the associated consultation process.

A significant amount of work had been undertaken to prepare the CRMP, including the development of a detailed Community Risk Analysis, and it was now ready to go out for public consultation to allow the final draft to be considered by the Authority at its next meeting. Public consultation would include face to face consultation and online surveys. There would also be extensive internal consultation. This would enable the CRMP to be published by 1 April 2019 as was required by the National Framework.

The Deputy Chief Fire Officer advised that all the actions arising from the HMICFRS inspection were included within the CRMP. There was a greater focus on data quality and the use of data. There were also links to a number of other Service documents and policies.

Members were referred to the proposed consultation questions which were set out in full in the appendix to the report and asked for views on the Service's mission to provide outstanding fire and rescue services to help make Bedfordshire safer, the revised aims of the Service and a number of questions on the specific plans for 2019/20.

It was noted that there were no proposed changes to the response standards.

RESOLVED:

1. That the initial draft Community Risk Management Plan be approved.
2. That the revised consultation arrangements be agreed.
3. That the proposed consultation questions be acknowledged.

18-19/FRA/71 Collaboration Working Group

The Deputy Chief Fire Officer introduced his update on progress with key collaboration initiatives as managed by the Blue Light Collaboration Strategic Group.

In summarising the update, the Deputy Chief Fire Officer reported on the following:

- The appointment of a joint project manager to lead on the joint headquarters work was progressing.
- A workshop with all blue light partners on managing community risk had been arranged for later in February 2019.
- The improvement works had been completed at Leighton Buzzard Community Fire Station and a meeting to explore the Police use of Toddington Community Fire Station had been arranged.
- Discussions with the Ambulance Service on the feasibility of further opportunities for co-location were ongoing.
- The Service continued to explore the use of What3Words, a geo-application that had been adopted by the Police in December 2018.
- Training on the use the drone had been completed and the drone had been deployed during the incident on Kimbolton Road earlier in the year.
- The red route pilot continued.
- The Service had been authorised by the College of Policing to train Police motorcyclists for blue light response and work was continuing to establish a cohort of Trainers which could enable an expansion of training activities.
- The Service would be meeting with the Police to explore opportunities to collaborate on procurement, recognising that the Police were involved in a tri-force agreement with Cambridgeshire and Hertfordshire.
- Work was underway to detail and map current shared training provision with the Police. The second stage of the exercise would review the capacity and usage of training spaces and facilities to seek further joint provision.

RESOLVED:

That the content of the report and the continued efforts to pursue collaboration with the Service's blue light partners be acknowledged.

18-19/FRA/72 Information Bulletin

In response to a question about the short length of service of a firefighter at Leighton Buzzard Community Fire Station, the Chief Fire Officer advised that he would investigate.

The Chief Fire Officer reported that the Executive Committee had recently attended the presentation to Derek Holt, the Station Commander at Kempston Station, who was retiring after 30 years of service.

RESOLVED:

That the information bulletin for the period covering 1 October to 31 December 2018 be received.

18-19/FRA/73 Incident Report - Kimbolton Road, Bedford 3 January 2019

Item deferred to the next meeting.

18-19/FRA/74 Local Government Act 1972, Schedule 12A, Paragraphs 3 of Part 1: Exclusion of the Public

RESOLVED:

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

Item

Human Resources Policy and Challenge Group 10 January 2019

The meeting ended at 11.50 am

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

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For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 6

REPORT AUTHOR: COUNCILLOR J CHATTERLEY

SUBJECT: EXECUTIVE COMMITTEE

For further information on this report contact: John Atkinson
Secretary/Monitoring Officer
Tel No: 01234 845000

Background Papers:

Implications (tick ✓):

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

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

PURPOSE:

To report on the Executive Committee meeting held on 4 February 2019.

RECOMMENDATION:

That Members acknowledge the content of the report.

1. Introduction

- 1.1 The Executive Committee met on 4 February 2019 when they received an oral report from the Chief Fire Officer about changes he was proposing to make to the Principal Officer team and arrangements for the appointment of an ACO (Finance and Corporate Services).
- 1.2 The Committee resolved to support the proposed restructure and agreed that the selection process for the ACO (F&CS) would initially be based on a ring fenced approach.

**COUNCILLOR J CHATTERLEY
CHAIR OF EXECUTIVE COMMITTEE**

For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 7

REPORT AUTHOR: COUNCILLOR F CHAPMAN
SUBJECT: CORPORATE SERVICES POLICY AND CHALLENGE GROUP

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To report on the informal meeting (inquorate) of the Corporate Services Policy and Challenge Group held on 27 February 2019.

RECOMMENDATIONS:

That the submitted notes of the meeting held on 27 February 2019 be received and the officer recommendations that, have been forwarded to the FRA for a decision, be considered.

1. Introduction

1.1 The draft notes of the meeting of the Corporate Services Policy and Challenge Group held on 27 February 2019 are appended for Members' consideration.

1.2 The following officer recommendations have been forwarded to the FRA for a decision:

18-19/CS/052 Treasury Management Strategy and Practices

That the Fire and Rescue Authority be recommended to adopt the updated:

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

**COUNCILLOR F CHAPMAN
CHAIR OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP**

**MINUTES OF AN INQUORATE CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING
HELD ON 27 FEBRUARY 2019**

Present: Councillors F Chapman (Chair), P Downing and D McVicar

CFO P Fuller, T/ACO G Chambers, Mr J Atkinson, SOC C Ball, GC I McLaren and Mr P Hughes

18-19/CS/042 Apologies

42.1 Apologies for absence were received from Councillor P Duckett, M Headley and R Saleem.

18-19/CS/043 Declarations of Disclosable Pecuniary and Other Interests

43.1 There were no declarations of interests.

18-19/CS/044 Communications

44.1 The Policy and Challenge Group received the Minutes of the meetings of the ICT Shared Service Governance Board held on 8 February 2019.

44.2 Mr P Hughes, the Head of ICT, advised that the Shared Service had a long-standing vacant service engineer post. A number of recruitment exercises had been unsuccessful. The spinal column points were being readjusted from April 2019 and there would be an uplift in the salary for the grade of that post. If this was not sufficient to attract suitable candidates then a discussion may need to be held at a job evaluation panel to increase the grade so that the salary was set at an acceptable market rate.

RESOLVED:

That the Minutes of the meetings of the ICT Shared Service Governance Board held on 8 February 2019 be received.

18-19/CS/045 Minutes

RESOLVED:

That the Minutes of the meeting held on 27 November 2018 be confirmed and signed as a true record.

18-19/CS/046 Corporate Services Performance Monitoring Report, Quarter 3 2018/19

46.1 The Temporary ACO submitted the 2018/19 third quarter report on the Corporate Services performance against Corporate Services performance indicators and associated targets. All indicators were reporting as green.

RESOLVED:

That the progress made and matters arising from the Corporate Services Performance be acknowledged.

18-19/CS/047 Corporate Services Programmes to date, Quarter 3 2018/19

47.1 The Temporary ACO introduced a report for 2018/19 Quarter three, detailing progress against and the status of the Corporate Services Programme and Projects to date.

47.2 The Fleet Asset Management System was reporting as Green and the project was currently out to tender.

47.3 The KPI Data Hub had been added as a new project. The Head of ICT reported on a collaborative project with the University of Bedfordshire to build a data hub that would allow the Service to extract data from various sources to facilitate the use and reporting of performance information. Phase 1 of the project would include Key Performance Indicators (KPIs) around prevention, protection and response, with Corporate Services measures added later in the year. Data should be captured from the start of April 2019 onwards, with reporting available from the end of the first quarter of 2019-20 onwards.

47.4 In response to questions, the Head of ICT confirmed that the data hub would be capable of being integrated with the Service's other ICT systems. The brief given to the University had specified that the hub be built using a modular approach and that it would be able to be supported internally going forward.

- 47.5 Councillor Downing referred to a presentation that was recently given to the Joint Health Overview and Scrutiny Committee on digitalisation. He would forward this to the Head of ICT for information.
- 47.6 The Temporary ACO reported that the Fire Safety Protection –Replacement Management Information System and Prevention Replacement Management Information System were both reporting as amber.
- 47.7 The Sharepoint Upgrade and VDI Upgrade Project were reporting as green.
- 47.8 In relation to the Unified Communications project, the Head of ICT advised that the project would be re-baselined. The Service was in the final stages of preparation for the supplier’s health check on the system prior to it being handed over to the supplier. It was anticipated that project should be reporting as green at the next meeting of the Policy and Challenge Group.
- 47.9 It was noted that the HR/Payroll system project was due to be signed off as complete at the next programme board.

RESOLVED:

That the progress made to date on Corporate Services Programme and Projects be acknowledged.

18-19/CS/048 Proposed Corporate Services Indicators and Targets for 2019/20

- 48.1 The Temporary ACO presented the proposed suite of Corporate Services performance indicators and associated targets for 2019/20 and sought the Group’s endorsement to incorporate these into the Service’s performance management framework.
- 48.2 It was recognised that these may need to be revisited following the next meeting of the FRA if the changes proposed to the Policy and Challenge Groups were agreed.
- 48.3 The Temporary ACO advised that the only change proposed to the finance indicators was an increase in the target for FNP8 (return on investment) to 1.00%, in line with anticipated interest rate increases.

- 48.4 Two ICT targets had been amended following discussions at the Corporate Management Team meeting on 25 February 2019. The target for ICT1 (user satisfaction) had been increased from 80% to 85% and the target for IM1 (the Number of Incidents on Mission Critical services resolved within 1 Hour) had been increased from 85% to 90%.
- 48.5 In response to a question, the Head of ICT reported that there had been a recent restructure in ICT and expressed the view that the new structure would need time to bed in before any further increases in the target should be considered.
- 48.6 SOC C Ball reported that, as a result of the introduction of the new fleet asset management system and the ability of this system to extract more useful data, it was suggested that WS2a-WS4 be removed from the performance report.
- 48.7 It was also proposed to increase the targets for 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) to 95% and for WS6 (annual services undertaken) to 100%.

RESOLVED:

That the proposed suite of Corporate Services performance indicators and targets for 2019/20 be endorsed.

18-19/CS/049 New Internal Audit Reports

- 49.1 The Temporary ACO introduced the report on the audits completed since the last meeting of the Policy and Challenge Group. Two internal audits had been completed in the period: Key Financial Controls and Risk Management.
- 49.2 An opinion of substantial assurance had been given in relation to Key Financial Controls with only one low priority recommendation being identified.
- 49.3 Risk Management had been awarded a reasonable assurance opinion, with four medium priority and four low priority actions identified.
- 49.4 GC I McLaren advised that, arising from the Risk Management audit, the use of the Abriska system was being expanded.

RESOLVED:

That the attached 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.

18-19/CS/050 Audit and Governance Action Plans Monitoring Report

- 50.1 The Temporary ACO introduced the report on progress made to date against current action plans arising from internal and external audit reports and the Fire Authority's 2018/19 Annual Governance Statement.
- 50.2 Three actions had been superseded by the Risk Management Audit, with the other actions having been completed.
- 50.3 It was noted that the review of effectiveness had been deferred to 2020 as a result of the governance review.
- 50.4 It was suggested that Members may wish to consider what reports were submitted to the new Policy and Challenge Groups to make the most effective use of resources.

RESOLVED:

That the issues raised in the report and the progress made to date against the action plans be acknowledged and the recommendation to extend the completion date be approved.

18-19/CS/051 Revenue Budget and Capital Programme Monitoring 2018/19 as at 31 January 2019

- 51.1 The Temporary ACO introduced his report which set out the forecast year end budget monitoring position as at 31 January 2019.
- 51.2 There were variations in the following areas: Head of Response (£80,000 underspend), Head of Service Support (£51,000 overspend) and Head of Human Resources (£8,000 underspend). There was also a forecast salary underspend of £474,000.
- 51.3 In relation to the Capital Programme, Members were advised of the £63,000 underspend on the server hardware renewal project.

51.4 The savings and efficiencies were also noted. The Temporary ACO advised that the external auditors had requested information on the savings that had been realised over the last few years through efficiencies.

RESOLVED:

That the forecast outturns for revenue and capital be acknowledged.

18-19/CS/052 Treasury Management Strategy and Practices

52.1 The Temporary ACO submitted the review of the Authority's Treasury Management Strategy Statement and Treasury Management Policies. There had been no significant changes.

52.2 The FRA currently had total borrowing of £9.987 million, short term investments of up to £10 million and budgeted interest of £90,000 in 2019/20.

52.3 The Temporary ACO reminded the Policy and Challenge Group that Members received treasury management training on a regular basis, with the next training being made available for Members following the Annual General Meeting in June 2019.

52.4 The interest rate forecast was received and it was noted that there was a forecast increase to 1% in September 2019.

52.5 The FRA held a wide ranging investment portfolio with assets both within and outside of Europe. These were held for less than 365 days and scheduled to mature at different times. This should mitigate against any effects of Brexit.

52.6 In response to a comment on the role of the Section 151 Officer and Treasurer to the FRA being separated if the Temporary ACO was made permanent, the CFO confirmed that a number of options were currently being considered.

RESOLVED:

That the Fire and Rescue Authority be recommended to adopt the updated:

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

18-19/CS/053 Corporate Risk Register

- 53.1 GC I McLaren introduced the report on the review of the Corporate Risk Register. There were no changes to the risk ratings and four updates to the risk narratives.
- 53.2 In response to questions about Brexit, the CFO advised that a report on preparations for a hard Brexit would be submitted to the next FRA meeting. This would be informed by advice from the National Fire Chiefs Council and the Bedfordshire and Luton Local Resilience Forum (BLLRF). BLLRF was currently holding weekly strategic meetings.

RESOLVED:

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

18-19/CS/054 Review of Work Programme 2018/19

- 54.1 Members received the Work Programme for 2018/19.

RESOLVED:

That the Work Programme be received.

The meeting finished at 10.54am

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For Publication

Fire and Rescue Authority
Corporate Services Policy and Challenge Group
27 February 2019
Item No. 11

REPORT AUTHOR: T/CHIEF FIRE OFFICER AND TREASURER

SUBJECT: TREASURY MANAGEMENT STRATEGY AND PRACTICES

For further information on this Report contact: G Chambers
T/Assistant Chief Officer (Finance and Corporate Services)
Tel No: 01234 845000

Background Papers:

The Treasury Management Strategy and Treasury Management Policies for 2018/19 were scrutinised by the Corporate Services Policy and Challenge Group on 12 March 2018 and approved by the Fire and Rescue Authority on 26 April 2018

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.

PURPOSE

To review the Authority's Treasury Management Strategy Statement and Treasury Management Policies.

RECOMMENDATION

To consider the documents and recommend that the Fire and Rescue Authority adopt the updated:

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

1. Outcome

- 1.1 Sound internal control and governance arrangements for Treasury Management will ensure the Authority can reduce the risk it faces from treasury management activities.

2. Reason for Report

- 2.1 Treasury management activities can be defined as follows:

'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.' Source the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 2.2 The reporting of treasury management activity and the treasury management prudential indicators must meet the requirements of the 2009, 2011 and 2017 revised CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities (as required through Regulations issued under the Local Government Act 2003). The main 2017 Code updates, for information, are noted in para 3.2 below.

3. Updated Documentation

3.1 The Authority is required to consider and scrutinise the relevant treasury management documents. The revised documents that are attached are:

- The Treasury Management Strategy (including the Minimum Revenue Provision Policy and Annual Investment Strategy)
- Treasury Management Practices

The Corporate Services Policy and Challenge Group was nominated by the Fire and Rescue Authority on 10 December 2010 as the Group to scrutinise Treasury Management.

3.2 The updated Treasury Management Strategy Statement is attached at Appendix A. There was an update in 2017 to the Code. These updates are summarised on pages 35 and 36 of Appendix 7. They are updated to capture the increasingly commercial approach being taken by many councils who are investing in property, with many outside of their own authority's area. The Code is now less prescriptive as to what indicators to be included in the strategy.

3.3 Since 2018/19, Inter Authority lending has also been included as an option to consider, should this arise, within the Strategy at para 6.4.

3.4 The Voluntary Minimum Revenue Provision, as discussed with Members and included in 2020/21 as part of the budget setting process for the 2019/20 financial year, has been noted at para 2.2.

3.5 The Treasury Management Practices are in accordance with the requirements of the Code and Guidance. The updated Treasury Management Practices are attached to this report for Members scrutiny and consideration at Appendix B. These documents provide the cornerstones for effective treasury management and ensure the approved Treasury Management Strategy is adhered to.

The Treasury Management Practices set out the manner in which the Authority will seek to achieve those policies and objectives, and prescribe how it will manage and control those activities.

There are no material updates to comment on for 2019/20.

4. Treasury Management and Support

4.1 The Treasurer recognises that treasury management is inevitably a highly technical and challenging area. To ensure that those Authority Members tasked with treasury management responsibility, including those responsible for scrutiny, have the support they need the following training was arranged:

- Training sessions were provided to Members in 2011, 2013 and 2015 by Capita Asset Services (now Link Asset Services).
- The most recent training was again provided by Link Asset Services at the Members Development on 4th July 2017. A further training session will be arranged for 2019 should Members request this.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications arising from this report.

6. Financial Implications and Value for Money

6.1 The Authority currently has:

- a total borrowing of £9.987m,
- short-term investments of up to £10m,
- budgeted interest of £90k in 2019/20 from investments.

It is vital these transactions are managed efficiently and effectively.

Brexit may of course have some impact on the Authority's investments during 2019 and the Service will react appropriately to these.

7. Health and Safety and Environmental Implications

7.1 None arising from this report.

PAUL FULLER
CHIEF FIRE OFFICER

GAVIN CHAMBERS
T/ASSISTANT CHIEF OFFICER – FINANCE AND CORPORATE SERVICES

Bedfordshire Fire and Rescue Service



Fire and Rescue Service

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

2019/20

1. Introduction

1.1 Background

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

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

CIPFA defines treasury management as:

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

Revised reporting is required for the 2019/20 reporting cycle due to revisions of the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a long-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately.

1.2 Statutory Requirements

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

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

1.3 CIPFA Requirements

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

The primary requirements of the Code are as follows:

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

1.4 Treasury Management Strategy for 2019/20

The strategy for 2019/20 covers two main areas:

Capital issues

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

Treasury Management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities on the Authority
- prospects for interest rates
- the borrowing strategy

- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers

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

1.5 Training

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

The training needs of treasury management officers are periodically reviewed.

1.6 Treasury Management Consultants

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

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

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

2. The Capital Prudential Indicators for 2019/20 – 2021/22

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

2.1 Capital expenditure

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

Members have approved (7th February 2019) the capital expenditure forecasts below:

Capital Expenditure £000's	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Total	1,190	1,200	1,736	1,354	1,379

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

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

Financing of capital expenditure £000's	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital receipts	0	134	140	96	50
Capital grants	3	0	0	0	0
Capital reserves	1,187	0	200	0	0
Revenue	0	1,066	1,396	1,258	1,329
Net financing need for the year	0	0	0	0	0

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

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's

indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

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

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has £6k of such schemes with the CFR.

The Authority has taken the option of increasing our MRP contributions from 2020/21 by an extra £200k per annum, this is classed as VRP (Voluntary Revenue Provision) and will have the impact of paying off our MRP charge early although the Authority has the option to unwind this in future years should budget pressures worsen. This strategy will be reconfirmed as part of the 2020/21 budget setting process.

The Authority is asked to approve the CFR projections below as part of this Strategy:

£m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Total CFR	8,890	8,462	8,038	7,419	6,805
Movement in CFR	-496	-428	-424	-618	-614

Movement in CFR represented by;					
Net financing need for the year (above)	0	0	0	0	0
Less MRP/VRP and other financing movements	-496	-428	-424	-618	-614
Movement in CFR	-496	-428	-424	-618	-614

3. Borrowing

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

3.1 Current Portfolio Position

The Authority's treasury portfolio position at 31 March 2018 with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement (CFR), highlighting any over or under borrowing.

£m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
External Debt					
Debt at 1 April	9,987	9,987	9,987	9,987	9,987
Expected change in Debt	0	0	0	0	0
Other long-term liabilities (OLTL)	70	6	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	10,057	9,993	9,987	9,987	9,987
The Capital Financing Requirement	8,890	8,462	8,038	7,419	6,805
Under/(over) borrowing	(1,167)	(1,531)	(1,949)	(2,568)	(3,182)

3.2 Treasury Indicators: limits to borrowing activity

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

Operational boundary £M	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	9,987	9,987	9,987	9,987
Other long term liabilities	6	0	0	0
Overdraft	0	0	0	0
Total	9,993	9,987	9,987	9,987

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

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

Authorised Limit £M	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt	9,987	9,987	9,987	9,987
Other long term liabilities	6	0	0	0
Overdraft	0	0	0	0
Worst Case Scenario Payroll	1,900	1,900	2,000	2,000
Total	11,893	11,887	11,987	11,987

3. Prospects for Interest Rates

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

Link Asset Services Interest Rate View													
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.70%	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.80%	0.90%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.00%	1.10%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%

2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit fog clears.

The above forecasts are based on a major assumption that Parliament and the EU agree an orderly Brexit, either by 29 March or soon after. At their 7 February meeting, the MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

5. **Borrowing Strategy**

5.1 **Borrowing Rates**

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

Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

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

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

5.2 Policy on Borrowing in Advance of Need

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

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

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

5.3. Debt Rescheduling

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

The reasons for any rescheduling to take place will include:

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

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

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

6. **Annual Investment Strategy**

6.1 **Investment Policy**

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

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

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

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

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

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

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

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

6.2 Creditworthiness Policy

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

- credit watches and credit outlooks from credit rating agencies;
- CDS (Credit Default Swap) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Authority to determine the suggested duration for investments. The Authority will therefore use counterparties within the following durational bands:

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

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

Typically the minimum credit ratings criteria the Authority use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

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

- If a downgrade results in the counterparty/investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.

- In addition to the use of Credit Ratings the Authority will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Authority will also use market data and market information, information on government support for banks and the credit ratings of that government support.

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

6.3 Country Limits

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

6.4 Investment Strategy

In-house funds:

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

Members of the FRA, during the member budget workshops for 2018/19, enquired about the potential of lending to local authorities. This is a possibility should an amount, interest rate and loan period be agreed. If this was to be something to implement that aligned with our cash flow, guidance and relevant paperwork would be sought and discussed with Link Asset Services.

Investment returns expectations: Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.50%
- 2021/22 2.00%

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

2018/19	0.75%
2019/20	1.00%
2020/21	1.25%
2021/22	1.75%
2022/23	2.00%
2023/24	2.25%
Later years	2.50%

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subsides, and how quickly the Brexit negotiations move forward positively.

6.5 End of Year Investment Report

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

6.6 Policy on the Use of External Service Providers

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

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

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

6.7 Scheme of Delegation

Please see Appendix 6.

6.8 Role of the Section 151 Officer

Please see Appendix 7.

Appendices

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

MINIMUM REVENUE PROVISION POLICY STATEMENT 2019/20

The Authority implemented the new Minimum Revenue Provision (MRP) guidance in 2009/10 and will assess their MRP for 2019/20 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

The major proportion of the MRP for 2019/20 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Certain expenditure reflected within the debt liability at 31 March 2011 will under delegated powers be subject to MRP under option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method). For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

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

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

Affordability prudential indicators

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

a. Ratio of financing costs to net revenue stream

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

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
% Ratios	2.63%	2.46%	2.55%	2.49%	2.43%

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

Treasury indicators for debt

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

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

The FRA is asked to approve the following treasury limits:

Maturity structure of fixed rate borrowing during 2019/20		
	Lower	Upper
Under 12 months	0%	25%
12 months to 2 years	0%	25%
5 years to 10 years	0%	25%
10 years and above	0%	100%

INTEREST RATE FORECASTS

1. Individual Forecasts

Link Asset Services

Interest rate forecast –February 2019

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Bank Rate	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%
5yr PWLB rate	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%
50yr PWLB rate	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%

Capital Economics

Interest rate forecast – January 2019

	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Bank Rate	0.75%	1.00%	1.25%	1.50%	1.70%	1.75%	2.00%
5yr PWLB rate	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%
10yr PWLB rate	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%
25yr PWLB rate	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%

ECONOMIC BACKGROUND

GLOBAL OUTLOOK. **World growth** has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China and the eurozone, overall world growth is likely to weaken.

Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to an acceleration of wage inflation. The US Fed has therefore increased rates nine times and the Bank of England twice. However, the ECB is now probably unlikely to make a start on raising rates in 2019.

KEY RISKS - central bank monetary policy measures

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

The key issue now is that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period is well advanced in the US, and started more recently in the UK, of reversing those measures i.e. by raising central rates and, (for the US), also reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy and of unemployment falling to such low levels, that the re-emergence of inflation is viewed as a significant risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This meant that both asset categories were exposed to the risk of a sharp downward correction and we did, indeed, see a sharp fall in equity values in the last quarter of 2018 and into early 2019. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.** It is particularly notable that, at its 30 January 2019 meeting, the Fed dropped its previous words around expecting further increases in interest rates; it merely said it would be "patient".

The world economy also needs to adjust to a sharp change in **liquidity creation** over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt, (currently about \$50bn per month). In addition, the European Central Bank ended its QE purchases in December 2018.

UK. 2018 was a year which started with weak growth of only 0.1% in quarter 1. However, quarter 2 rebounded to 0.4% in quarter 2 followed by quarter 3 being exceptionally strong at +0.6%. Quarter 4 though, was depressed by the cumulative weight of Brexit uncertainty and came in at only +0.2%. Growth is likely to continue being weak until the Brexit fog clears.

The MPC has stated that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they have given a figure for this of around 2.5% in ten years' time but have declined to give a medium term forecast. However, with so much uncertainty around Brexit, the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, the MPC could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, devaluation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could provide fiscal stimulus to boost growth.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018. In the February Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead given a scenario of minimal increases in Bank Rate.

The **labour market** figures in November were particularly strong with an emphatic increase in total employment of 141,000 over the previous three months, unemployment at 4.0%, a 43 year low on the Independent Labour Organisation measure, and job vacancies hitting an all-time high, indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation continued at its high point of 3.3%, (3 month average regular pay, excluding bonuses). This means that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, the Brexit deal put forward by the Conservative minority government was defeated on 15 January. Prime Minister May is currently, (mid-February), seeking some form of modification or clarification from the EU of the Irish border backstop issue. However, our central position is that the Government will endure, despite various setbacks, along the route to reaching an orderly Brexit though the risks are increasing that it may not be possible to get full agreement by the UK and EU before 29 March 2019, in which case this withdrawal date is likely to be pushed back to a new date. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2% (annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5%, (3.0% y/y), in quarter 3, but also an upturn in inflationary pressures. The strong growth in employment numbers and an unemployment rate of 4.0%, near to a recent 49 year low, has fed through to an upturn in wage inflation which hit 3.2% in December. However, CPI inflation overall fell to 1.9% in December and looks to be on a falling trend to continue below the Fed's target of 2% during 2019. The Fed has continued on its series of increases in interest rates with another 0.25% increase in December to between 2.25% and 2.50%, which was the fifth increase in 2018 and the ninth in this cycle. However, they dropped any specific reference to expecting further increases at their January 30 meeting. The last increase in December compounded investor fears that the Fed could overdo the speed and level of increases in rates in 2019 and so cause a US recession as a result. There is also much evidence in previous monetary

policy cycles of the Fed's series of increases doing exactly that. Consequently, we have seen stock markets around the world falling under the weight of fears around the Fed's actions, the trade war between the US and China and an expectation that world growth will slow. Since the more reassuring words of the Fed in January, equity values have recovered somewhat.

The tariff war between the US and China generated a lot of heat during 2018; it could significantly damage world growth if an agreement is not reached during the current three month truce declared by President Trump to hold off from further tariff increases.

Eurozone. Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this was probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of its manufacturing exports e.g. cars. Current forward indicators for economic growth and inflation have now been on a downward trend for a significant period which will make it difficult for the ECB to make any start on increasing rates until 2020 at the earliest. Indeed, the issue now is rather whether the ECB will have to resort to new measures to boost liquidity in the economy in order to support growth. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank ended all further purchases in December 2018. In its January meeting, it made a point of underlining that it will be fully reinvesting all maturing debt for an extended period of time past the date at which it starts raising the key ECB interest rates.

China. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan - has been struggling to stimulate consistent significant GDP 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. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries. Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

INTEREST RATE FORECASTS

The interest rate forecasts provided by Link Asset Services in paragraph 3.3 are **predicated on an assumption of an agreement being reached on Brexit between the UK and the EU.** On this basis, while GDP growth is likely to be subdued in 2019 due to all the uncertainties around Brexit depressing consumer and business confidence, an agreement is likely to lead to a boost to the rate of growth in subsequent years which could, in turn, increase inflationary pressures in the economy and so cause the Bank of England to resume a series of gentle increases in Bank Rate. Just how fast, and how far, those increases will occur and rise to, will be data dependent. The forecasts in this report assume a modest recovery in the rate and timing of stronger growth and in the corresponding response by the Bank in raising rates.

- In the event of an **orderly non-agreement exit**, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.

- If there was a **disorderly Brexit**, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. Quantitative easing could also be restarted by the Bank of England. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

However, there would appear to be a majority consensus in the Commons against any form of non-agreement exit so the chance of this occurring has now substantially diminished.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

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

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**, possibly **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March 2018 of a government which has made a lot of anti-austerity noise. The EU rejected the original proposed Italian budget and demanded cuts in government spending. The Italian government nominally complied with this rebuttal – but only by delaying into a later year the planned increases in expenditure. This particular can has therefore only been kicked down the road. The rating agencies have downgraded Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.
- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD had a major internal debate as to whether it could continue to

support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018. However, this makes little practical difference as she has continued as Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.

- **Other minority EU governments.** Sweden, Spain, Portugal, Netherlands and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Italy, Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU. Elections to the EU parliament are due in May/June 2019.
- The increases in interest rates in the US during 2018, combined with a potential trade war between the USA and China, sparked major volatility in equity markets during the final quarter of 2018 and into 2019. Some **emerging market countries** which have borrowed heavily in dollar denominated debt, could be particularly exposed to investor flight from equities to safe havens, typically US treasuries, German bunds and UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Brexit timetable and process

- March 2017: UK government notified the European Council of its intention to leave under the Treaty on European Union Article 50 on 29 March 2019.
- 25.11.18 EU27 leaders endorsed the withdrawal agreement
- Dec 2018 vote in the UK Parliament on the agreement was postponed
- 21.12.18 – 8.1.19 UK parliamentary recess
- 15.1.19 Brexit deal defeated in the Commons vote by a large margin
- 28.1.19 Further votes in the Commons
- 14.2.19 Further votes in the Commons
- 21.3.19 EU summit at which a Brexit option could be considered
- By 29.3.19 another vote (?) in UK parliament
- By 29.3.19 if the UK Parliament approves a deal, then ratification by the EU Parliament requires a simple majority
- By 29.3.19 if the UK and EU parliaments agree the deal, the EU Council needs to approve the deal; 20 countries representing 65% of the EU population must agree
- 29.3.19 Either the UK leaves the EU, or asks the EU for agreement to an extension of the Article 50 period if the UK Parliament has been unable to agree on a Brexit deal.
- 29.3.19: if an agreement is reached with the EU on the terms of Brexit, then this will be followed by a proposed transition period ending around **December 2020**.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy may leave the single market and tariff free trade at different times during the transition period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.

APPENDIX 4

SPECIFIED AND NON-SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

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

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

Strategy for specified Investments:

The Authority expects to have a net surplus of funds throughout 2019/20 and will invest those funds through the money market with those organisations included on its approved lending list (attached as Annex A).

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

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

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

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

Non-Specified Investments:

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

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

The Authority is investigating the use of Property Funds to supplement their investment portfolio and these would be in excess of 365 days. The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. The Authority will seek guidance on the status of any fund it may consider using.

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

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

Approved countries for investments

Based on lowest available rating as at 21.01.19

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- U.S.A

AA

- Abu Dhabi (UAE)
- France
- Hong Kong
- U.K.

AA-

- Belgium
- Qatar

Term deposits with nationalised banks and banks and building societies

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

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

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

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

ii. Corporate Services Policy and Challenge Group

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

iii. Treasurer

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

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (Responsible) Officer:

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

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

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities

- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees – our Authority doesn't have these.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (TM Code p54): -
- Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;
 - Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;
 - Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;
 - Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;
 - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

Weekly Credit List: 01/02/2019

Institution Benchmark: iTraxx Senior Financials Index 88.90 (92.62)

Institution Benchmark: Monitoring Boundary: 100.00

:	Fitch Ratings				Moody's Ratings			S & P Ratings		Suggested Duration (CDS Adjusted with manual override)
	Long Term	Short Term	Viability	Support	Long Term	Short Term	FSR	Long Term	Short Term	
Organisation										
U.K	AA	-	-	-			-			
Collateralised LA Deposit*							-			Y - 60 mths
Debt Management Office							-			Y - 60 mths
Multilateral Development Banks							-			Y - 60 mths
Supranationals							-			Y - 60 mths
UK Gilts					Aa3	P-1	-			Y - 60 mths
Abbey National Treasury Services PLC	A	F1		1	Aa3	P-1	-	A+	A-1	R - 6 mths
Bank of Scotland PLC (RFB)	A+	F1	a	5	A2	P-1	-	A	A-1	O - 12 mths
Barclays Bank UK PLC (RFB)	A+	F1	a	1	Aa3	P-1	-			R - 6 mths
Close Brothers Ltd	A	F1	a	5	A1	P-1	-	A+	A-1	R - 6 mths
Goldman Sachs International Bank	A	F1		1			-	AA-	A-1+	R - 6 mths
Handelsbanken Plc	AA	F1+		1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
HSBC UK Bank Plc (RFB)	AA-	F1+	a	1	A1	P-1	-	A	A-1	O - 12 mths
Lloyds Bank Plc (RFB)	A+	F1	a	5	Baa2	P-2	-	BBB+	A-2	O - 12 mths
Santander UK PLC	A+	F1	a	2	A1	P-1		A	A-1	O - 12 mths
Standard Chartered Bank	A+	F1	a	5	A1	P-1		A	A-1	R - 6 mths
Sumitomo Mitsui Banking Corporation Europe Ltd	A	F1		1	Aa3	P-1		A+	A-1	R - 6 mths
UBS Ltd.	AA-	F1+		1	A2	P-1				O - 12 mths
Coventry Building Society	A	F1	a	5	A3	P-2				R - 6 mths
Leeds Building Society	A-	F1	a-	5	Aa3	P-1	-	A	A-1	G - 100 days
Nationwide Building Society	A	F1	a	5	Baa1	P-2	-			R - 6 mths
Skipton Building Society	A-	F1	a-	5	Ba3	NP				G - 100 days
Yorkshire Building Society	A-	F1	a-	5	A1	P-1		A-	A-2	G - 100 days
National Westminster Bank PLC (RFB)	A+	F1	a	5	A1	P-1		A-	A-2	B - 12 mths
The Royal Bank of Scotland Plc (RFB)	A+	F1	a	5						B - 12 mths

Weekly Credit List: 01/02/2019

Institution Benchmark: iTraxx Senior Financials Index 88.90 (92.62)

Institution Benchmark: Monitoring Boundary: 100.00

:	Fitch Ratings				Moody's Ratings			S & P Ratings		Suggested Duration (CDS Adjusted with manual override)
	Long Term	Short Term	Viability	Support	Long Term	Short Term	FSR	Long Term	Short Term	
Foreign Banks										
United States	AAA				Aaa		-	AA+		
Bank of America N.A.	AA-	F1+	a+	5	Aa3	P-1	-	A+	A-1	O - 12 mths
Bank of New York Mellon, The	AA	F1+	aa-	5	Aa1	P-1	-	AA-	A-1+	P - 24 mths
Citibank N.A.	A+	F1	a	5	A1	P-1	-	A+	A-1	O - 12 mths
JPMorgan Chase Bank N.A.	AA	F1+	aa-	5	Aa1	P-1	-	A+	A-1	O - 12 mths
Wells Fargo Bank, NA	AA-	F1+	a+	5	Aa1	P-1	-	A+	A-1	O - 12 mths
Australia	AAA				Aaa			AAA		
Australia and New Zealand Banking Group Ltd.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Commonwealth Bank of Australia	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Macquarie Bank Ltd.	A	F1	a	3	A2	P-1	-	A	A-1	R - 6 mths
National Australia Bank Ltd.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Westpac Banking Corp.	AA-	F1+	aa-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths
Belgium	AA-				Aa3			AA		
BNP Paribas Fortis	A+	F1	a	1	A1	P-1	-	A	A-1	R - 6 mths
KBC Bank N.V.	A+	F1	a	5	Aa3	P-1	-	A+	A-1	O - 12 mths
Canada	AAA				Aaa			AAA		
Bank of Montreal	AA-	F1+	aa-	2	Aa2	P-1	-	A+	A-1	O - 12 mths
Bank of Nova Scotia	AA-	F1+	aa-	2	Aa2	P-1	-	A+	A-1	O - 12 mths
Canadian Imperial Bank of Commerce	AA-	F1+	aa-	2	Aa2	P-1	-	A+	A-1	O - 12 mths
National Bank of Canada	A+	F1	a+	2	Aa3	P-1	-	A	A-1	R - 6 mths
Royal Bank of Canada	AA	F1+	aa	2	Aa2	P-1	-	AA-	A-1+	O - 12 mths
Toronto-Dominion Bank	AA-	F1+	aa-	2	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Denmark	AAA				Aaa			AAA		
Danske A/S	A	F1	a	5	A2	P-1	-	A	A-1	R - 6 mths
Finland	AA+				Aa1			AA+		
Nordea Bank Abp	AA-	F1+	aa-	5	Aa3	P-1	-	AA-	A-1+	O - 12 mths
France	AA				Aa2			AA		
BNP Paribas	A+	F1	a+	5	Aa3	P-1	-	A	A-1	O - 12 mths
Credit Agricole Corporate and Investment Bank	A+	F1	WD	WD	A1	P-1	-	A+	A-1	O - 12 mths
Credit Agricole S.A.	A+	F1	a+	5	A1	P-1	-	A+	A-1	O - 12 mths
Credit Industriel et Commercial	A+	F1	a+	5	Aa3	P-1	-	A	A-1	R - 6 mths
Societe Generale	A	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths
Germany	AAA				Aaa			AAA		
Bayerische Landesbank	A-	F1	bbb+	1	Aa3	P-1	-	NR	NR	R - 6 mths
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	AA-	F1+		WD	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Landesbank Baden-Wuerttemberg	A-	F1	bbb+	1	Aa3	P-1	-	NR	NR	R - 6 mths
Landesbank Berlin AG					Aa2	P-1	-			O - 12 mths
Landesbank Hessen-Thuringen Girozentrale	A+	F1+		WD	Aa3	P-1	-	A	A-1	O - 12 mths
Landwirtschaftliche Rentenbank	AAA	F1+		1	Aaa	P-1	-	AAA	A-1+	P - 24 mths
NRW.BANK	AAA	F1+		1	Aa1	P-1	-	AA-	A-1+	P - 24 mths
Netherlands	AAA				Aaa			AAA		
ABN AMRO Bank N.V.	A+	F1	a	5	A1	P-1	-	A	A-1	R - 6 mths
Bank Nederlandse Gemeenten N.V.	AA+	F1+		1	Aaa	P-1	-	AAA	A-1+	P - 24 mths
Cooperatieve Rabobank U.A.	AA-	F1+	a+	5	Aa3	P-1	-	A+	A-1	O - 12 mths
ING Bank N.V.	A+	F1	a+	5	Aa3	P-1	-	A+	A-1	O - 12 mths
Nederlandse Waterschapsbank N.V.					Aaa	P-1	-	AAA	A-1+	P - 24 mths
Qatar	AA-				Aa3			AA-		
Qatar National Bank	A+	F1	bbb+	1	Aa3	P-1	-	A	A-1	R - 6 mths
Singapore	AAA				Aaa			AAA		
DBS Bank Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Oversea-Chinese Banking Corp. Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
United Overseas Bank Ltd.	AA-	F1+	aa-	1	Aa1	P-1	-	AA-	A-1+	O - 12 mths
Sweden	AAA				Aaa			AAA		
Skandinaviska Enskilda Banken AB	AA-	F1+	aa-	5	Aa2	P-1	-	A+	A-1	O - 12 mths
Svenska Handelsbanken AB	AA	F1+	aa	5	Aa2	P-1	-	AA-	A-1+	O - 12 mths
Swedbank AB	AA-	F1+	aa-	5	Aa2	P-1	-	AA-	A-1+	O - 12 mths
Switzerland	AAA				Aaa			AAA		
Credit Suisse AG	A	F1	a-	5	A1	P-1	-	A	A-1	R - 6 mths
UBS AG	AA-	F1+	a+	5	Aa2	P-1	-	A+	A-1	O - 12 mths
United Arab Emirates	AA				Aa2			AA		
First Abu Dhabi Bank PJSC	AA-	F1+	a-	1	Aa3	P-1	-	AA-	A-1+	O - 12 mths

Bedfordshire and Fire and Rescue Service



Fire and Rescue Service

TREASURY MANAGEMENT
PRACTICES

2019/20

TREASURY MANAGEMENT PRACTICES

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

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

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TMP1 RISK MANAGEMENT

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

1. Credit and Counterparty Risk Management

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

1.1. Policy on the Use of Credit Risk Analysis Techniques

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

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

* Moodys Financial Strength Rating

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

- Purple 2 years
 - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
 - Orange 1 year
 - Red 6 months
 - Green 3 months
 - No Colour Not to be used for Investments
5. Credit ratings for individual counterparties can change at any time. The Treasurer is responsible for applying approved credit rating criteria for selecting approved counterparties. Treasury Management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.
 6. This organisation will not rely solely on credit ratings in order to select and monitor the creditworthiness of counterparties. In addition to credit ratings it will therefore use other sources of information including:
 - The quality financial press
 - Market data
 - Information on government support for banks and
 - The credit ratings of Banks/Building Societies that government support
 7. Maximum maturity periods and amounts to be placed in different types of investment instrument are as follows:
 - UK and Foreign Banks with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.
 - UK Building Societies with a short-term rating of F1 or F1+ and a long-term rating of AA- or higher.
 8. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following:
 - Maximum amount to be placed with any one institution - £5m.
 - Group limits where a number of institutions are under one ownership – maximum of £7m.
 - Link limits.

- Country limits – a minimum sovereign rating of AA- is required for an institution to be placed on our approved lending list.
9. Investments will not be made with counterparties that do not have a credit rating in their own right.
 10. Full individual listings of counterparties and counterparty limits as at 29 January 2019 is attached at Annex A.

2. **Liquidity Risk Management**

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

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

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

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

3. **Interest Rate Risk Management**

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

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage

of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be the subject to the consideration and, if required, approval of any policy or budgetary implications.

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

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

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

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

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

4. **Exchange Rate Risk Management**

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

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

5. **Refinancing Risk Management**

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

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

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

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

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

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

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

5.1 Projected Capital Investment Requirements

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

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

In considering the affordability of its capital plans, the Authority will consider all the resources currently available/estimated for the future together with the total of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the three following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period.

The Authority budgeted for revenue contributions for capital expenditure in the 2018/19 budget and continues to do so in the 2019/20 revenue budget.

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

6. **Legal and Regulatory Risk Management**

This Authority will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1[1] credit and counterparty risk management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

This Authority recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

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

- CIPFA's Treasury Management Codes of Practice and Guidance Notes 2017
- CIPFA Prudential Code for Capital Finance in Local Authorities revised 2017
- CIPFA Treasury Management in the Public Services Guidance Notes 2018
- CIPFA statement 17.10.18 on borrowing in advance of need and investments in commercial properties
- CIPFA Bulletin 02 Treasury and Capital Management Update October 2018
- Statutory investment guidance where it has been updated in 2018
- Statutory MRP guidance where it has been updated in 2018
- CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 2002
- CIPFA Standard of Professional Practice on Continuous professional Development 2005
- CIPFA Standard of Professional Practice on Ethics 2006
- The Good Governance Standard for Public Services 2004
- LAAP Bulletins
- Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
- Local Government Act 2003

- SI 2003 No 3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- SI 2004 No 533 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- SI 2003 No 3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- SI 2004 No 534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- Guidance on Investments ODPM 12.3.2004 (revised 1.4.10)
- Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 Statutory Instrument No. 521
- SI 2007 No 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007
- Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP
- SI 2008 No 414 f(Capital Finance and Accounting) (Amendment) (England) Regulations 2008
- SI 2009 No 321 (Capital Finance and Accounting) (Amendment) (England) Regulations 2009
- SI 2009 No 2272 The Local Authorities (Capital Finance And Accounting) (England) (Amendment) (No.2) Regulations 2009
- SI 2009 No 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009
- SI 2010 No 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010
- Revised Guidance on Investments CLG 1.4.2010 (Revised 2018)
- PWLB circulars on Lending Policy
- Financial Services Authority’s Code of Market Conduct
- The Authority’s Standing Orders relating to Contracts
- The Authority’s Financial Regulations
- The Authority’s Scheme of Delegated Functions

6.1 Procedures for Evidencing the Authority’s Powers to Counterparties

The Authority’s powers to borrow and invest are contained in legislation:

Investing: Local Government Act 2003, Section 12

Borrowing: Local Government Act 2003, Section 1

In addition, it will make available on request the following:

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

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

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

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

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

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

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

The Authority will, therefore:

- a. seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks;
- b. fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are;
- c. staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision;

- d. records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

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

7.1.1 **Authority**

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

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

7.1.2 **Procedures**

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

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

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

7.1.3 **Investment and Borrowing Transactions**

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

A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.

Written confirmation is received and checked against the dealer's records for the transaction.

Any discrepancies are immediately reported to the Treasurer for resolution.

All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the Treasurer for resolution.

7.1.4 Regularity and Security

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

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

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

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

7.1.5 Checks

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

7.1.6 Calculations

The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the delegated Treasury Officer.

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

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

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

7.2 **Emergency and Contingency Planning Arrangements**

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

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

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

All members of the Treasury Management Team are familiar with this plan and new members will be briefed on it.

All computer files are backed up on the server to enable files to be accessed from remote sites.

7.3 **Protection Policy/Insurance**

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

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

8. **Market Risk Management**

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

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

TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

SPECIFIED INVESTMENTS:

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

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

Strategy for specified Investments:

The Authority expects to have a net surplus of funds throughout 2019/20 and will invest those funds through the money market with those organisations included on its approved lending list (attached as Annex A).

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

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

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

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

Non-Specified Investments:

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

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

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

The Authority is investigating the use of Property Funds to supplement their investment portfolio and these would be in excess of 365 days. The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. The Authority will seek guidance on the status of any fund it may consider using.

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

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

**** Countries included on Lending List: (as at 21/01/2019)**

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Singapore
- Sweden

- Switzerland
- U.S.A

AA+

- Finland
- Hong Kong

AA

- United Arab Emirates
- France
- U.K.

AA-

- Belgium
- Qatar

Term deposits with nationalised banks and banks and building societies

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

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

NON-SPECIFIED INVESTMENTS

The Authority is investigating the use of Property Funds to supplement their investment portfolio and these would be in excess of 365 days. The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. The Authority will seek guidance on the status of any fund it may consider using.

TMP 2 PERFORMANCE MEASUREMENT

1. Evaluation and Review of Treasury Management Decisions

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

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

2. Periodic Reviews during the Financial Year

The Treasurer holds a treasury management review meeting with the Treasury Management Team every quarter to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts.

This will include:

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

3. Reviews with Our Treasury Management Consultants

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

4. Annual Review after the End of the Financial Year

An Annual Treasury Report is submitted to the Corporate Services Policy and Challenge Group prior to the Fire and Rescue Authority each year after the close of the financial year. The report details the performance of the debt/investment portfolios. This report contains the following:

- a. total debt and investments at the beginning and close of the financial year and average interest rates,

- b. borrowing strategy for the year compared to actual strategy,
- c. investment strategy for the year compared to actual strategy,
- d. explanations for variance between original strategies and actual,
- e. debt rescheduling done in the year,
- f. actual borrowing and investment rates available through the year,
- g. comparison of return on investments to the investment benchmark,
- h. compliance with Prudential and Treasury Indicators,
- i. other.

5. **Comparative Reviews**

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

- CIPFA Treasury Management statistics published each year for the last complete financial year.
- Reviews from Treasury Advisers (Link).

6. **Benchmarks and Calculation Methodology**

6.1 **Debt Management**

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

6.2 **Investment**

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

7 day LIBID un compounded

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

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

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

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

TMP 3 DECISION-MAKING AND ANALYSIS

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

1.1 Records to Be Kept

The Treasury Section has a paper treasury management system backed up by electronic records in which all investment and loan transactions are recorded.

Full details of the system are covered in the user manual. The following records will be retained:

Daily cash balance forecasts

Money market rates obtained by email from brokers/banks

Dealing slips for all money market transactions

Brokers' confirmations for investment and temporary borrowing transactions

Confirmations from borrowing/lending institutions where deals are done directly

PWLB loan confirmations

PWLB debt portfolio schedules.

1.2 Processes to Be Pursued

Cash flow analysis

Debt and investment maturity analysis

Ledger reconciliation

Review of opportunities for debt restructuring

Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer value for money)

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

1.3 Issues to Be Addressed

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

- a. above all be clear about the nature and extent of the risks to which the Authority may become exposed;

- b. be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained;
- c. be content that the documentation is adequate both to deliver the Authority's objectives and protect the Authority's interests, and to deliver good housekeeping;
- d. ensure that third parties are judged satisfactory in the context of the Authority's creditworthiness policies, and that limits have not been exceeded;
- e. be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

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

- a. consider the ongoing revenue liabilities created, and the implications for the organisation's future plans and budgets;
- b. evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- c. consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- d. consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

1.3.3 *In respect of investment decisions, the Authority will:*

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

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

1. Approved Activities of the Treasury Management Operation

Borrowing

Lending

Debt repayment and rescheduling

Consideration, approval and use of new financial instruments and treasury management techniques

Managing the underlying risk associated with the Authority's capital financing and surplus funds activities

Managing cash flow

Banking activities

Leasing

2. Approved Instruments for Investments

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

3. Approved Techniques

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

4. Approved Methods and Sources of Raising Capital Finance

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

On Balance Sheet	Fixed	Variable
PWLB	●	●
Internal (capital receipts and revenue balances)	●	●
Leasing (not operating leases)	●	●

Other Methods of Financing

Government and EC Capital Grants

Operating leases

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

5. Investment Limits

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

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

6. Borrowing Limits

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

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

1. Allocation of Responsibilities

1.1 Corporate Services Policy and Challenge Group

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

1.2 Fire and Rescue Authority

- Approval of amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices.
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations (via Corporate Services Policy and Challenge Group).
- Approving the selection of external service providers and agreeing terms of appointment.

1.3 Treasurer

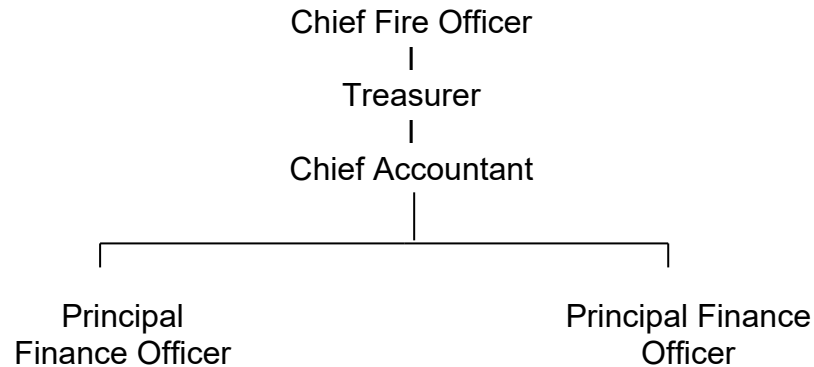
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

2. **Principles and Practices Concerning Segregation of Duties**

The following duties must be undertaken by separate officers:

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

3. **Treasury Management Organisation Chart**



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

4.1 **The Responsible Officer (Treasurer)**

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

This person will carry out the following duties:

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

- h. recommending the appointment of external service providers;
- i. the responsible officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments;
- j. the responsible officer may delegate his power to borrow and invest to members of his staff. The Chief Accountant and the Treasury Management Team must conduct all dealing transactions, or staff authorised by the responsible officer to act as temporary cover for leave/sickness. All transactions must be authorised by at least two of the named officers above;
- k. the responsible officer will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible;
- l. prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Financial Regulations;
- m. it is also the responsibility of the responsible officer to ensure that the Authority complies with the requirements of The Non-Investment Products Code (formerly known as the London Code of Conduct) for principals and broking firms in the wholesale markets.

4.2 **The Chief Accountant**

The responsibilities of this post will be:

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

4.3 The Chief Fire Officer

The responsibilities of this post will be:

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

4.4 The Principal Finance Officers

The responsibilities of this post will be:

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

4.5 Internal Audit

The responsibilities of Internal Audit will be:

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

4.6 **Absence Cover Arrangements**

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

4.7 **Dealing Limits**

There are no dealing limits for individual posts.

4.8 **Settlement Transmission Procedures**

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

4.9 **Documentation Requirements**

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

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

1. Annual Programme of Reporting

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

2. Annual Treasury Management Strategy Statement

- 2.1 The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Corporate Services Policy and Challenge Group for review and scrutiny prior to the FRA for approval before the commencement of each financial year.
- 2.2 The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, this Authority may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
- 2.3 The Treasury Management Strategy Statement is concerned with the following elements:
 - a. Prudential and Treasury Indicators
 - b. current Treasury portfolio position
 - c. borrowing requirement
 - d. prospects for interest rates
 - e. borrowing strategy
 - f. policy on borrowing in advance of need
 - g. debt rescheduling
 - h. investment strategy
 - i. creditworthiness policy

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

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

3. **The Annual Investment Strategy Statement**

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

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

4. **The Annual Minimum Revenue Provision**

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

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

- 5.1 The Authority approves before the beginning of each financial year a number of treasury limits which are set through Prudential and Treasury Indicators.
- 5.2 The responsible officer is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the responsible officer shall submit the changes for approval to the FRA.

6. **Mid-Year Review**

The Authority will review its treasury management activities and strategy on a six monthly basis. This review will consider the following:

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

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

An annual report will be presented to the Corporate Services Policy and Challenge Group and the FRA at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:

- a. transactions executed and their revenue (current) effects,
- b. report on risk implications of decisions taken and transactions executed,
- c. compliance report on agreed policies and practices, and on statutory/regulatory requirements,

- d. performance report,
- e. report on compliance with CIPFA Code recommendations,
- f. monitoring of treasury management indicators

8. **Management Information Reports**

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

These reports will contain the following information:

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

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

1. Statutory/Regulatory Requirements

The Accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices. The Authority has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Authority's treasury management activities.

2. Accounting Practices and Standards

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

3. Sample Budgets/Accounts/Prudential and Treasury Indicators

The Treasurer will prepare a four year medium term financial plan with Prudential and Treasury Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Treasurer will exercise effective controls over this budget and monitoring of performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

4. List of Information Requirements of External Auditors

- Reconciliation of loans outstanding in the financial ledger to treasury management records.
- Maturity analysis of loans outstanding.
- Certificates for new long term loans taken out in the year.
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type.
- Calculation of loans fund interest and debt management expenses.
- Calculation of interest on working balances.

- Interest accrual calculation.
- Principal and interest charges records.
- Analysis of any deferred charges.
- Calculation of loans fund creditors.
- Annual Treasury Report.
- Treasury Management Strategy Statement and Prudential and Treasury Indicators.
- Review of observance of limits set by Prudential and Treasury Indicators.
- Calculation of the Minimum Revenue Provision.
- Treasury Management consultants valuations including investment.
- Income schedules and movement in capital values.

5. **Monthly Budget Monitoring Report**

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

TMP 8 CASH AND CASHFLOW MANAGEMENT

1. Arrangements for Preparing/Submitting Cash Flow Statements

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

2. Bank Statements Procedures

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

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

3. Payment Scheduling and Agreed Terms of Trade With Creditors

Our policy is to pay creditors within 30 days of the invoice date and this effectively schedules the payments.

4. Arrangements for Monitoring Debtors/Creditors Levels

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

5. Procedures for Banking of Funds

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

TMP 9 MONEY LAUNDERING

This Authority is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money.

Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed below:

1. Background Legislation

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

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

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

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

2. Outline of the Requirements of the Regulations and Statutes

Every Officer should in the course of Authority business implement:

2.1 Identification Procedures

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

- a. You are forming a business relationship; or
- b. considering undertaking a one-off transaction; and

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

2.2 In these instances you should:

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

2.3 These procedures should reflect:

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

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

2.5 Record Keeping Procedures (Money Laundering Regulation 6)

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

2.6 Internal Reporting Procedures (Money Laundering Regulation 7)

The Authority maintains internal reporting procedures which document:

- a. the “nominated officer”, the Treasurer is the Money Laundering Reporting Officer (MLRO) who will receive nominations under this regulation;
- b. any other person in the organisation to whom information may arise which may result in them knowing or suspecting reasonable grounds for knowing or suspecting money laundering, fraud or use of the proceeds of crime;

- c. if the MLRO receives a disclosure they should consider, in the light of all information, whether it gives rise to such knowledge or suspicion; and
- d. if the MLRO determines that the information or matters should be disclosed they should do so to the National Criminal Intelligence Service (see 8. below).

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

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

2.8 Training (Money Laundering Regulation 3(c))

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

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

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

2.9.1 *For Treasury Management Purposes:*

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

2.9.2 *Investment Counterparties* - All investment counterparties which are maintained on the Authority's lending list will be a deposit taker authorised by a regulatory body such as the FSA. Those counterparties not authorised as a deposit taker though the FSA are institutions such as the Bank of England or Post Office and are not required to be the subject of stringent identification procedures, but Treasury staff will review these on a case by case basis.

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

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

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

2.11 Reporting

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

2.12 Proceeds of Crime Act 2002

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

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

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

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

2.13 **Terrorism Act 2000**

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

2.14 **The Money Laundering Regulations 2007**

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

2.15 **Local Authorities**

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

- a. evaluate the prospect of laundered monies being handled by them;
- b. determine the appropriate safeguards to be put in place;
- c. require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness;
- d. make all its staff aware of their responsibilities under POCA;
- e. appoint a member of staff to whom they can report any suspicions. This person is the Treasurer.

2.16 Procedures for Establishing Identity/Authenticity of Lenders

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

The Authority does not accept loans from individuals.

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

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

2.17 Methodologies for Identifying Deposit Takers

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

All transactions will be carried out by BACS/CHAPS for making deposits or repaying loans.

TMP 10 TRAINING AND QUALIFICATIONS

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

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

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

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

1. Details of Approved Training Courses

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

2. Records of Training Received by Treasury Staff

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

3. Approved Qualifications for Treasury Staff

Chief Financial Officer

Title: Treasurer

Professional Qualifications: CPFA

Officer responsible for TM under HFT

Title: Chief Accountant

Professional Qualifications: CGMA

Treasury Manager on a daily basis

Title: Principal Finance Officer
Professional Qualification: AAT

Other TM Team Members

Titles: Principal Finance Officers
Professional Qualifications: AAT

4. Record of Secondment of Senior Management

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

5. Statement of Professional Practice (SOPP)

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

6. Member Training Records

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

7. Members Charged With Governance

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

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

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

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

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

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

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

2. Banking Services

Nat West

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

Barclays

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

3. Consultants'/Advisers' Services

3.1 Treasury Consultancy Services

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

The performance of consultants will be reviewed by the Treasurer every 6 months to check whether performance has met expectations.

Name and address of supplier of service is:

Link Asset Services (formerly Capita)

6th Floor

65 Gresham Street

London

EC2V 7NQ

Tel: 0871 664 6800

- a. Regulatory status: investment adviser authorised by the FSA.
- b. Contract commenced 1 June 2018 and runs for three years to 31 May 2021.
- c. Cost of service is £6,000 + VAT (increasing by 2.1% each year).

d. Payments due on 30 June 2018, 30 June 2019 and 30 June 2020.

3.2 Credit Rating Agency

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

TMP 12 CORPORATE GOVERNANCE

List of Documents to be Made Available for Public Inspection

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

It has adopted the CIPFA Code of Practice on Treasury management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.

The following documents are available for public inspection:

Treasury Management Policy Statement

Treasury Management Strategy Statement

Annual Investment Strategy

Minimum Revenue Provision Policy Statement

Annual Treasury Review Report

Treasury Management monitoring reports (eg half yearly, quarterly)

Annual Accounts and Financial Instruments Disclosure Notes

Annual Budget

Four Year Capital Programme

Minutes of Committee Meetings

For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 8

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

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To report on the meeting of the Service Delivery Policy and Challenge Group held on 7 March 2019.

RECOMMENDATIONS:

That the submitted Minutes of the Service Delivery Policy and Challenge Group held on 7 March 2019 be received.

1. Introduction

- 1.1 The draft Minutes of the meeting of the Service Delivery Policy and Challenge Group held on 7 March 2019 are appended for Members' consideration.
- 1.2 The Service Delivery Policy and Challenge group made no recommendations to the Fire Authority.

**COUNCILLOR J MINGAY
CHAIR OF SERVICE DELIVERY POLICY AND CHALLENGE GROUP**

MINUTES OF SERVICE DELIVERY POLICY AND CHALLENGE GROUP MEETING HELD ON 7 MARCH 2019 AT 10.00am

Present: Councillors C Atkins, J Chatterley, D Franks, T Khan, D McVicar and J Mingay (Chair)

DCFO A Hopkinson, SOC C Ball, SOC I Evans, and GC I McLaren

Councillor P Downing was also present as an observer

18-19/SD/039 Apologies

39.1 There were no apologies.

18-19/SD/040 Declarations of Disclosable Pecuniary and Other Interests

40.1 There were no declarations of interest.

18-19/SD/041 Communications

41.1 There were no communications.

18-19/SD/042 Minutes

RESOLVED:

That the Minutes of the meeting held on 29 November 2018 be confirmed and signed as a true record.

18-19/SD/043 Service Delivery Performance Monitoring Report Quarter 3

43.1 DCFO Hopkinson submitted the Quarter 3 2018/19 performance report and the Group discussed the exception reports for the five indicators that were RAG rated Amber or Red.

- 43.2 The Policy and Challenge Group recognised the strong performance against the majority of the indicators, including the performance against PI05 (accidental dwelling fires), which was performing 16% better than target.
- 43.3 PI04 (deliberate fires) was currently missing its target by 4%. It was noted that deliberate fires were seasonal in nature, with the vast majority of these fires occurring in the spring and summer months. Therefore, it was anticipated that the target would be met by the end of the fourth quarter.
- 43.4 PI08 (average response time to primary fire incidents) and PI11 (average call-handling time to mobilise to primary fires) had both missed target as the result of “ghosting” issues that were impacting on the reliability of call-handling times. The system was overwriting the arrival time of the first appliance at the scene when subsequent appliances arrived. The Service’s new Business Applications Manager was seeking to resolve this issue.
- 43.5 The average response time had increased from 9 minutes and 4 seconds to 11 minutes and 4 seconds. The size of the increase indicated that there were technological issues affecting data quality; as, whilst there was a national trend of increasing response times, mainly as a result of an increased volume of traffic, this would be expected to rise gradually over time.
- 43.6 In relation to PI14 (number of “false alarm good intent” calls mobilised to), SOC Evans reported that the target had been missed by 11% due to the large number of calls made during quarter 2, when the country had experienced a hot, dry spell. Performance had returned to target levels in quarter 3. It was anticipated that the target would be met by the end of quarter 4.
- 43.7 It was suggested that the public should be advised that they could notify the Service of any controlled burns as this information could be entered onto the mobilising system to prevent mobilisation. This message could be promoted via Fire Alert and social media when there were prolonged spells of hot and dry weather.
- 43.8 PI16 (the number of fire safety audits/inspections completed) had missed its target by 9%. SOC Evans reported that performance had been adversely affected by staff abstractions and absence. There had also been vacancies within the specialist fire safety inspection team.

- 43.9 In response to a question from Councillor Chatterley on the responsibilities for fire safety in schools, SOC Evans advised that the Service was the enforcing authority so would provide advice and support. It was noted that for maintained schools, this was the responsibility of the local authority, and for academies this was the responsibility of the trust. A briefing note on the fire safety arrangements at schools would be prepared for circulation to Members of the Policy and Challenge Group.
- 43.10 In response to a question from Councillor Downing on the difference in response times to fires and road traffic collisions, SOC Evans advised that the targets, which had been set historically and which were part of the Service's Community Risk Management Plan, were different as the response time to fires was more time critical.
- 43.11 The Chair commented on the unavailability of data on the number of people killed or seriously injured in road traffic collisions. SOC Evans advised that the Service now had access to highways data but that the data had a time lag of approximately one year.
- 43.12 It was noted that there had been four water related deaths in quarter 3. A presentation on these could be given at the next meeting of the Policy and Challenge Group.

RESOLVED:

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

18-19/SD/044 Service Delivery Programmes to Date Report Quarter 3

- 44.1 DCFO Hopkinson introduced a report detailing the progress and status of the Service Delivery Programmes and Projects to date.
- 44.2 The co-responding project continued to be rated as Red as the trials remained on hold pending national negotiations on pay and the role of firefighters. The employer's side had recently presented a proposal for a pay increase subject to the broadening of the role. The FBU was currently consulting their membership on the proposals.
- 44.3 DCFO Hopkinson reported that the intelligence-led response project had been deferred and would no longer be reported until restarted.

- 44.4 SOC Ball provided an update on the Emergency Services Mobile Communications Programme which remained on Amber. The Service continued to do all that was required at a local level, but the programme had experienced national delays.
- 44.5 The Replacement MDT Aggregation Project was Amber and had been affected by slippage in the original proposed timelines as there had been an unexpectedly large number of suppliers that had expressed an interest in the project.
- 44.6 In relation to the Replacement Mobilising System Project, DCFO Hopkinson expressed confidence that the project would be able to be delivered within the agreed timescales.
- 44.7 DCFO Hopkinson provided an update on a number of the work streams under the collaborative working project. Discussions were progressing in relation to a shared headquarters. Work was also ongoing to ensure that the recently acquired drone was compliant with legal and Civil Aviation Authority regulations. The red routes pilot had been extended to allow for an evaluation to take place.
- 44.8 DCFO Hopkinson advised that a paper had recently been presented to the Strategic Board on the joint workshops that had been held and that he would circulate this to Members of the Policy and Challenge Group for information.
- 44.9 Councillor McVicar commented that Central Bedfordshire Council had recently agreed to commit additional resource to community safety and that this may be used to “purchase” additional PCSOs for the area. Councillor Franks and Councillor Atkins advised they were not aware that their respective authorities would be allocating additional resource for PCSOs.
- 44.10 DCFO Hopkinson advised that opportunities for joint vehicle workshops with the Ambulance Service were being explored.
- 44.11 DCFO Hopkinson added that, following a meeting with the Police in December, the shared headquarters discussions would be separated into four components: core headquarters functions, response, training and workshops. These did not all have to be located at the same site.
- 44.12 SOC Ball reported that the Service now had two individuals trained, with two others being trained to provide motorcycle training. The feasibility of providing driver training for the Police was being explored.

44.13 DCFO Hopkinson advised that the Police had adopted What3Words to pinpoint any area 3 metres squared by a unique three word combination. This would be particularly helpful in rural locations.

44.14 Discussions were ongoing to progress the use of Toddington Community Fire Station by Police colleagues.

RESOLVED:

That the progress made on the Service Delivery Programmes be acknowledged.

18-19/SD/045 Proposed Service Delivery Indicators and Targets for 2019/20

45.1 DCFO Hopkinson submitted a report setting out the proposed suite of Service Delivery Performance Indicators and associated targets for 2019/20 and seeking the Group's endorsement to incorporate these into the Service's performance management framework. He reported the Service had engaged the University of Bedfordshire to support the development of a Key Performance Indicator dashboard for service delivery performance. The outcomes from this work would provide staff at all levels with much greater insight into how well the Service is performing, empowering them to take make a difference in their own local area. The existing measures and targets set for 2019/20 as reported to the SDPCG would be migrated into the new dashboard and the SDPCG updated on this work at the next meeting.

45.2 SOC Evans advised that it was suggested that the majority of targets had been reduced by 5% against either the three or five year average.

45.3 The exceptions to this were the indicators measuring the number of fire fatalities, and the response targets as set out in the CRMP, which it was proposed would remain the same as the current performance year.

45.4 In response to a comment, DCFO Hopkinson advised that new indicators collecting information about Safe and Well visits are being developed.

RESOLVED:

That the proposed Service Delivery Performance Indicators and Targets and Information Measures for 2019/20 as set out in Appendix A be endorsed.

18-19/SD/046 Audit and Governance Action Plans Monitoring Report

46.1 DCFO Hopkinson reported that all actions had been completed subject to follow-up audit.

RESOLVED:

That progress made against current action plans be acknowledged.

18-19/SD/047 Customer Satisfaction Survey Report Quarter 3 2018/19

47.1 SOC Evans presented the results of customer satisfaction surveys conducted from 1 October to 31 December 2018. During this period, the Service had achieved a 99% customer satisfaction rate.

47.2 The return rates had improved since the Service had re-introduced sending the surveys out to individuals in the post. The Service was seeking to simplify the process of survey completion, with a future aim of the surveys being completed on site on tablets.

47.3 In response to a comment about how households were identified for receiving Safe and Well visits, DCFO Hopkinson advised that MOSAIC data was used to identify high-risk, vulnerable households.

47.4 The Service was actively seeking referrals for Safe and Well visits from partner agencies.

RESOLVED:

That the report and the continuing good levels of customer satisfaction be acknowledged.

18-19/SD/048 Operational Decision Making Procedures – Exception Report

48.1 There were no exceptions to report.

18-19/SD/049 Corporate Risk Register

49.1 SOC McLaren presented the review of the Corporate Risk Register in relation to Service Delivery. There had been no changes to risk ratings during the reporting period.

49.2 There had been three updates to risk ratings as set out in the report.

RESOLVED:

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

18-19/SD/050 Annual Review of Partnerships

50.1 SOC Evans introduced his report which provided an update on how the revised Partnership and Collaboration Policy implementation would strengthen partnership governance and address previous internal audit recommendations and the areas for improvement set out in HMICFRS report 2018. A new partnerships policy had recently been produced and was currently the subject of consultation.

50.2 Horizon-scanning and seeking opportunities for future collaborations was being driven by the Partnerships Development Manager and overseen by the Blue Light Collaboration Board.

50.3 Discussions were ongoing with one of our local Clinical Commissioning Groups to generate additional referrals of individuals with dementia for the Safe and Well visits and provide advice to reduce the risks of falls in the home.

50.4 In response to a request for a list of the partnerships the Service was involved in, DCFO Hopkinson advised that a list of the community safety partnerships would be circulated to Members of the Policy and Challenge Group for information.

RESOLVED:

That the content of the report be received.

18-19/SD/051 Update on HMP Bedford

- 51.1 SOC Evans reported that, following concerns expressed by Members at the last meeting, the Service had written to the Crown Premises Inspection Group highlighting these concerns.
- 51.2 In response, the Service had been advised that a two day inspection of HMP Bedford would be undertaken on 26-27 February 2019. This inspection had now taken place but the report had not yet been released.
- 51.3 The view was expressed that the Police liaison officer with responsibility for the Prison may be able to provide more accurate information on how many fires took place within the Prison, as it was suggested that the Service may not be called to all incidents.
- 51.4 DCFO Hopkinson advised that he would raise this with the Borough Commander.

RESOLVED:

That the update be received.

18-19/SD/052 Work Programme

- 52.1 The Group received its work programme.
- 52.2 The Chair requested that a report on the outcome of the inspection of HMP Bedford be submitted to the next meeting of the Policy and Challenge Group.
- 52.3 It was suggested that, as there may be a number of new Members on the Policy and Challenge Group following the local government elections in May, Officers should consider what information should be provided to them by way of an induction.
- 52.4 As it was the last meeting of the Policy and Challenge Group before the local government elections, the Chair thanked the Members for their contributions to the work of the Policy and Challenge Group over the year.

RESOLVED:

1. That the Work Programme be received.
2. That a report on the outcome of the inspection of HMP Bedford be added to the work programme for the next meeting of the Policy and Challenge Group.
3. That consideration be given as to what information/induction would be useful for new Members to receive at the next meeting of the Policy and Challenge Group.

18-19/SD/053 Local Government Act 1972, Schedule 12A, Paragraphs 1 and 2 of Part 1: Exclusion of the Public

RESOLVED:

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

Item

Fire Fatality

The meeting finished at 11.58am.

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 9

REPORT AUTHOR: COUNCILLOR M HEADLEY

SUBJECT: AUDIT AND STANDARDS COMMITTEE

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To report on the meeting of the Audit and Standards Committee held on 14 March 2019.

RECOMMENDATION:

That the submitted Minutes of the Audit and Standards Committee held on 14 March 2019 be received.

1. Introduction

1.1 The draft Minutes of the meeting of the Audit and Standards Committee held on 14 March 2019 are appended for Members' consideration.

1.2 The Audit and Standards Committee made no recommendations to the Fire Authority.

**COUNCILLOR M HEADLEY
CHAIR OF AUDIT AND STANDARDS COMMITTEE**

MINUTES OF THE AUDIT AND STANDARDS COMMITTEE MEETING HELD ON 14 MARCH 2019 AT 10.00am

Present: Councillors Headley (Chair), Chapman, Chatterley and Waheed
CFO Fuller, Mr J Atkinson, GC I McLaren and Mr J Harrison
Mr N Harris, Ernst & Young
Mrs S Rowlett, RSM

18-19/AS/042 Apologies

42.1 Apologies for absence were received from Councillors Downing and Duckett.

18-19/AS/043 Declarations of Disclosable Pecuniary and Other Interests

43.1 There were no declarations of interest.

18-19/AS/044 Communications

44.1 The Committee received an Emergency Services Sector Update from RSM and the Chief Fire Officer drew the Committee's attention to the section on Transformation Funding. The Service had received Transformation Funding for the Retained Duty System Improvement Programme. The revenue for this project had been accounted for, whilst some of the capital expenditure had been deferred awaiting technological advancements in relation to alerters.

18-19/AS/045 Minutes

RESOLVED:

That the Minutes of the meeting held on 6 December 2018 be confirmed and signed as a true record.

18-19/AS/046 Public Participation

46.1 There were no members of the public present at the meeting.

18-19/AS/047 External Audit Plan 2018/19

46.1 Mr N Harris of Ernst & Young introduced the audit planning report for 2018/19. Areas of focus included risk of fraud or management override. The incorrect capitalisation of revenue expenditure and the valuation of the Service's asset base and pension valuations would be tested following the assumptions being received from valuers and the actuaries.

47.2 These may be revisited as required upon the receipt of the draft accounts.

47.3 In response to a question from the Chief Fire Officer, Mr Harris advised that the revaluation of pensions, leading to a higher level of liability, would not be a matter for the draft accounts for 2018/19, although it would be relevant to the Service's financial resilience and financial planning arrangements. There were also other rulings that may impact the net pension liability, such as the recent ruling involving Lloyd's Bank, although it was unlikely to have a significant impact on the public sector.

47.4 Mr Harris reported that the level of materiality was £0.512 million, or 2% of the audited gross expenditure. Performance materiality had been set at £0.384m, which represented 75% of materiality. Uncorrected misstatements of £25,000 or over would be reported to the Committee. He suggested that it was good practice for Audit Committees to receive a schedule of corrected misstatements along with the statement of accounts.

47.5 In relation to the materiality levels for the pension fund account, this had been set at £0.168 million, which was 2% of the prior year's gross expenditure. Performance materiality had been set at £0.126m, which represented 75% of materiality. All uncorrected misstatements of £8,000 or over would be reported to the Committee.

47.6 Mr Harris commented on the value for money opinion and explained the role of the auditor in this assessment. The value for money assessment concerned the financial year 2018/19 only. There had been other issues drawn to his attention in his statutory role as the external auditor. These were not currently being reflected in the report as they did not relate to the current financial year.

- 47.7 It was acknowledged that there were new risks around Brexit and the HIMCFRS Inspection regime. No significant risks had been identified at this point in time.
- 47.8 Mr Harris advised that he had no matters on the independence of the external auditors to report.
- 47.9 There was no proposal to increase the fee that had been agreed of £23,271 at this time.
- 47.10 In response to a question about the capacity of the external audit team to complete the required audit work following reduction from three to two people, Mr Harris advised that he would be requesting additional management support at year-end; however, he expressed confidence in his colleague and reported that his request was to strengthen resilience at year-end.

RESOLVED:

That the report be received.

18-18/AS/048 Ernst & Young Quality Assurance Processes

- 48.1 Mr N Harris of Ernst & Young presented the report on the internal quality assurance processes undertaken by Ernst & Young, including the provision of a dedicated quality support team.
- 48.2 He also referred to the wider review of the audit profession and the Kingman Report, as, although this was likely to have a greater impact on the corporate sector, there would be some impact on the public sector.
- 48.3 In response to a question from the Chair, Mr Harris advised that the most relevant themes to an audit of the Authority's accounts were the level of audit of valuation of the net pension liability and the level of assets. This was identified as an emerging area and would result in greater challenge of the assumptions made by the valuer as previously advised.
- 48.4 In response to further questions, Mr Harris expressed the view that there were still a number of learning points arising from the earlier closure of accounts.

RESOLVED:

That the report be received and that the effectiveness of the quality assurance processes of the Fire and Rescue Authority's external auditors Ernst and Young be confirmed.

18-19/AS/049 Internal Audit Progress Report 2018/19

- 49.1 Mrs S Rowlett of RSM introduced the progress report against the internal audit plan for 2018/19. The governance report had been completed and would be submitted to the next meeting of the full Authority for consideration by Members.
- 49.2 Audits of Financial Controls and Risk Management had recently been completed. The audit of Key Financial Controls had one low risk action and had received an opinion of substantial assurance. Risk Management had been awarded an opinion of reasonable assurance, although it had been noted that progress had been made from the previous year.
- 49.3 The Asset Management Audit had been postponed as there had been a delay in the implementation of the new system. An audit on stock control was being undertaken in its place.
- 49.4 The audit of cyber security had also been postponed as there was an internal programme of work on cyber essentials. This self-assessment, when complete, would inform the audit due to take place in 2019/20.
- 49.5 The stock control audit and follow up audit were currently in progress.

RESOLVED:

That the report be received.

18-19/AS/050 Internal Audit Strategy 2019/20 to 2021/22

- 50.1 Mrs S Rowlett of RSM submitted the three year Internal Audit Strategy for 2019/20 to 2021/2022.
- 50.2 As well as the audits that were undertaken on an annual basis (Risk Management, Key Financial Controls and follow-up), audits were also planned in the following areas: Asset Management- Asset Tracking; Mobilising System Project; Operational Business Continuity, ICT Cyber Security; Property – Statutory Compliance and Environmental Review.

- 50.3 The Committee was advised that by approving the audit plan, it was also agreeing to the Internal Audit Charter set out at Appendix C of the report.
- 50.4 Mrs Rowlett confirmed that the Governance audit would remain in draft until it had been considered by the Authority at its next meeting.
- 50.5 In response to a question about capacity from the Chair, Mrs Rowlett reported that the RSM team based in Milton Keynes had approximately 40 members so there was significant resource to complete the proposed audit plan.
- 50.6 In discussions around the time gap between audits of Human Resources, it was noted that key aspects of the Human Resources function, such as payroll and pensions, were audited annually as part of the Key Financial Controls. A wider audit of Human Resources was planned in 2021/22 to ensure that any other aspects requiring internal audit would not be overlooked.

RESOLVED:

That the submitted report be received and the audit plan for 2019/20 be approved.

18-19/AS/051 Audit and Governance Action Plan Monitoring - Exception Report and Summary Analysis

- 51.1 The Chief Fire Officer reported that, with the exception of the actions that had arisen from the two most recent audits undertaken, all actions had been completed.

RESOLVED:

That the report be received.

18-19/AS/052 Update to the Authority's Financial Regulations (Biennial Review)

- 52.1 Mr J Harrison, Chief Accountant, presented the report on the update to the Authority's financial regulations. There had been no significant changes to the regulations as there had been no changes to the statutory regulations which governed them.
- 52.2 The Chief Accountant highlighted the following changes to the regulations:

- The treasury management indicators relating to interest rate exposure and incremental increase of Band D properties had been removed as they were no longer appropriate.
- The Treasurer was being granted authority to write off deficiencies below the level of £10,000.
- Responsibility for considering the certificate of the value of stocks and for being reported to upon the loss of keys to safes or any such receptacles was being transferred from the Chief Fire Officer to the Treasurer.
- The text relating to the annual statement of accounts had been updated to “the annual Statement of Accounts shall be completed as soon as practicable after the year end but no later than as prescribed in the regulations” as opposed to identifying a set date.

52.3 The Chair suggested that paragraph 15.5 be amended to clarify that it was the Chief Fire Officer “or” the Treasurer that were authorised to write off deficiencies below the level of £10,000 (those above this threshold were reported to the Authority).

RESOLVED:

That the amended Financial Regulations be approved, subject to paragraph 15.5 being amended to clarify that it was the Chief Fire Officer “or” the Treasurer that were authorised to write off deficiencies below the level of £10,000.

18-19/AS/053 Review of Work Programme

53.1 The Chair drew the Committee’s attention to the work programme which included meetings for both the 2018/19 and 2019/20 municipal years.

53.2 The Chief Fire Officer reported on concerns that had been raised by the Chair of the Authority in relation to the role of the Treasurer and Section 151 Officer and perceptions of independence. The Chief Fire Officer outlined his proposed response to the letter received from the Chair. He was proposing that the Temporary Assistant Chief Officer would be given direct responsibility for reporting to the Committee and that no other senior Officers would be present unless they were attending to present a specific report. It was hoped that this would address the concerns raised.

RESOLVED:

That the Committee’s Work Programme for 2018/19 be received.

18-19/AS/054 Local Government Act 1972, Schedule 12A, Paragraph 3 of Part 1: Exclusion of the Public

RESOLVED:

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

Items

54. Review of BFRS Corporate Risk Register
55. FRA Requested Report (CFO left the meeting)

The meeting closed at 12.13pm

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

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REPORT AUTHOR: COUNCILLOR Y WAHEED

SUBJECT: HUMAN RESOURCES POLICY AND CHALLENGE GROUP

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To report on the informal meeting (inquorate) of the Human Resources Policy and Challenge Group held on 14 March 2019.

RECOMMENDATION:

That the submitted notes of the meeting held on 14 March 2019 be received and the officer recommendations that, have been forwarded to the FRA for a decision, be considered.

1. Introduction

1.1 The draft notes of the meeting of the Human Resources Policy and Challenge Group held on 14 March 2019 are appended for Members' consideration.

1.2 The following officer recommendations have been forwarded to the FRA for a decision:

18-19/HR/043 Proposed Human Resources and Organisational Development Indicators and Targets for 2019/20

The Fire Authority be requested to endorse the proposed Human Resources performance indicators and targets for 2019/20.

18-19/HR/044 2018/19 Corporate Health and Safety objectives progress update and proposed 2019/20 Corporate Health and Safety Objectives

That progress made in relation to the 2018/19 Health and Safety objectives be acknowledged and the Fire Authority be requested to endorse the proposed 2019/20 Corporate Health and Safety Objectives.

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

**NOTES OF THE HUMAN RESOURCES POLICY AND CHALLENGE GROUP INFORMAL (INQUORATE) MEETING HELD ON
14 MARCH 2019**

Present: Councillor Y Waheed (Chair)

CFO P Fuller

18-19/HR/037 Apologies

37.1 Apologies for absence for the meeting scheduled to be held on Monday 18 March 2019 had been received from Councillors Atkins, Franks, Khan, Mingay and Saleem.

18-19/HR/038 Declarations of Disclosable Pecuniary and Other Interests

38.1 There were no declarations of interests.

18-19/HR/039 Communications

39.1 The meeting was convened today in view of the number of apologies received for the meeting of 18 March 2019 and in order to meet deadlines of two of the papers. The now superfluous meeting on Monday would be cancelled.

18-19/HR/040 Minutes

RESOLVED:

That the Minutes of the meeting held on 10 January 2019 be confirmed and signed as a true record, as amended for factual accuracy.

18-19/HR/041 Human Resources Performance Report, Quarter 3 2018/19

- 41.1 CFO Fuller submitted the 2018/19 Quarter 3 report on performance against Human Resources performance indicators and associated targets. All performance indicators were on target with the exception of 7. EQ1a (Percentage of new entrants to the retained duty system to be women) and EQ1b (Percentage of new entrants to the whole time operational duty system to be women) had missed their targets. The appointment of female recruits remained a priority for the Service which was now waiting for the current recruitment process to be completed.
- 41.2 H1 (Number of serious accidents (over 28 days) per 1000 employees) missed its target due to two accident injuries that led to absences over 28 days and H2 (Number of working days/shifts lost to accidents per 1000 employees (excluding Retained Duty System employees) missed its target with 37 workplace accident injuries where 7 of those resulted in lost time. 98 of the 120 days lost were associated with the two events in H1.
- 41.3 T7 (Percentage of Flexible Duty Officers that have attended an Incident Command Assessment within the required frequency for their role) missed the target due to one nominated FDO being withdrawn from the course due to sickness absence.

RESOLVED:

That the progress made on Human Resources Performance be acknowledged.

18-19/HR/042 Human Resources Quarter 3 Programme and Projects Report 2018-19

- 42.1 CFO Fuller submitted the 2018/19 Quarter 3 report on the Human Resources programme and projects to date where all projects were green.

RESOLVED:

That the progress made on Human Resource Programme and Projects be acknowledged.

18-19/HR/043 Proposed Human Resources and Organisational Development Indicators and Targets for 2019/20

- 43.1 CFO Fuller submitted the proposed Human Resources and Organisational Development indicators and targets for 2019/20. The target for EQ1a (Percentage of new entrants to the RDS/On-Call operational staff to be women) had been stretched and set against the 5 year average, as had the target for EQ1b (Percentage of new entrants to the Wholetime operational staff to be women).
- 43.2 The target for EQ2a (Recruitment of Black, Asian and Minority Ethnic (BAME) staff across the whole organisation) had been reduced and set against the 5 year average.
- 43.3 EQ2b (Recruitment of Black, Asian and Minority Ethnic (BAME) staff across operational roles), EQ2c (Percentage of RDS/On-Call operational staff who declare as BAME) and EQ2d (Percentage of Wholetime operation staff who declare as BAME) had stretched targets but as these were new measures there were no comparisons.
- 43.4 EQ3 (Percentage of staff that have left who declare as BAME (All staff)), for this target less is better and so the target had been reduced and set at 1% above the BAME staff percentage.
- 43.5 HR1C (The percentage of the RDS/On-Call workforce with 4 or more incidences of sickness in a 12 month period (lower is better)) was a new measure as the nature of RDS/ON Call employment contracts means a % time lost indicator was not appropriate being as the retained were not always there.
- 43.6 OH1 (Percentage of personnel in operational roles who have completed an annual fitness assessment in the past 12 months (excluding secondments, career breaks and modified and LTS)) and OH2 (Percentage of operational personnel achieving a pass category in the annual fitness test) had both been stretched slightly. OH3 (Percentage of 3 yearly medicals due in year completed) was a new measure.
- 43.7 Training targets remained unchanged.
- 43.8 For H2 (Number of working days/shifts lost to accidents per 1000 employees (excluding RDS/On-Call employees) and H3 (Number of 24 hours cover periods lost to accidents per 1000 RDS/On-Call employees) because the yearly average changes, the targets change. These targets had been stretched to achieve a 10% reduction on the 2018/19 targets.

RESOLVED:

The Fire Authority be requested to endorse the proposed Human Resources performance indicators and targets for 2019/20.

18-19/HR/044 2018/19 Corporate Health and Safety objectives progress update and proposed 2019/20 Corporate Health and Safety Objectives

- 44.1 CFO Fuller submitted the Health and Safety objectives progress update followed by the proposed 8 Health and Safety objectives for 2019/20.

RESOLVED:

That progress made in relation to the 2018/19 Health and Safety objectives be acknowledged and the Fire Authority be requested to endorse the proposed 2019/20 Corporate Health and Safety Objectives.

18-19/HR/045 Audit and Governance Action Plans Monitoring Report

- 45.1 CFO Fuller submitted the report on progress made to date against current action plans arising from internal and external audit reports. There were no current requests for extensions to completion dates. All actions arising from internal audits had been completed.

RESOLVED:

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

18-19/HR/046 Corporate Risk Register

- 46.1 CFO Fuller presented the report on the Corporate Risk Register where there were no changes to the Corporate Risk Register individual risk ratings.
- 46.2 There had been one update to the register as follows:

46.3 CRR40 (if there is a retirement of a large number of operational officers over a short period of time then we lose significant operational and managerial experience within the service which could ultimately affect our service delivery and wider corporate functionality in the shorter term): The risk review date had been assessed and found to be satisfactory. The timescale for risk control actions had been reviewed and similarly aligned to fit with this. All actions for review in April 2019.

RESOLVED:

That the Corporate Risk Register be acknowledged and the review by the Service be approved.

18-19/HR/047 Work Programme 2018/19

47.1 The Work Programme for 2018/19 was received. The next meeting was scheduled for 25 June 2019.

RESOLVED:

That the Work Programme be agreed.

The meeting finished at 13.05pm

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For Publication

Bedfordshire Fire and Rescue Authority
 Human Resources Policy and Challenge Group
 18 March 2019
 Item No. 7

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: PROPOSED HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT INDICATORS AND TARGETS FOR 2019/20

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

To advise Members of the proposed suite of Human Resources performance indicators and associated targets for 2019/20 and to seek the Group's endorsement to incorporate these into the Service's performance management framework.

RECOMMENDATION:

That Members consider the proposed suite of Human Resources performance indicators and targets for 2019/20 and endorse or require adjustment as appropriate.

That members acknowledge it was not possible to report on performance against targets for 17/18 OH1 and OH2 for the reasons explained later in the report.

1. Introduction

- a. In line with its Terms of Reference, the Human Resources Policy and Challenge Group is responsible for monitoring the performance of those areas of the Service's work falling within its scope. In order to facilitate this, the Group receives quarterly summary performance reports at each of its meetings.
- b. The Human Resources Policy and Challenge Group is involved in the process of agreeing the suite of indicators and of setting the associated targets and that this should take place, as far as practicable, alongside the annual budget-setting, medium-term financial planning and strategic project planning processes. The Group's Work Programme for the current financial year therefore included this as an item for its meeting in March 2019.
- c. This report advises the Human Resources Policy and Challenge Group of the proposed measures and targets for 2019/20. Members are requested to consider and endorse the proposed targets for 2019/20 as per Appendix A attached.
- d. Members are reminded that fitness testing during 2017/18 was delayed owing to the introduction of new national fitness requirements and the associated negotiation with the recognised trade unions. As a consequence it was agreed to carry forward the targets set in 2017/18 into 2018/19 and not report on performance for 2017/18.
- e. The targets have been set taking account of Service plans, projects and budgetary allocations 2019/20. The key considerations relevant to each area are outlined in the additional comments in the table and link the measure to Service objectives.

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

Proposed Human Resources Performance Indicators and Targets for 2019/20

EQUALITY & DIVERSITY						
Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target setting Rationale
EQ1a	Percentage of new entrants to the RDS/On-Call operational staff to be women	Annually	2018/19 - 8.33% 2017/18 - 12.12% 2016/17 - 14.29% 2015/16 - 15.79% 2014/15 - 11.76%	9%	13.5%	Recent performance has shown difficulties in sustained attraction to posts, despite continued focus in this area of recruitment. Target is set at the 5 year average performance (13.49%) which remains challenging.
EQ1b	Percentage of new entrants to the Wholetime operational staff to be women	Annually	2018/19 - 5.88% 2017/18 - 8.00% 2016/17 - 14.81%	6%	9.6%	Recent performance has shown difficulties in sustained attraction to posts, despite continued focus in this area of recruitment. Target set at the 5 year average performance (9.56%) which remains challenging.
EQ1c	Percentage of RDS/On-Call operational staff who are women	Annually	2018/19 – 9.3% ² 2017/18 – 9.4% 2016/17 – 8.1% 2015/16 – 7.7% 2014/15 - 6.2%	n/a	10.1%	New Measure for 2019/20. Target set at 2% above the 5 year average performance rate (8.14%). (HO 2/2019) National average (2017/18) 4.9%
EQ1d	Percentage of Wholetime operational staff who are women	Annually	2018/19 – 6.4% ² 2017/18 - 6.0% 2016/17 – 5.4% 2015/16 – 4.1% 2014/15 – 3.9%	n/a	7.2%	New Measure for 2019/20. Target set at 2% above the 5 year average performance rate (5.16%). (HO 2/2019) National average (2017/18) 6.1%
EQ2a	Recruitment of Black, Asian and Minority Ethnic (BAME) staff across the whole organisation	Annually	2018/19 - 4.84% 2017/18 - 6.17% 2016/17 - 11.86% 2015/16 - 6.82% 2014/15 - 12.2% 2013/14 - 15.09%	14%	10.4%	Recent performance has reported difficulties in sustained attraction to posts, despite continued focus in this area of recruitment. Target is set at the 5 year average performance (10.43%) which remains challenging.

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Where applicable the data shows status for current year based on financial quarters 1 - 3

²Please note this data is taken from Figures Report (HR & Diversity) looking at People and run at the 31st March 2018 and 31st March 2019 however if anything changes (e.g. resignation or new starters) from 11th February 2019 then this will need to be recalculated.

EQUALITY & DIVERSITY (cont.)

EQ2b	Recruitment of Black, Asian and Minority Ethnic (BAME) staff across operational roles	Annually	2018/19 – 6.19% ₀₂ 2017/18 – 6.13%	n/a	7%	New Measure for 2019/20. Target is set at 1% above the 2 year average (6.16%) performance rate. (HO 2/2019) National average (2017/18) 4.1%
EQ2c	Percentage of RDS/On-Call operational staff who declare as BAME	Annually	2018/19 – 6.0% ₀₂ 2017/18 – 1.7% 2016/17 - 1.2% 2015/16 – 0.7% 2014/15 – 0.7%	n/a	4.1%	New Measure for 2019/20. Target is set at 2% above the 5 year average performance rate (2.06%). (HO 2/2019) National average (2017/18) 1.3%
EQ2d	Percentage of Wholetime operational staff who declare as BAME	Annually	2018/19 – 6.1% ₀₂ 2017/18 – 5.2% 2016/17 - 3.4% 2015/16 - 4.7% 2014/15 - 4.9%	n/a	6.9%	New Measure for 2019/20. Target is set at 2% above the 5 year average performance rate (4.86%). (HO 2/2019) National average (2017/18) 5.5%
EQ3	Percentage of staff that have left who declare as BAME (All Staff)	Annually	2018/19 – TBC 2017/18 - 5.00% 2016/17 - 5.17% 2015/16 - 4.84% 2014/15 - 12.28%	9%	7.8%*	Further clarification - A positive outcome is that the percentage of staff leavers should be the same or less than the overall percentage of BAME staff (2017/18 is 5.6%). The 5 year average performance rate is 6.82%. Target is set at 1% above the BAME staff percentage (our annual targets aim to increase BAME staff therefore a target at the same % would be unrealistic).
EQ4	Percentage of staff that have left that are women (Operational Staff only)	Annually	2018/19 – TBC 2017/18 - 2.33% 2016/17 - 2.44% 2015/16 - 2.17% 2014/15 - 0%	4%	8%*	Further clarification - A positive outcome is that the percentage of staff leavers should be the same or less than the overall percentage of operational women staff (2017/18 is 7%). Target is set at 1% above the operational women staff percentage (our annual targets aim to increase BAME staff therefore a target at the same % would be unrealistic).

HUMAN RESOURCES

Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target setting Rationale
HR1a	The percentage of working time lost due to sickness (excludes RDS/On-Call)	Quarterly	2018/19 - 4.11% 2017/18 - 3.73% 2016/17 - 4.39% 2015/16 - 3.55% 2014/15 - 3.61%	4.3%	4.3%	April – Dec 2018 performance is running at 4.11% with higher levels of absence during January (colds/flu etc.) likely to increase this. Target is set based on the ‘median’ average public sector absence. This was 4.3% (source XPerHR 2018 sickness survey). Thus maintaining existing target is appropriate.
HR1c	The percentage of the RDS/On-Call workforce with 4 or more incidences of sickness in a 12 month period. (lower is better)	Quarterly	NEW MEASURE	n/a	7.5%	The nature of RDS/On call employment contracts means a % time lost indicator is not appropriate. It is recommended that incidences of sickness are measured instead. The sickness absence policy uses 4 incidences of sickness as a ‘trigger’ for action. Thus the PI relates to those exceeding the trigger. As this is the first time a target has been set for RDS/On call sickness, 7.5% is suggested.
HR2a	Turnover excluding retirement or dismissals - Excluding RDS/On-Call	Annually	2017/18 - 2.67% 2016/17 - 3.59% 2015/16 - 4% 2014/15 - 3.70%	5%	5%	Previous targets have been set based on an average of the past 3 year’s performance (rounded up) plus an additional % dependent on current performance. Average = 4% with current performance running at 4.11% so existing target should be maintained. Turnover is expected to increase for operational staff in particular given changes in retirement age and FF pension schemes. Firefighting is no longer necessarily viewed as a lifetime career. NOTE: National median turnover for 2018 (source XperHR) was at 20.3% (private sector) and 14.8% public sector

HUMAN RESOURCES

Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target setting Rationale
HR2b	Turnover excluding retirement or dismissals – RDS/On-Call only	Annually	2017/18 - 18.69% 2016/17 - 9.36% 2015/16 – 9.93% 2014/15 - 10.7%	16%	13%	<p>Target is usually based on the performance over the last 3 completed years (rounded up) + 1% given the volatile nature of RDS/On call turnover. The target was set higher in 2018/19 owing to the poor performance at that time.</p> <p>Average performance for the past 3 years is 12%. Current performance has improved and is running at 11%. Given the unpredictable nature of RDS/On call employment and potential up-coming changes, turnover may increase. However suggest previous method to be maintained e.g. 12% + 1%.</p> <p>NOTE: National median turnover for 2018 (source Xpert HR) was at 20.3% (private sector) and 14.8% public sector.</p>
HR3	Percentage of returned appraisal documents to HR within 3 months of reporting year (end September) All staff	Annually (after Sept each year)	All staff 2018 - 83.55% 2017 - 92.80%	90%	90%	<p>An overall service target of 90% is suggested given the importance of appraisal. 100% is not usually possible to achieve given staff and management turnover. 90% is stretching but realistic despite not achieving the target last year.</p>

HUMAN RESOURCES (Occupational Health)

Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target setting Rationale
OH1	Percentage of personnel in operational Roles who have completed an annual fitness assessment in the past 12 months (excluding secondments, career breaks and modified and LTS).	Annually	2017/18 - n/a 2016/17 - 98% 2015/16 - 98% 2014/15 - 98% 2013/14 - 97%	97%	98%	Performance has exceeded target for the past 4 years due to the robust approach to fitness adopted by BFRS. The introduction of the new fitness policy and testing regime have had little impact on the provision of testing and the newly appointed Fitness Apprentice role has provided additional resources in the department allowing a greater scope for testing. Therefore it is recommended that the stretching target of 97% is increased to 98% for 2019/20. Current performance is running at 98%.
OH2	Percentage of operational personnel achieving a pass category in their annual fitness test.	Annually	2017/18 - n/a 2016/17 - 97% 2015/16 - 95% 2014/15 - 95% 2013/14 - 96%	95%	96%	Current performance is running at 99.5% which demonstrates that the introduction of the new fitness testing regime has had little impact upon annual pass rates. The average for the last 3 years of fitness testing is 97%, therefore it is recommended that the target of 95% be increased to 96% for 2019/20.
OH 3	Percentage of 3 yearly medicals due in year completed	Annually	NEW MEASURE	n/a	85%	All operational staff are required to attend a 3 yearly medical. Ensuring medicals are held on time can be challenging with various shift and working patterns (including on call) to accommodate. Thus a performance measure is important. As this is the first year of measurement, an 85% target is suggested as challenging but realistic.

ORGANISATIONAL DEVELOPMENT

Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target Setting Rationale
T1	Percentage of operational BA wearers that have attended an assessed BA course within the last 2 years.	Quarterly	2018/19 - 99% 2017/18 - 99% 2016/17 - 98% 2015/16 - 98% 2014/15 - 95% 2013/14 - 95%	98%	98%	T1 – T6 cover safety critical operational training. Organisational expectation is to maintain a frequency based attendance for all 'in scope' personnel within these skillsets. Historical reporting shows 98% as stretch targets and that they remain a reasonable expectation, therefore unchanged for 2019/20.
T2	Percentage of EFAD qualified Firefighters that have attended an EFAD assessment within the last 3 years.	Quarterly	2018/19 - 100% 2017/18 - 100% 2016/17 - 98% 2015/16 - 99% 2014/15 - 99% 2013/14 - 100%	98%	98%	
T3	Percentage of station based operational staff that have attended WFR course within the last 3 years.	Quarterly	2018/19 - 100% 2017/18 - 98% 2016/17 - 98% 2015/16 - 99% 2014/15 - 90% 2013/14 - 96%	98%	98%	
T4	Percentage of operational BA wearers that have attended Compartment Fire Behaviour training within the last 2 years.	Quarterly	2018/19 - 100% 2017/18 - 99% 2016/17 - 98% 2015/16 - 98% 2014/15 - 98% 2013/14 - 96%	98%	98%	
T5	Percentage of station based operational Emergency Care for Fire & Rescue trained personnel that have attended a re-qualification course within the last 3 years.	Quarterly	2018/19 - 100% 2017/18 - 92% 2016/17 - 91% 2015/16 - 99% 2014/15 - 82%	98%	98%	

ORGANISATIONAL DEVELOPMENT (Cont.)

Ref	Performance Indicator	Frequency of Reporting	BFRS Historical Performance	BFRS Target 2018/19	BFRS Target 2019/20	Target Setting Rationale
T6	Percentage of station based operational Working at Height Operators that have attended a Working at Height recertification assessment within the last 3 years.	Quarterly	2018/19 - 100% 2017/18 - 97% 2016/17 - 98% 2015/16 - 92% 2014/15 - 41%	98%	98%	See above
T7	Percentage of Flexible Duty Officers that have attended an Incident Command Assessment within the required frequency for their role.	Quarterly	2018/19 - 96% 2017/18 - 100% 2016/17 - 100% 2015/16 - 92% 2014/15 - 100% 2013/14 - 97%	98%	98%	T7 covers command competence. Organisational expectation is to maintain a frequency based attendance for all 'in scope' personnel within these skillsets. Historical reporting shows 98% as stretch targets and that they remain a reasonable expectation, therefore unchanged for 2019/20.
T8a	Percentage of Safety Critical Maintenance training programmes completed by Whole-time Operational Personnel via PDR Pro within the last 12 months.	Quarterly	2018/19 - 93% 2017/18 - 95% 2016/17 - 95% 2015/16 - 95% 2014/15 - 94% 2013/14 - 92%	92%	92%	T8 (a-d) covers e-learning completion and learning recording for operational roles. Organisational expectation is to maintain current competencies for all 'in scope' personnel. Historical reporting shows 92% as stretch targets and that they remain a reasonable expectation, therefore unchanged for 2019/20. Evidence of compliance is measured using PDRPro.
T8b	Percentage of Safety Critical Maintenance training programmes completed by RDS/ On-Call Operational Personnel via PDR Pro within the last 12 months.	Quarterly	2018/19 - 88% 2017/18 - 90% 2016/17 - 89% 2015/16 - 90% 2014/15 - 90% 2013/14 - 87%	92%	92%	
T8c	Percentage of Safety Critical Maintenance training programmes completed by Control Personnel/WM Control via PDR Pro within the last 12 months.	Quarterly	2018/19 - 92% 2017/18 - 93% 2016/17 - 93% 2015/16 - 81% 2014/15 - 88% 2013/14 - 76%	92%	92%	

ORGANISATIONAL DEVELOPMENT (Cont.)

T8d	Percentage of Safety Critical Maintenance training programmes completed by Senior Management roles (SC to SOC) via PDR Pro within the last 12 months.	Quarterly	2018/19 - 93%	92%	92%	See above
T8e	Percentage of Safety Critical Maintenance training programme completed by Watch Commander – Day Duty via PDR Pro within last 12 months	Quarterly	New measure	92%	92%	

HEALTH AND SAFETY

Ref	Performance Indicator	Frequency of Reporting	BFRS 5 year average Performance (2012-17)	BFRS Target 2018/19	BFRS Target 2019/20	Target Setting Rationale
H1	Number of serious accidents (over 28 days) per 1000 employees.	Quarterly	2018/19 - 3.76 2017/18 - 1.96 2016/17 - 0.00 2015/16 - 1.94 2014/15 - 3.84 2013/14 - 3.70 2012/13 - 3.57	3.78	3.78	5 year average 2013-18 is 2.29. Target has been set to remain at 3.78 which was the target for the previous reporting period. Note – One serious accident resulting in an over 28 day injury equates to 1.96. Two would equate to 3.92 and would be graded amber; three would equate to 5.88 and would be graded red.
H2	Number of working days/shifts lost to accidents per 1000 employees (excluding RDS//On-Call employees).	Quarterly	2018/19 - 273.73 2017/18 - 243.93 2016/17 - 131.57 2015/16 - 436.01 2014/15 - 262 2013/14 - 544	384.80	291.15	5 year average 2013-18 is 323.5. Target has been set to achieve 10% reduction on 5 year average 2013-18.
H3	Number of 24 hour cover periods lost to accidents per 1000 RDS/On-Call employees.	Quarterly	2018/19 - 382.27 2017/18 - 69.46 2016/17 - 4091.61 2015/16 - 2703.69 2014/15 - 526 2013/14 - 569	781.80	703.62	5 year average 2013-18 is 1591.95. Target has been set to achieve 10% reduction on the 2018/19 target. Note – The very high figures for 2015/16 and 2016/17 create a high 5 year average 2013-18 and therefore would increase the target significantly. Cover periods are now calculated in hours using the Gartan availability system which will provide more accurate reporting.

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For Publication

Bedfordshire Fire and Rescue Authority
 Human Resources Policy and Challenge Group
 18 March 2019
 Item No. 8

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: 2018/19 CORPORATE HEALTH AND SAFETY OBJECTIVES PROGRESS UPDATE AND PROPOSED 2019/20 CORPORATE HEALTH AND SAFETY OBJECTIVES

For further information on this Report contact: Strategic Operational Commander Gary Jeffery
 Tel No: 01234 845028

Background Papers: None

Implications (tick✓):

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

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

PURPOSE:

To update the Human Resources Policy and Challenge Group on:

- The progress to date in relation to the Annual Corporate Health and Safety Objectives set for 2018/19; and
- To put forward proposals for the Annual Corporate Health and Safety objectives for 2019/20 in line with the Service's Health and Safety policy requirements.

RECOMMENDATION:

That Members acknowledge the progress made in relation to the Health and Safety objectives set and approved for 2018/19 and endorse the eight proposed Health and Safety Objectives for 2019/20.

1. Introduction

- 1.1 The Service's Health and Safety at Work policy includes a commitment to the setting of annual Corporate Health and Safety Objectives. In March 2018 Members endorsed the Health and Safety Objectives for 2018/19 and progress in relation to these are detailed within the first section of this paper.
- 1.2 For 2019/20 the Service's Corporate Health and Safety Objectives have been selected in line with policy requirements. These Objectives have been approved by the Health and Safety Steering Committee and the Corporate Management Team and are detailed within the second section of this paper for Members to consider and endorse.

2. Progress Update of the Health and Safety Objectives for 2018/19

- 2.1 **Carry out focus group meetings with staff to communicate and discuss the findings of the Safety Climate Survey** – A presentation has been prepared and the meetings are ready to be scheduled. The focus group meeting topics have been widened to include post fire contamination. This remains a H&S corporate objective for 2019/20.

- 2.2 **Implement an independent external audit of the safety management system (RoSPA QSA audit)** – The audit has been arranged to take place between 25-29 March 2019. The audit will look at every aspect of the Service health and safety management system based on key elements of best practice. The audit quantitative process involves detailed scoring on each section and provides an overall Health and Safety Performance Rating and an award level between 1 – 5, with 5 being the best. The scope of the audit covers in detail the 7 broad areas of the health and safety management system; Policy, Organising, Planning, Implementation, Monitoring, Audit and Review. A further audit of 10 Risk Control Performance Indicators (RCPI's) consisting of specific health and safety topic areas (e.g. manual handling etc) will make up the full audit.
- 2.3 **Delivery of a campaign for the communication of safety event data and information** - The communication of this data has been achieved via a campaign poster which details important BFRS statistics between 2013 – 18. The poster details the three highest causes of injuries and near misses, the event numbers and the number of days lost to injury. The Health and Safety Executive “Vital Statistics 2018” poster is also displayed in prominent areas providing the overall picture in Great Britain and the financial cost of accidents / injury at work.
- 2.4 **Produce a quarterly communication for the engagement of Service drivers to provide relevant information and statistics relating to driving incidents, and look to find ways to promote safe driving and good practice** - The FARRG insurance consortium, of which BFRS is a member, had undertook to produce a quarterly communication booklet for operational drivers. This has not yet been achieved and BFRS Health and Safety Support Team have produced an in-house communication “In the Hot Seat”. The first addition of this communication will be issued for spring 2019.
- 2.5 **Communicate the IOSH “No time to lose” carcinogenic exposure campaign and carry out a compliance audit of the arrangements detailed in the campaign pledge made by the Service** - The communication of the IOSH “No time to lose” campaign has taken place through the Operational Delivery Team meetings and is also linked to objective 2.1 above. Scoping work has been carried out to identify workstreams to reduce firefighter and equipment contamination post fire. This will be managed by a contaminants working group which will be a H&S corporate objective for 2019/20.

- 2.6 **To continue the project to enhance firefighter safety during operational incidents and training by providing, through the Personal Protective Equipment Collaboration working group, replacement fire kit that offers maximum wearer protection and comfort and a fully managed service for its provision and maintenance** - In 2018/19 the Service, through the Personal Protective Equipment Collaboration working group, continued to work on a project as a H&S corporate objective for replacement fire kit. The replacement fire kit under a fully managed system is programmed for issue in April 2019. This remains a H&S corporate objective for 2019/20.
- 2.7 **To produce and review Regional Product pack documents for use with the National Operational Guidance Programme** - The centrally coordinated National Operational Guidance Programme (NOGP) has developed a guidance framework. The Service is involved nationally and has started work in producing 22 product packs consisting of structured guidance across 6 areas:
- Operational policy & Procedure;
 - Operational information notes (OIN's);
 - Risk Assessment (task based);
 - Training packages;
 - Equipment manuals and risk assessments;
 - Safety flash and Service action note.

This remains a H&S corporate objective for 2019/20.

- 2.8 **Review, Update and Deliver the Service`s BA Training in Accordance With National Operational Guidance Programme Foundation for Breathing Apparatus** - The Service Training Centre is working closely with Response Support in producing the training specifications that will be required within the Regional Product Packs. Once this work has been completed an individual gap analysis will be completed evaluating the impact of these training specifications on the current training courses; a priority is being placed on “Foundation of Breathing Apparatus”. This remains a H&S corporate objective for 2019/20.
3. Proposed Corporate Health and Safety Objectives 2019/20
- 3.1 **Carry out focus group meetings with staff to discuss the findings of the Safety Climate Survey and firefighter/ equipment decontamination** - The focus group meeting topics have been widened to include post fire contamination. The meetings will now also cover the the immediate actions firefighters can take to “stop contaminants” and detail the 10 principles to follow.

- 3.2 **Implement the actions as agreed by the Corporate Management Team following the RoSPA external audit of the Services safety management system** - An external audit of the safety management system (RoSPA QSA) will take place in March 2019. The audit will result in a number of recommendations and detail a range of improvements that will need to be actioned throughout 2019/20.
- 3.3 **Form a contaminants working group and identify short, medium and long term work streams to reduce the risk to BFRS employees from carcinogenic substances** - The group will be made up of major stakeholders including Technical, Health and Safety, Training, Operations and Representative Bodies. As well as identifying the work streams for improvement, the group will coordinate any assistance provided to national or local research undertaken on this subject.
- 3.4 **To continue the project to enhance firefighter safety during operational incidents and training by providing, through the Personal Protective Equipment Collaboration working group, replacement fire kit that offers maximum wearer protection and comfort and a fully managed service for its provision and maintenance** - In 2017/18 the Service, through the Personal Protective Equipment Collaboration working group, embarked on a project as a H&S corporate objective for replacement fire kit. This project will be completed in 2019/20.
- 3.5 **To produce and review Regional Product pack documents for use with the National Operational Guidance Programme** - The centrally coordinated National Operational Guidance Programme (NOGP) has developed a guidance framework. The Service is involved nationally and has started work in producing 22 product packs as detailed in paragraph 2.7 above.
- 3.6 **Review, Update and Deliver the Service's BA Training in Accordance With National Operational Guidance Programme Foundation for Breathing Apparatus** - The Service Training Centre is to continue to work closely with Response Support in producing the training specifications that will be required within the Regional Product Packs and, following gap analysis, update training packages accordingly.
- 3.7 **As part of the wider BFRS Blue Light Mental Health and Wellbeing Plan, conduct a survey using the Health and Safety Executive Stress Indicator Tool** - To enable BFRS to take a proactive, preventative approach to managing work-related stress, HSE have developed Management Standards which is a systematic approach to implementing an organisational risk assessment for managing work-related stress. Complementing HSE's

Management Standards for Stress approach, the Stress Indicator Tool features a survey of thirty-five questions that ask about six key areas of work that, if not managed properly, are known to be potential causes of workplace stress.

- 3.8 **Make a commitment to the Highways England Driving for Better Business initiative** - Driving for Better Business is a programme to raise awareness of the importance of work-related road safety in the business community and public sector by using advocates drawn from these communities to promote the business benefits of managing it effectively. The campaign, delivered in partnership with the charitable partnership RoadSafe, aims to make sure that the road safety risks posed by an organisations employees and vehicle fleet are kept to a minimum, do not expose them to undue risk and, critically enhance road safety.

4. Implications

Corporate Risk – Known

- 4.1 The Corporate Health and Safety objectives confirm the Service’s commitment to Health and Safety through visible actions and measurable outcomes. In addition they demonstrate how health and safety is effectively integrated, managed and communicated across the Service and foster positive attitudes by setting robust objectives and outcomes for the Service.
- 4.2 The Corporate Health and Safety objectives aim to assist in strengthening accountability to Health and Safety and providing assurance that the Service is efficient, effective and aware of its Health and Safety responsibilities in the delivery of its services to the communities.

**SOC GARY JEFFERY
HEAD OF RESPONSE**

For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 11

REPORT AUTHOR(S): TEMPORARY ASSISTANT CHIEF OFFICER GAVIN CHAMBERS

SUBJECT: FIREFIGHTER PENSION SCHEMES LOCAL PENSION BOARD REPORT 2018/19

For further information on this Report contact: Gavin Chambers
Temporary Assistant Chief Officer
Tel No: 01234 845112

Background Papers: FRA report on Pension Boards in March 2019

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:

Annual Report

This is the first Annual Report of the Bedfordshire Fire and Rescue Authority Local Pension Board (the Board), covering the period from 1 April 2018 until 31 March 2019.

RECOMMENDATION:

For the Fire and Rescue Authority to consider the report and the progress made by the Local Pension Board.

1. Roles and Functions

- 1.1 The Board has been established as the Local Pension Board for Bedfordshire Fire and Rescue Authority in accordance with section 5 of the Public Service Pension Act 2013 and the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.
- 1.2 The remit of the Board includes assisting the Chief Fire Officer, having delegated responsibilities from the Fire and Rescue Authority, as Scheme Manager:
 - to secure compliance with the Firefighter Pension Schemes (the schemes) regulations and any other legislation relating to governance and administration of the schemes;
 - to secure compliance with requirements imposed in relation to the schemes by the Pension Regulator.
- 1.3 The establishment of the Board was approved by the Fire and Rescue Authority on 31 March 2015. The papers detailing the establishment of the Board (including the full Terms of Reference) can be found via the website link below, agenda item 12:

<https://bedsfireresauth.moderngov.co.uk/CeListDocuments.aspx?Committeeld=134&MeetingId=265&DF=31%2f03%2f2015&Ver=2>

2. Membership of the Board

- 2.1 With effect from 1 April 2015, the Pension Board has had two employer representatives and two employee representatives. Since this date, the Chair has been Gavin Chambers, Temporary Assistant Chief Officer.
- 2.2 All employees can raise matters to the HR Operations Manager for inclusion on the Board agenda should this be appropriate.
- 2.3 The Board's membership is and over 2018/19 was as follows:-
- Employer representatives:
Andy Peckham, Head of Service Development and Assurance
Gary Jeffery, Head of Response
 - Employee representatives:
Pat Sherry (retired, pension member)
Clare Beasley, Crew Manager (and Fire Brigades Union Pensions Rep)
- 2.4 Each meeting is attended and supported by Sally Green, HR Operations Manager and acting Scheme Manager. Meetings are also attended by Neil Lewins, from the Service's Pension Administrators LPP.

3. Conflicts of interest

- 3.1 The Public Service Pensions Act 2013 requires that a member of a Pension Board does not have a conflict of interest. A conflict is defined as "a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board." The Act is clear that actual membership of one of the Firefighter Pension Schemes is not in itself a conflict of interest, so would not preclude a scheme member from serving on the Board.

- 3.2 The Board has a policy for the management of potential conflicts in order to ensure that they do not become actual conflicts and all members of the Board are familiar with this policy. In addition conflicts of interest is a standing item on all Board agendas and any interests noted by members are recorded so that action can be taken to exclude the conflicted individual from proceedings where necessary.

As well as the above policy, the Board also has in place:

- A Risk Register and Risk Management Policy
- Procedure for Reporting Breaches of Law
- Communications Policy
- Governance Compliance Statement and Policy
- Code of Conduct
- Declarations of Interest of form

- 3.3 These are all detailed on the publicly available website and include minutes and other relevant information. The relevant page can be found at:

<https://www.bedsfire.gov.uk/About/BFRS-Pensions.aspx>

4. Local Pension Board Member Training

- 4.1 The Public Service Pensions Act 2013 requires that members of local Pension Boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a local Pension Board must be conversant with:

- The regulations of the Firefighter Pension Schemes, including historical regulations and transitional provisions, to the extent that they still affect members;
- and any document recording policy about the administration of the Firefighter Pension Schemes.

4.2 Board members must also have knowledge and understanding of:

- the law relating to pensions,
- and such other matters as may be prescribed in other legislation.

4.3 The degree of knowledge and understanding required by local Pension Board members is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the Local Pension Board.

5. Degree of Knowledge and Understanding

5.1 Members of the local Pension Board are expected to be conversant with the rules and policies of the Firefighter Pension Schemes. “Being conversant with” implies a working knowledge of what is relevant to the subject under discussion. A Board member should have an understanding of what is relevant to their role and be able to identify and challenge a failure to comply with:

- the Firefighter Pension Scheme regulations;
- other legislation relating to the governance and administration of the scheme;
- requirements imposed by the Pensions Regulator;
- and any failure to meet the standards and expectations set out in any relevant code of practice issued by the Pensions Regulator

6. Areas of Knowledge and Understanding

6.1 The areas in which the Board would be expected to be conversant include, but are not limited to:

- Scheme approved policies (e.g. managing conflicts of interest, reporting breaches of the law or record keeping);
- Risk assessment and management;

- Scheme booklets and other members communications;
- The role of Local Pension Board Members and the scheme manager;
- Policies in relation to the exercise of discretions;
- Communications with scheme members and employers;
- Key policy documents on administration.

7. Training Strategy and Policy

7.1 The Pension Board has a Training Policy, which sets out how members of the Local Pension Board will acquire the knowledge and skills necessary to carry out their functions.

7.2 The approach of the training strategy is summarised below:

- Board members are expected to complete the Pension Regulator's on-line toolkit designed to provide a sound understanding of the roles and responsibilities of public service Pension Board members;
- All members have received training from the Local Government Association
- The approach to training will be flexible, in order to recognise the ever changing landscape of Firefighters Pension Schemes;
- Training will be delivered in a way that complements the current activities or projects undertaken by the Authority's Scheme Manager or Pensions Administrators.

7.3 This year the Board have received the following training:

Date	Topics Covered
May 2018	Joint Police and Fire Governance Event – attended by the Chair
Sept 2018	LGA Annual Firefighters Pension AGM – Attended by the PB Chair and HR Operations Manager, Head of HR and Payroll Manager
Throughout the year	The HR Operations Manager attends the Regional Pension Meetings
Throughout the year	Pension Board Members have been carrying out the Pension Regulators online training toolkit and also keeping abreast of matters by reading the LGA FF Pensions bulletins.

All Pension Board members have received the training provided by the LGA. There have been two sessions with the LGA, one independently with the Service and one jointly with Cambridgeshire FRS.

7.4 All board members have either passed or are working towards passing all of the 7 modules of the Pensions Regulator's online Public Service toolkit. The topics are:

- Conflicts of Interest
- Managing Risk and Internal Controls
- Maintaining Accurate Member Data
- Maintaining Member Contributions
- Providing Information to members and others
- Resolving Internal Disputes
- Reporting Breaches of the law

8. Outcomes

- 8.1 Decisions about the running of the Pension Schemes are ultimately made by the Chief Fire Officer, who is delegated to carry out that function by Bedfordshire Fire and Rescue Authority in its capacity as the Scheme Manager.
- 8.2 The role of the Board is to assist the Scheme Manager to ensure compliance and to make recommendations to improve the efficient and effective administration and governance of the pensions function. A generic meeting agenda template is attached at Appendix 1, with the draft Work Programme for 2019/20 attached at Appendix 2.
- 8.3 This year the Board has fulfilled its role in the following ways

Date	Area	Action
All meetings	<ul style="list-style-type: none"> • Pension Board Risk Register • LGA Pensions bulletins • Administrators report • Discussions of the Regional Pension Group 	The Board discusses these areas at each Board Meeting and action points are recorded where required for follow up.
26 July 2018	Pension Ombudsman cases	The Board agreed to review two cases per meeting from December 2018 onwards
26 July 2018	Fire and Police Local Pension Governance Board	The Chair gave feedback to the PB of the event that he attended in May 2018.
26 July 2018	The Pensions Regulators Survey	The Chair summarised the findings of the survey and circulated this to all PB Members.
26 July 2018	Service Order on PB Training	SOC A Peckham produced the service order that was approved at

		the meeting.
20 December 2018	GDPR	The Authority's Pension Administrators, LPP, gave a presentation on GDPR
20 December 2018	Attendance by the Local Government Association (LGA)	<p>This Board meeting was attended by the LGA, Pensions Administrators and the Chair of the LGA PB Effectiveness Committee.</p> <p>The LGA commented that the Pensions Board members were "engaged" and the Chair of the LGA's Pension Board Effectiveness Committee also commented positively on our Board meeting. He attended to monitor the effectiveness of the committee.</p>

8.4 As noted above, the Board has been meeting since it was approved at the FRA meeting on 31st March 2015. The following meetings have taken place:

- 14 August 2015
- 19 October 2015
- 11 December 2015
- 22 April 2016
- 3 August 2016
- 8 November 2016
- 3 February 2017
- 15 May 2017

- 27 September 2017
- 5 December 2017
- 15 February 2018
- 26 July 2018
- 20 December 2018
- 21 March 2019

9 Future Dates of Meetings

9.1 The Board agreed to the following meeting dates for the 2019/20 year:

- 5 June 2019
- 11 September 2019
- 26 November 2019
- To be confirmed, one meeting before 31 March 2020.

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

**GAVIN CHAMBERS
T/ACO & TREASURER**

Bedfordshire Fire & Rescue Service

Local Pension Board Meeting

Date

Time

BFRS HQ Conference Room, Kempston, Bedford MK42 7NR

AGENDA

1.	Welcome and introductions		Indicative start times 10am
2.	Apologies for Absence		
3.	Conflicts of Interest	All	
4.	Minutes of the previous meeting/action points	Chair	
5.	Current surveys (TPR and Aon) – and actions from these	SG	
6.	<i>Any new agenda item for this meeting</i>	Chair	
7.	Administrators (LPP) report and updates (incl KPIs)	Neil Lewins	
8.	Communications a) Pensions Regulator b) LGA Pensions Team newsletter (FPS – bulletin number 14) and actions arising from this. c) Pensions Group Meeting update	SG/All	

9.	Risk Register	GJ/All	
10.	Training a) Training Needs analysis discussion b) Service Order – Pension Board Training	All/Andy	
11.	Review of Pensions Ombudsman Cases	SG	
12	Workplan Review	Chair/All	
13.	Any other business	Chair/All	
14.	Next Meeting – Agenda Items, Date and Place		

ANNUAL WORK PROGRAMME – LOCAL PENSION BOARD										
SUBJECT	AUTHOR(S)	2018				2019				COMMENTS
		Mar	July	Sept	Dec	Mar	July	Sept	Dec	
Annual reports – submission / deadline dates		X				X				
Feedback on Auto-Enrolments / Opt-outs		X				X				
Injury Awards		X				X				
Feedback from Annual Benefits Statement Exercise			X				X			
TPR Public Service Governance and Administration Survey		X				X				
Annual Data Quality Review / Data Improvement Plans			X				X			
GDPR Regulations – implications		X				X				
GMP Reconciliation (HMRC)					X	X				

STANDING ITEMS										
Work Programme		X	X	X		X	X		X	Standing Item
Communications (including ABS issues)		X	X	X		X	X		X	Standing item (includes Annual Benefits Statement issues)
National Scheme Advisory Board - Update		X	X	X		X	X		X	Standing Item
Pensions issues/Workload		X	X	X		X	X		X	Standing Item
Learning & Development - Update		X	X	X		X	X		X	Standing Item
Self – assessment - Update		X				X				Standing Item (ANNUAL)
New Regulations		X	X	X		X	X		X	Standing Item
Monthly Client Reports <i>To include KPIs</i>		X	X	X		X	X		X	Standing Item
Breaches		X	X	X		X	X		X	Standing Item
Fraud			X							

For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 12

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: DISPOSAL OF ASSETS UNDER THE SCHEME OF DELEGATED AUTHORITY

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

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

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

RECOMMENDATION:

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

That Members authorise the disposal of the 7 assets detailed in the report which individually have the potential to achieve income over the £10,000 threshold under the scheme of delegated authority.

1. Introduction

- 1.1 This paper provides an update on the assets disposed of over the financial year 2018/19, and assets that may be disposed of over the next 12 months, under the scheme of delegated authority. The assets referred to here are obsolete equipment and vehicles.
- 1.2 In 2018/19 there were eight vehicles disposed of with a value below £10,000. In addition there were four vehicles with a value above £10,000. The total income generated from the sale of these assets is £93,696 which has been used to support the Capital Budget for the replacement of future asset(s).
- 1.3 At table 1A there are numerous items of equipment that had no value to the Service and in reality would have been disposed of through waste disposal. In general those items of equipment are either obsolete or have a lifespan which has been exceeded, rendering those items unusable within BFRS.

2. Disposed Assets

- 2.1 Table 1 and 1A shows those assets disposed of, and their realised value. During 2018/19, one of the vehicles that potentially could have been sold was donated. This is due to the vehicle condition reports that are carried out by the Transport and Engineering Manager, demonstrating that a vast majority of the vehicles that could have been disposed of based on time or their age, were still in a condition that allows them to be used in some capacity within an alternative Service to BFRS.

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

Table 1: Vehicle Assets That Were Disposed of in 2018/19

Date of Disposal	Fleet No	Type	Chassis Type	Registration Number	Realised Income £
18/19	92	Rescue Pump	Volvo	V508LJH	Kenya
18/19	67	Rescue Pump	Scania	KR02DHJ	17,500
18/19	69	Rescue Pump	Scania	KU52KMG	15,000
18/19	70	Rescue Pump	Scania	KU52KMJ	14,800
18/19	81	Rescue Pump	Scania	KN54XLT	19,200
18/19	99a	Forklift	Moffett	DG53FWO	7,200
18/19	101	Hydrant Van	Ford	KX58DHC	2,191
18/19	102	Workshop Van	Mercedes	KX07VKR	3,541
18/19	104	Property Van	Vauxhall	KR57UOC	3,091
18/19	110	Hydrant Van	Vauxhall	KR59DXM	3,591
18/19	111	Hydrant Van	Vauxhall	KR59DXT	2,391
18/19	140	Pool Car	Volvo	KX61KWR	5,191

Table 1A: Equipment Assets Disposed

Date of Disposal	Equipment Type/Name	Receiver of Goods/Charity	Income Value £
25/05/2018	22 x High pressure air mats	Withams Disposal	3,000
25/05/2018	4 x Low pressure	Withams Disposal	1,400
25/05/2018	4 x Rescue Paths	Withams Disposal	840
25/05/2018	15 x Interspiro BA sets	Withams Disposal	400
25/05/2018	Collection of small tools	Withams Disposal	520
25/05/2018	Various tool boxes	Withams Disposal	120
25/05/2018	19 x sets Portable lighting	Withams Disposal	2,800
25/05/2018	Road signs	Withams Disposal	150
25/05/2018	19 x AED	Withams Disposal	1,400
25/05/2018	Collection of blue Lights	Withams Disposal	125
25/05/2018	20 x LLGS suits	Withams Disposal	800
25/05/2018	Foam Concentrate	Withams Disposal	400
25/05/2018	Sthil petrol disc cutter	Withams Disposal	130
25/05/2018	2 x Space heaters	Withams Disposal	300
25/05/2018	20 x Tek-lite scene lighting	Withams Disposal	600
25/05/2018	20 x Wolf lamps	Withams Disposal	250

Table 2: Vehicle Assets That May Be Disposed of in 2019/20

Date of Disposal	Fleet No	Type	Chassis Type	Registration Number	Potential Income Value £
TBC	103	Mini Bus	Ford	KX57LRV	2,500
TBC	137	Pool Car	Skoda	KX07PZE	700
TBC	121	Station Van	Vauxhall	KM58HVF	2,000
TBC	116	Station Van	Vauxhall	KE57EMF	1,800
TBC	107	Station Van	Vauxhall	KM58HVH	2,000
TBC	131	Station Van	Vauxhall	AE07EKN	1,800
TBC	130	Station Van	Vauxhall	AE07EKB	1,800
TBC	100	Mini Bus	Vauxhall	KV59OWG	3,200
TBC	126	Pool Car	LandRover	KN16FBD	18,000
TBC	127	Pool Car	LandRover	KN16FBO	18,000
TBC	001	FIST Van	Vauxhall	KW08PNY	2,200
TBC	002	CFS Van	Vauxhall	KN58LLF	2,200
TBC	005	SRT Van	Vauxhall	KM58HVJ	2,200
TBC	008	Pick up	Mitsubishi	WX53FOT	1,800
TBC	009	Catering Trailer		NO REG	9,500
TBC	010	Welfare Van	Vauxhall	KE54KHV	1,500

(Table 2 Continued)

Date of Disposal	Fleet No	Type	Chassis Type	Registration Number	Potential Income Value £
TBC	029	RTC Van	Vauxhall	KN58LLG	2,200
TBC	72	Rescue Pump	Scania	KX53FHZ	14,000
TBC	73	Rescue Pump	Scania	KN03NHZ	14,000
TBC	64	Rescue Pump	Scania	KN54XLV	14,000
TBC	3	Operational Support Unit	Ford Iveco	KV03XVS	1,500
TBC	82	Rescue Pump	Scania	KN54XLW	14,000
TBC	83	Rescue Pump	Scania	KN54XLU	14,000
TBC	108	Site Team Van	Vauxhall	KW62BVX	3,000

Table 2A: Equipment Assets Due for Disposal in 2019/20

Date of Disposal	Equipment Type/Name	Receiver of Goods / Charity	Potential Income * £
19/20	6 x MD1 Structures	Withams Disposal	3,000
19/20	2 x Petrol Generators	Withams Disposal	700
19/20	22 x PPV	Withams Disposal	4,500
19/20	22 x Argus 4	Withams Disposal	2,500
19/20	4 x Clarke Portable Lighting	Withams Disposal	400
19/20	4 x 6000 Dams	Withams Disposal	1,000
19/20	2 x Water Rescue Sleds	Withams Disposal	400

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

3 Assets that may be disposed of in 2019/20

- 3.1 The vehicle assets in Table 2 may be disposed of in 2019/20. The Service Delivery Asset Group will continue to decide on the life of an asset following a Vehicle Condition Report prepared by the Transport and Engineering Manager. The table is therefore indicative.

Table 2 does highlight 7 vehicles that have the potential to be sold for more than the £10,000 threshold (Highlighted in green). With that in mind this paper also requests that the Members authorise the sale of those assets at an appropriate time during 2019/20.

4 Implications

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

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

For Publication

Bedfordshire Fire and Rescue Authority
28 March 2019
Item No. 13

REPORT AUTHOR: CHIEF FIRE OFFICER AND SECRETARY/MONITORING OFFICER

SUBJECT: GOVERNANCE REVIEW

For further information on this report contact: Chief Fire Officer
Tel No: 01234 845017

Background Papers:

Implications (tick ✓):

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

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

PURPOSE:

To make decisions on the future governance arrangements of the FRA.

RECOMMENDATION:

That Members consider the options identified in this report together and determine the way forward.

1. Background

- 1.1 The Police and Crime Act 2017 made provision for Police and Crime Commissioners (PCC's) to take over the governance of Fire and Rescue Services, subject to the acceptance of a business case. Where the PCC had no wish to take over the governance of the FRA, the Act included arrangements for the PCC to become a voting member of the FRA. This element required secondary legislation to vary the combination orders under which FRAs are constituted and this legislation has yet to be enacted. In the meantime, Bedfordshire FRA has chosen to invite the Police and Crime Commissioner to participate in Authority meetings but without a vote.
- 1.2 Each year the FRA carries out an internal review of its effectiveness and both external audit and internal audit have given confirmation of the effectiveness of the governance arrangements that are in place.
- 1.3 In 2018 the FRA commissioned RSM, its internal auditors' to carry out a review of the governance arrangements for the authority. RSM submitted their report in October 2018.
- 1.4 The Review suggests a number of areas which, if implemented, may improve the efficiency of the Authority and reduce the bureaucratic burden on the Fire and Rescue Service in supporting it at a time when resources are increasingly under pressure. The review also included some benchmarking information.
- 1.5 In summary the report deals with the following areas:
 - Number and functionality of FRA meetings
 - Location of meetings
 - Staffs requirement of Members

- Structure of Policy and Challenge Groups
- Member of Allowances

1.6 These matters were discussed informally by FRA members at a workshop held on 17 January. The purpose of this report is to allow the FRA to decide whether it wishes to make any adjustments to the structure of the FRA or the manner in which it conducts its business.

2. The Composition of the FRA

2.1 The constitution of the FRA is governed by the Bedfordshire Fire Services (Combination Scheme) Order 1996 as subsequently varied and amended. The Scheme allows for the FRA to comprise no more than 25 members appointed by the constituent authorities. The appointments made by each of the constituent authorities must be proportionate to the number local government electors in its area.

2.2 Since it was first established in 1997 the FRA has been made up of 12 members, initially shared between Bedfordshire County Council (8) and Luton Borough Council (4) and since 2009 shared between Bedford Borough Council (3), Central Bedfordshire Council (5) and Luton Borough Council (4).

2.3 One Combined FRA (Hampshire) has recently reduced its membership to 10. However, generally Bedfordshire does not stand out as having a higher number of members than other FRAs.

2.4 If the FRA wishes to consider reducing the size of its membership, it could be reduced to 9 or 6 with the representation from the constituent authorities being adjusted accordingly. In theory the membership could also be increased, though this is unlikely to be seen as contributing to the overall efficiency of the FRA.

2.5 An additional factor to be considered is the likelihood that the PCC will become a full voting member of the FRA in the foreseeable future, subject to the enactment of secondary legislation to vary the Combination Scheme.

3. Committees and Policy and Challenge Groups

3.1 Currently, the Authority has 2 committees, the Executive and the Audit and Standards Committee, together with 3 Policy and Challenge Groups: Service Delivery, Human Resources and Corporate Services. There is also a Corporate Equality Group. created as a committee and comprises the Chair, Vice Chair and Chairs of each of the 3 Policy and Challenge groups.

- 3.2 The Governance review suggests a redefinition of the purpose of the groups and this could be created to mirror the 3 pillars of Fire and Rescue Service Inspection so that scrutiny is focussed in those specific areas. As such, Service Delivery would become Effectiveness, Corporate Services – Efficiency and Human Resources – People. The Corporate Equality Group could be absorbed into the “People” Policy and Challenge Group. There would still remain a need for a Member Diversity Champion. At the recent workshop members seemed supportive of this initiative and indicated support for a reduction to just 2 policy and challenge groups, one covering Effectiveness and the other Efficiency and People.
- 3.3 Assuming that the overall membership of the FRA does not change and with 6 places on each Committee/PCG, there would be 12 members to fill 22 places. (There would be 4 members on the Executive Committee.)
- 3.4 The terms of reference of the two new PCGs can be based on those for the current PCGs. No change is necessary for the Audit and Standards Committee. It is suggested that the terms of reference for the Executive Committee should include specific responsibility for the management of the employment relationship between the FRA and the Chief Fire Officer. At present, responsibility for this relationship rests solely with the full FRA.
4. Numbers of meetings
- 4.1 The Governance Review found that the number of meetings held each year by the FRA was in line with FRAs; these include Briefings, Authority meetings, Policy and Challenge Groups, Policy and Challenge Group briefings, Audit and Standards Committee, Ad hoc Executive Committee meetings, Member development days, budget workshops, workplace visits and other engagement meetings.
- 4.2 Almost all of these meetings require provision of management time for preparation and a large number demand the production of detailed papers and reports as well as minutes and recorded decisions.
- 4.3 The workload could be substantially reduced by removing the need for extensive background papers in favour of a record of the key points of the discussion and or the decisions made. Full papers where still required could be reserved for the full Authority meetings only. It is perhaps the case that a freer and less formal discussion with fewer members could lead to a more granular understanding of the issues facing the Authority and the strategy to address them given the role of the Authority is Governance rather than managerial decision making.

- 4.4 Members are also asked to consider the nature of Chairs briefings. At the Members Workshop there seemed to be support for Policy and Challenge Group Chairs to be briefed informally on a 1:1 basis with an appropriate Officer. This is already the case in some groups. If the purpose of the Policy and Challenge Group is to gain more granular understanding of issues it may not be necessary to have a pre-meeting briefing at all. These are not decision-making bodies but examine the issues and then make recommendations to the Full Authority.
5. Knowledge and skills requirements
- 5.1 The Governance Review suggested that there should be an alignment between the membership of Policy and Challenge Groups and the skills and expertise of the members appointed to serve on those Groups. The suggestion appears to misunderstand the nature of the FRA. The Authority is representative of our Unitary Authorities to which Members are elected based on personal characteristics and/or political allegiance. It would appear difficult to maintain any realistic form of either political or geographic representation if Members were selected for Policy and Challenge Group related to specific skills and interests. It is often the case that Members who have particular knowledge and experience try to use that most effectively. It is also the case some originality of thought from those without particular training or skills in an area can generate very effective challenge.
6. Members Allowances
- 6.1 The Governance Review includes benchmarking information about Members' allowances. This shows that basic allowance is in line with other FRAs and that the special responsibility allowances paid to Committee and PCG Chairs are below the average. However, the allowances paid to the Chair and Vice-Chair are both higher than the average paid by other FRAs. In addition to their SRA, the Chair and Vice Chair receive a basic allowance. Thus the combined allowances received by the Chair and Vice Chair assume that they spend 120 and 70 days respectively on FRA business. One option would be to deduct 20 days each from the number of days that are assumed for the purpose of their SRAs.
7. Attendance
- 7.1 Attendance remains mixed with some Members attendance being very high and some less so, often for very valid reasons of itself, attendance is a cumbersome measure and it might be agreed that some Members who are less able to attend still make a very valid and worthwhile contribution. It may, again, be useful to consider whether fewer members who are individually more engaged is a more effective way forward.

8. Meeting venues

- 8.1 Fire Authority meetings should be held at a venue where there is sufficient space to accommodate members of the public if they wish to attend. The Policy and Challenge groups are not public meetings and can be held anywhere.
- 8.2 It has been proposed meetings are moved around different venues within the Service to facilitate more effective staff engagement and public visibility.

9. Conclusion

- 9.1 The FRA is asked to determine what changes, if any, it considers should be made to the constitution of the Authority having regard to the outcome of the Governance Review and the discussion that took place at the Members' Workshop. In particular, it is suggested that the FRA may wish to consider the following elements of its governance arrangements:
- The composition of the Authority;
 - The size, structure and terms of reference of committees and groups;
 - Arrangements for meetings including briefings;
 - Members allowances

PAUL FULLER
CHIEF FIRE OFFICER CBE QFSM MStJ DL

JOHN ATKINSON
SECRETARY/MONITORING OFFICER

REPORT AUTHOR: DEPUTY CHIEF FIRE OFFICER

SUBJECT: CRMP 2019-2023 CONSULTATION SUMMARY

For further information on this Report contact: Strategic Operational Commander Andy Peckham
Head of Service Development and Assurance
Tel No: 01234 84 5129

Background Papers: None

Implications (tick ✓):

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

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

PURPOSE:

The purpose of this paper and its attached report is to inform the Fire and Rescue Authority (FRA) of the outcomes of the Community Risk Management Plan (CRMP) 2019-2023 consultation process.

RECOMMENDATION:

That the FRA acknowledges the content of this paper and:

1. Acknowledges the findings of the CRMP consultation, and;
 2. Approves the adoption of the final draft CRMP 2019-2023 and the 2019/20 annual action plan, suitable opportunity having been given for local communities and staff members to comment.
-

1. Background

- 1.1. The CRMP is Bedfordshire Fire and Rescue Services (BFRS) process to consider the current and future risks, and present detail on how we plan to meet the impact of those risks.
- 1.2. This CRMP covers the period 2019-2023, replacing the previous 2015-2019 plan. It incorporates an annual action plan; those more detailed activities that will be our priorities within the coming year to deliver organisational improvement and public safety.
- 1.3. The CRMP is a requirement of the Service within the National Framework document issued by the Home Office. There is a requirement that it is publically consulted on, and that local communities have opportunity to influence it.

2. The Community Risk Management Plan

- 2.1. The development of our CRMP for 2019-2023 has provided us opportunity to reconsider the structures and priorities within our organisation, and to consult with the public and staff on their understanding of these.
- 2.2. The CRMP for 2019-2023 is built around six aims, these are:
 - Preventing fires and other emergencies from happening;
 - Protecting people and property when fires happen;
 - Responding to fires and other emergencies promptly and effectively;

- Empowering our people as we work together to make Bedfordshire safer;
- Utilising our assets and resources efficiently and effectively;
- Maximising use of data and digital solutions to drive improvement.

- 2.3. The CRMP then considers the strategy that supports each of these aims, focusing on the priorities and approach that the Service will take to deliver these; presenting an action plan for 2019-2020 based on our intentions and our rationale against each aim.
- 2.4. Having now received our report from Her Majesty's Inspectorate for Constabulary and Fire & Rescue Service (HMICFRS) following over six months of work in 2018, we have also been able to consider opportunities for improvement from that inspection and include them into our CRMP action plan.
- 2.5. To provide improved understanding of the risks to our community we undertook a Community Risk Analysis (CRA). The CRA draws on a range of data and information which provides trend analysis on our previous activities. By using this data to have an improved understanding of our communities, we can reasonably predict new or developing risks that we would want to consider.
- 2.6. The CRA was also offered for public consultation as evidence of our planning process.

3. Community Survey Outcomes

- 3.1. A draft CRMP and the CRA were provided for consultation between February and March 2019. The public consultation ended on 8 March, however the ability for staff to engage in the survey remained open until 19 March. This extension for staff enabled us to maximise Corporate Management Team (CMT) visits to fire stations and workplaces and host a management briefing day where further engagement on the CRMP was possible.
- 3.2. Following the success of our recent Budget Consultation process (2019-2020) we have used the same processes to engage with communities on our CRMP. This includes significant use of social media platforms, websites, support from partners (for example Bedford Borough council shared our CRMP survey with its citizen panel and Central Bedfordshire council with its staff), newsletters, physical adverts and our BedsFireAlert Community Messaging system.

- 3.3. Our survey was set around 13 core questions. These questions included both objective (yes or no) content and subjective (tell us more) content to build an understanding as to whether we had support for our proposals, and whether there were any fundamental areas we needed to revisit.
- 3.4. Whilst it is difficult to accurately assess how many people to whom we have been able to show our CRMP during the consultation period, a conservative estimate based on known social media and website engagement indicates we have reached over 65,000 people, or 10% of the population.
- 3.5. Despite this reach, we have received 125 public survey responses – 10% of the number we had for our budget consultation exercise – in addition we have received feedback from approximately 250 staff through station visits and a management briefing event.
- 3.6. The low return in comparison to the recent budget consultation has been considered. The budget could be seen as having a more direct impact on the communities of Bedfordshire and therefore generated more interest in responding. It used less questions and relied on less information than our CRMP, therefore it is reasonable to assume that only those with sufficient time would engage. The CRMP does not, we believe, contain anything that could be deemed challenging, and warranting response, and as such a low return could be seen as acceptance.
- 3.7. A Survey Results document has been produced by Mark Hustwitt (Communications and Engagement Manager) and Prue Wullems (Service Improvement Manager) which is included as Appendix B. This report provides detail on the consultation responses and the levels of support for our aims and priorities.
4. Outcomes
 - 4.1. From the responses received, there is 99% support for our mission; this amends our previous vision ‘to be an excellent fire and rescue service’ to ‘providing outstanding fire and rescue services’.
 - 4.2. There are high levels of support across our aims and priorities. These are captured within the Survey Results document. Of note is that 91% of respondents support (or chose not to read in any detail) the CRA approach and content, and 82% support an in-depth analysis of emergency cover arrangements.

- 4.3. Where there have been qualitative responses about risk identification, these have been reviewed within both the CRMP and CRA to provide assurance they are identified. We will continue to periodically review our CRA to ensure it remains current and identifies all reasonably foreseeable risk.
- 4.4. There remains public interest in the issues surrounding the tragic Grenfell Tower fire. Respondents have asked that we provide assurance and education for those that live in high rise residential premises. Whilst we have delivered significant work within prevention and protection areas already, and will continue to work with our partners to ensure the safety of our communities, it is acknowledged that this was not explicit in our draft priorities under 'Prevention' and has therefore been added (albeit it was already detailed within Protect).
5. Recommendations
 - 5.1. That the FRA acknowledges the findings of the CRMP consultation survey, and;
 - 5.2. Approves the adoption of the final draft CRMP 2019-2023 and the 2019/20 annual action plan suitable opportunity having been given for local communities and staff members to comment.

ANDREW HOPKINSON
DEPUTY CHIEF FIRE OFFICER

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Bedfordshire
Fire and Rescue Service

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Community Risk Management Plan
2019-2023 (FINAL DRAFT v1.0ah)

Foreword

It is our pleasure to introduce the 2019-2023 Bedfordshire Fire and Rescue Service Community Risk Management Plan.

This sets out how we intend to deliver our mission of providing outstanding fire and rescue services by further improving:

- how we assess and analyse the risks faced by the communities we serve;
- the effectiveness of our prevention, protection and emergency response services;
- how efficiently we deploy our assets and resources to mitigate community risk; and
- how we value, support and invest in our best asset, our staff.

Following an inspection of our Service during the summer of 2018, we were delighted that Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) judged us to be **good** at 'effectively keeping people safe and secure' within our local communities. We also welcomed the areas for improvement identified within their [report](#), which will be acted upon during the life of this plan to drive and direct continued improvement across the Service.

Mindful of the financial challenges facing us and other public services, we intend to continue to tackle our financial challenges head on. We will fully embrace our statutory responsibilities, and continue to work closely with our partners and communities, strengthening existing relationships, and forging new ones as we work together to make Bedfordshire safer.

We know that our successes would not be possible without our team of professional and dedicated staff. We have always worked hard to provide the best equipment, vehicles, training and support to our staff, and this plan places more emphasis on valuing and investing in them; recognising the key role they play in developing our Service. We continue to strive to be an 'employer of choice' with a highly skilled and motivated workforce that understands and reflects the diversity of our communities, and who see our Service as an engaging, positive and rewarding place to work. By being open and responsive to change, and through exploring and investing in new and innovative technologies and ways of working, we will continue to improve the safety and wellbeing of the diverse communities we serve.

Our Community Risk Management Plan is underpinned by seven specific strategies that set out in more detail how we will deliver on our vision and priorities during the next four years. Each year we will also publish an action plan summarising what we intend to deliver that year. We will report on progress by producing an Annual Action Plan and Statement of Assurance.

Together, we assure you of our continued commitment to making Bedfordshire a safer place.

Paul M Fuller CBE QFSM MStJ DL
Chief Fire Officer
Bedfordshire Fire & Rescue Service

Cllr Paul Downing
Chairman
Bedfordshire Fire & Rescue Authority

About Us

Bedfordshire Fire & Rescue Authority

The Bedfordshire Fire and Rescue Authority (FRA) is the independent body who provide and oversee the Fire and Rescue Service for Bedfordshire.

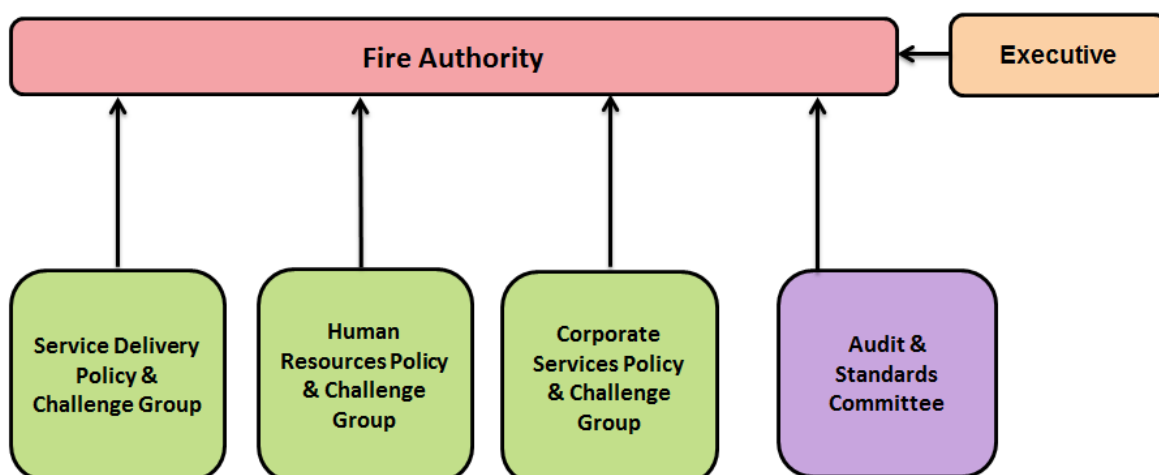
It comprises elected councillors ([Members](#)) appointed to it from each of the three unitary authorities, whose numbers are proportional to the populations they represent:

- 3 Members from Bedford Borough Council;
- 5 Members from Central Bedfordshire Council;
- 4 Members from Luton Borough Council.

Additionally the Bedfordshire Police and Crime Commissioner has a non-voting seat on the Authority.

Once appointed to the Authority, Members represent the community as a whole, not just the area they serve as a local councillor. They serve as a valuable link between communities and the fire and rescue service. Members are collectively responsible for setting the overall strategic direction of the Service, including the setting of its budget, promoting its core values and ensuring that the Service is effective, efficient and provides value for money.

The full Authority meets periodically throughout the year and is structured as shown below. More information is available on our [website](#).



The Authority has core functions which are set down in the [Fire and Rescue Services Act 2004](#), which it delivers through the Bedfordshire Fire and Rescue Service (BFRS) and which include providing fire safety advice, collaboration with other agencies, developing and publishing emergency plans, compliance with statutory legislation, attending fires and other emergencies such as road traffic collisions. It provides leadership and oversight to ensure the service provided by BFRS meets the needs of the communities of Bedfordshire. It also

approves overall policy and strategy, scrutinises performance, monitors financial spending and ensure the activities of the BFRS are carried out efficiently, effectively and economically.

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Bedfordshire Fire & Rescue Service

We employ over 560 staff consisting of

- Wholetime (fulltime) firefighters and officers;
- On-call (retained) firefighters;
- Control staff;
- Corporate (support) staff.

We provide our services from 14 fire stations and our Fire Control mobilising centre at our headquarters site at Kempston which also hosts our training centre and technical services hub.

We work a range of duty systems to ensure we have the right number of skilled firefighters available at the right time and place to respond to emergencies.

- 24 hour shift - immediate 24 hour response using full-time firefighters;
- Day-crewed - immediate daytime response using full-time firefighters Monday to Friday with an on-call firefighter response at night and weekends.
- On-Call/Retained – on-call firefighters providing a response within six minutes.

Our fleet includes:

- 22 front-line fire engines;
- 2 aerial ladder platforms;
- 16 specialist vehicles;
- 66 support vehicles.

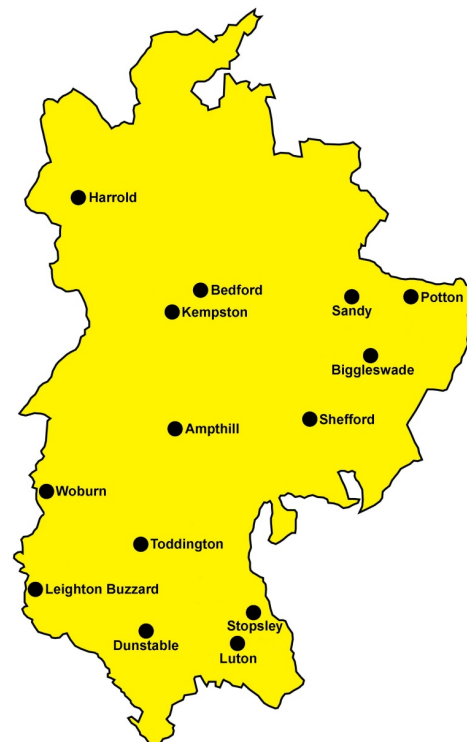
We work to **PREVENT** fires and other emergencies from occurring in the first place.

Our firefighters and other front-line staff undertake more than 5,000 safe & well visits each year, carry out fire and road safety talks in schools, and work with partner agencies to inform our communities about fire and road safety.

We work to **PROTECT** people when emergencies do happen. Our firefighters and fire safety officers undertake inspections of workplaces, engaging with and educating owners and occupiers, taking enforcement action where necessary.

We **RESPOND** to emergencies including fires, road traffic collisions, air and rail crashes, water rescues and flooding, hazardous chemical incidents and many other types of emergencies. Our firefighters regularly train, maintain and test equipment to ensure they remain operationally ready to respond to emergencies at all times.

We also work closely with our partners such as Bedfordshire Police, the East of England Ambulance Service, local councils and our neighbouring fire and rescue services to ensure we can respond effectively and competently to any emergency.



Our Mission, Aims & Priorities

Our Mission is simply to **provide outstanding fire and rescue services** that help make Bedfordshire safer and we are committed to doing everything we can to achieve this within the resources we have available to us.

For us, delivering on our mission means focusing on the following 6 aims:

- **PREVENTING** fires and other emergencies from happening;
- **PROTECTING** people and property when fires happen;
- **RESPONDING** to fires & other emergencies promptly & effectively;
- **EMPOWERING** our people as we work together to make Bedfordshire safer;
- **UTILISING** our assets & resources efficiently & effectively; and
- **MAXIMISING** use of data and digital solutions to drive improvements.

We focus our resources on achieving these aims and use them to develop and deliver the key priorities we set out to achieve through our Annual Action Plan.

We use Key Performance Indicators (KPIs) to measure how we are performing against our priorities and report these on a quarterly basis to the FRA and publish an Annual Performance Report.

Our Values & Virtues - what we believe in:

Our Values & Virtues are the qualities that we believe are the most important to us and describe the expectations the public have of us and that we have of each other.

We use them every day to influence how we work to achieve our mission and priority objectives and guide the professional behaviours we expect of our staff in everything we do.

We fully support the national fire and rescue service core values of:

- Service to the community;
- Valuing all our employees;
- Valuing diversity in the Service and the community;
- Valuing improvement.

We maintain our own Service Virtues to guide the behaviours of all our staff:

- **Humility** - a humble view of one's own importance, unpretentiousness and modesty;
- **Courage** - a state of mind in which a person is able to face danger and fear with confidence and bravery;
- **Wisdom** - the ability, developed through experience, insight and reflection, to discern truth and exercise good judgment;
- **Tenacity** - persistent determination;
- **Prudence** - the measured balance between complicated situations to provide sound judgements;
- **Selflessness** - not seeking self-interest;
- **Loyalty** - a strong feeling of support or allegiance;
- **Truth** - the accepted integrity of what is considered actual.

Collaboration & Partnerships

We currently have two types of partnerships; Statutory and Non statutory Partnerships.

'Statutory' is a formal type whereby there is a legal responsibility for Bedfordshire Fire and Rescue Service to be members.

'Non statutory' is an informal partnership created to support organisational targets and goals.

For example, we are active members of the multi-agency Community Safety Partnerships in each of our local authority areas.

We aim to evaluate our partnerships annually to ensure that each partnership is contributing to our aims and objectives set out within our strategic planning process. The annual review also provides assurances about the ongoing overall effectiveness of partnership arrangements. More information on our partnerships can be found on our [website](#).

We work closely with our blue light colleagues in Bedfordshire Police and the East of England Ambulance Service, as well as our local authority colleagues in Bedford Borough Council, Central Bedfordshire Council and Luton Borough Council.

We view collaboration as an opportunity to reduce costs and improve services to the public so we continue to explore new opportunities to work together through the Blue Light Collaboration Strategic Board chaired jointly between the Deputy Chief Fire Officer and Deputy Chief Constable. We also work in partnership with other fire and rescue services on both front line and support services, such as our shared strategic operational command arrangements and shared ICT service with Cambridgeshire Fire and Rescue Service. These arrangements have not only improved services but allowed the Authority to make efficiency savings.

Currently Bedfordshire Fire and Rescue Service are collaborating with Bedfordshire Police and the East of England Ambulance Service on a number of projects. These include:

- co-locating police officers and police community support officers at Ampthill, Bedford and Leighton Buzzard fire stations;
- co-locating paramedics at Luton, Sandy, Shefford & Stopsley fire stations;
- assisting Bedfordshire Police with searches for vulnerable missing persons;
- assisting paramedics to gain entry to premises where there is suspected risk to life of the occupant;
- routing fire appliances returning from incidents to travel along Police identified 'red routes'; an area where an authoritative visible presence that has been proven to help reduce crime.

Our website has more information about our [collaboration](#) initiatives.

How we analyse and manage risks to our communities

Integrated Risk Management Planning

This CRMP helps us meet the responsibilities placed on us by the [Fire and Rescue National Framework for England](#) which requires us to produce an Integrated Risk Management Plan (IRMP) that identifies and assess all the foreseeable fire and rescue related risks and challenges which may arise, and to set out how we plan to mitigate these risks using our available resources.

Integrated risk management planning gives fire and rescue services the flexibility to use their resources in the most effective way to save lives, improve public safety and reduce the impact of emergency incidents.

The first and key component of our IRMP process is the analysis and understanding of the risks to the communities we serve, and also the risks to our organisation and our ability to deliver our core functions, both locally and nationally. The better we understand the risks the more effectively we can target our resources and activities towards reducing them.

While risk to property, the environment and our heritage are of significant importance in the work we do – it is risk to life that is given our highest priority.

We use a range of quantitative and qualitative analysis, the outcomes from which are detailed in our [Community Risk Analysis](#) (CRA) document. Our CRA directly informs what we, and our partners, are doing to ensure we are doing the right thing, using the right people and resources, provided in the right place and at the right time to help make Bedfordshire safer. Our CRMP should be read in conjunction with the CRA.

We play an active part in the [Bedfordshire Local Resilience Forum](#) (BLRF); a multi-agency partnership formed to meet the requirements of the [Civil Contingencies Act 2004](#). The BLRF compiles a Community Risk Register (CRR) which identifies the wide range of risks and emergencies we could potentially face within Bedfordshire. It draws upon the National Risk Register which gives a national perspective of the risks and emergencies that could occur and would result in major impact on all, or significant parts of, the UK. These inform priorities for planning, training and exercising so we can effectively manage emergencies when they arise. Outlined below are the local risks considered to be of relatively high consequence.

Local 'Very High' Risks	Local 'High Risks'
<ul style="list-style-type: none">• Pandemic Influenza Style Disease• Energy supply disruption	<ul style="list-style-type: none">• Flooding• Fuel Disruption• Severe weather including effusive Volcanic eruption overseas

We maintain robust business continuity plans to ensure the critical functions our organisation provides can continue to operate, should serious incidents or issues occur that might otherwise interrupt them. Our planning is also influenced by other legislation such as the Fire and Rescue Services Act 2004; Fire and Rescue Service (Emergencies) (England) Order 2007; Regulatory Reform (Fire Safety) Order 2005 and the Health & Safety at Work Act 1974.

Our County & Communities

Bedfordshire occupies a geographically central position within the UK, bordering 5 other counties and covering an area of 1,234.45 square kilometres (476.94 square miles), split by three unitary authority areas:

- Bedford Borough: 476.4 km² (183.9 sq. miles);
- Central Bedfordshire: 715.7 km² (276.3 sq. miles);
- Luton Borough: 43.35 km² (16.74 sq. miles).

With a growing and ageing population of over 664,000 people, with a workforce of over 250,000, it is proudly one of the most diverse populations in the country.

The county is, in land use terms, largely rural and agricultural, including major areas of outstanding natural beauty. Most people (over 70%) live in its larger towns including the two major towns of Luton and Bedford, but also in a number of smaller market towns. These towns lie within often picturesque rural settings which also includes many villages that add to the area's diversity of places to live, work and play.

Over recent years the local economy, like many throughout the UK, has moved from traditional manufacturing and heavy industry to one based more upon the service industry. These industries include logistics and air transport, higher education, research and development, tourism and hospitality, creative and cultural businesses, construction, and business services. Bedfordshire is growing as a national distribution hub and has a number of large industrial sites and warehouses.

Bedfordshire has two successful universities; the post-graduate Cranfield University, and the under-graduate University of Bedfordshire, together with strongly performing further education colleges based in Bedford, Luton and Dunstable. There are a number of significant and internationally linked research locations at these universities and also at Colworth Science Park, Cranfield Technology Park and the Millbrook Vehicle Proving Ground.

Within our area we have a significant stock of heritage buildings and environmental sites of special interest. Countywide rivers present us with special problems during spate flooding conditions. There are also iconic visitor attractions in the county, such as Woburn Safari Park, Whipsnade Zoo and Center Parc's fifth UK village at Woburn.

There are major growth plans that will see 66,850 new homes built across Bedfordshire in the next decade, including a new town at Tempsford, along with continued expansion in the number of industrial and commercial sites that will create an extra 53,400 jobs. The road, rail and waterway infrastructure include the M1 and A1 main arterial roads, and three major rail routes, including one of the busiest commuter rail links in the country running south from Bedford to London and beyond. The international London Luton Airport, which already handles circa 16 million passengers a year, is also expanding to accommodate this growth. Town centre redevelopment is underway in many of the county's towns, and in particular in Luton and Bedford.

It is essential that the Service continues to keep abreast of this emerging and changing risk profile and ensures our resources and capabilities continue to be aligned to the areas of greatest need.

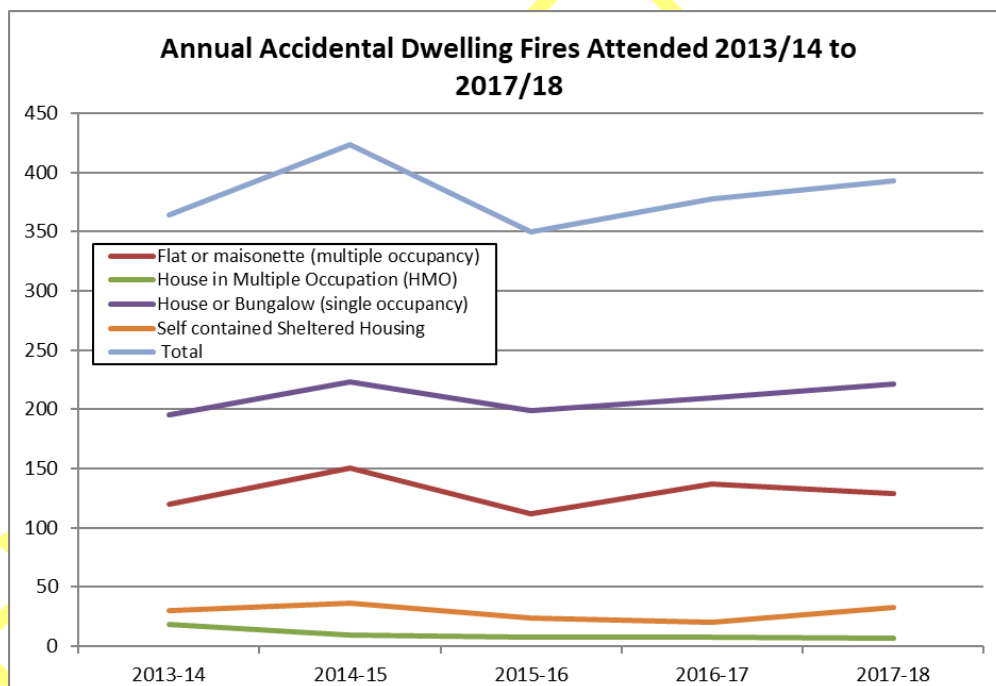
Summary of Risks within Bedfordshire

Dwelling Fire Risk

Fires deaths and injuries arising from accidental dwelling fires have reduced significantly over the past decade. We are aware Bedfordshire has a growing and ageing population with the 65+ age group predicted to increase more steeply over the next decade putting pressure on most public services.

Our analysis tells us that the people most at risk of dying in a dwelling fire include older people, smokers, those with some form of mobility or mental impairment, those who misuse alcohol or drugs and those living without a working smoke alarm. We use a range of data, including health data, to identify people who most need our prevention services and to make sure those people get support. Deprivation is also a recognised factor that increases risk from fire. The English indices of deprivation measure relative deprivation in small areas in England called lower-layer super output areas (LSOA). Although Central Bedfordshire has none, Luton has 9 LSOA in the nation's top 10% and is within the 20% most deprived neighbourhoods in England. Bedford has 5 LSOAs amongst the top 10%.

There is a rising trend in the number of accidental dwelling fires within our area as the table below shows:



To better target our prevention interventions effectively we worked with Experian, analysing 5 years of our incident data and 5 years of Home Fire Safety Check data profiled against national Mosaic data to produce a bespoke Mosaic Model profile; which classifies each household in the county into one of 7 risk groups. The 3 groups with the highest relative accidental dwelling fire risk score for each household group were

1. Group 3 Transient, young singles with high risk and few interventions.
2. Group 2 High risk, elderly singles reliant on state support.

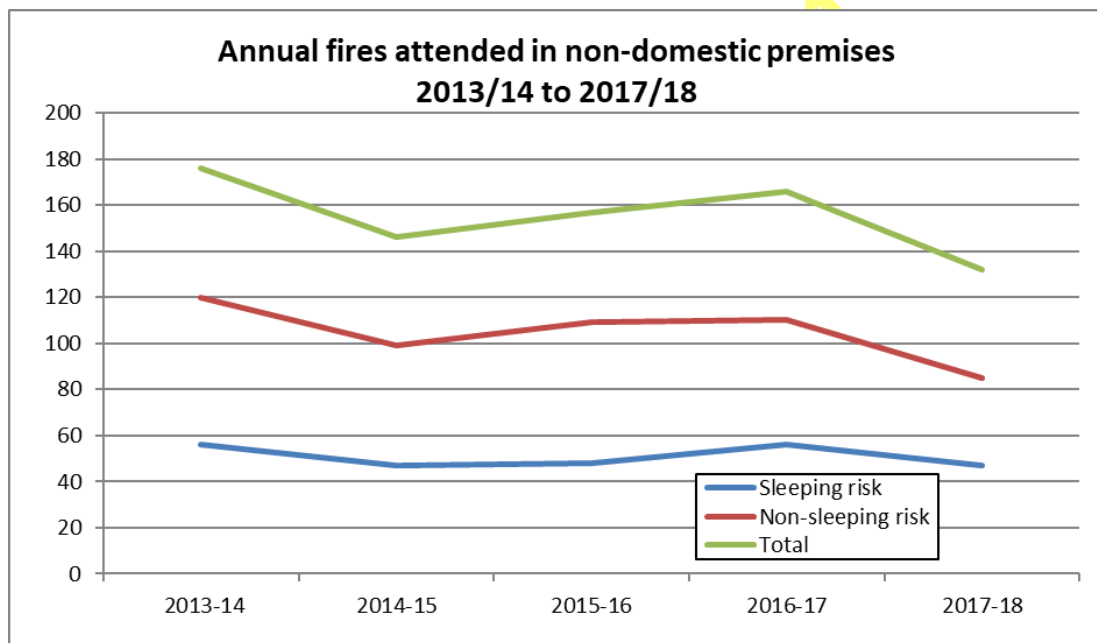
3. Group 1 Less affluent social renters with high fire risk.

Non-Domestic Fire Risks

Non-domestic premises includes those premises not regarded as dwellings such as hospitals, schools, care homes, offices, shops, leisure facilities, factories, airports, transport hubs and other premises or places defined by the Regulatory Reform (Fire Safety) Order 2005.

There are more than 17,000 commercial or non-domestic buildings in Bedfordshire. These include hospitals, care homes, hotels, offices, shops, night clubs and other locations such as chemical plants and factories. Although fires in non-domestic buildings have declined in recent years, we recognise the impact that a fire can have on the local economy if a business is disrupted by a fire. Figures from the Association of British Insurers (ABI) suggest that fires in industrial and commercial buildings cost the UK economy £1.4 billion in 2011.

The downward trend is encouraging and we will continue to work to reduce these fires.

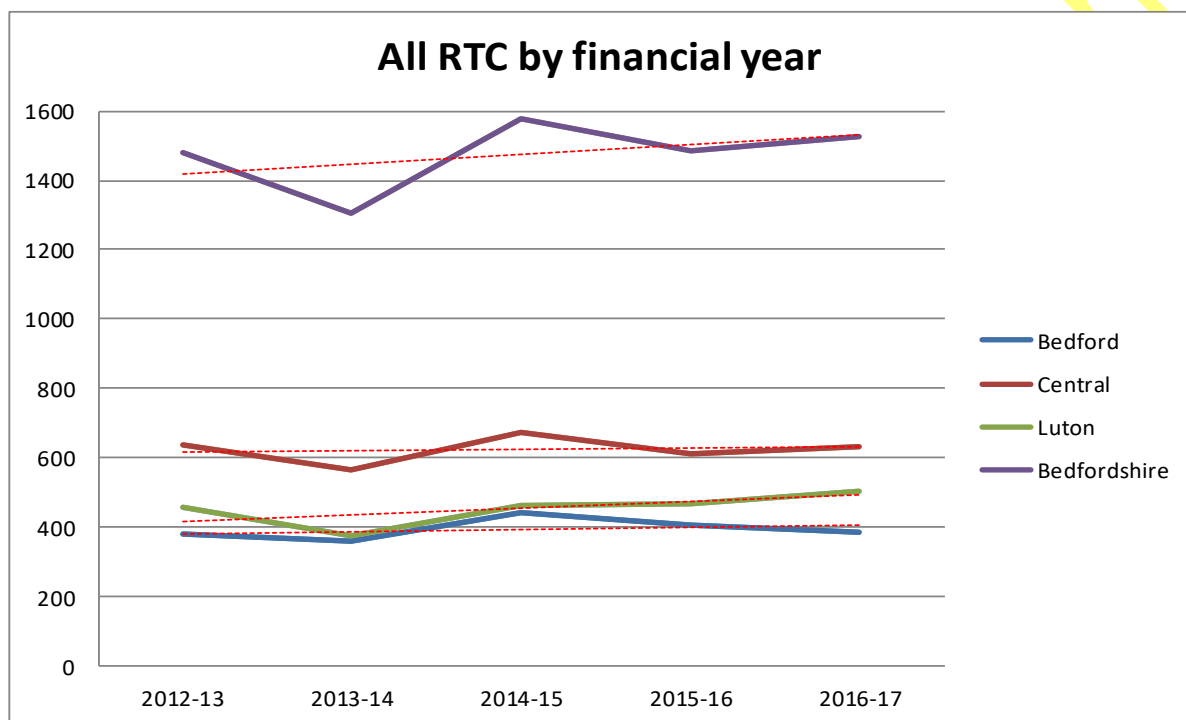


Heritage Fire Risk

We also work hard to protect the heritage of Bedfordshire. There are 114 Grade I and 143 Grade II* listed buildings in our area. Heritage buildings were usually built in an era when fire safety was not a priority and as a result they can be more vulnerable to fire. Our fire safety officers work with the owner/operators of these sites to ensure they comply with fire safety legislation and our operational firefighters gather on-site risk intelligence to inform tactical plans. These plans assist with effectively extinguishing any fires and with protecting and preserving these important buildings and their often valuable contents.

Special services and road traffic collisions

We have a number of major road networks running through our area with increasing volumes of traffic that presents a risk of road traffic collisions (RTC's) occurring. Collisions also frequently occur on the many rural roads that exist across Bedfordshire. We work to mitigate these risks through our prevention and response activities. The chart below shows trends for all RTCs (not just those that BFRS attend) and there also appears to be an increasing trend in the annual number of RTC resulting in casualties being Killed or Seriously Injured. (KSI) (Source: Reported road casualties in Great Britain: 2017 annual report, DoT. Note 2017/18 data not yet available).



Risk of extreme weather

An increasing risk relates to extreme weather; this includes the risk of death, injury or loss from flooding. In recent years the number of significant flooding events has increased. We have a number of areas within Bedfordshire that have been subject to severe localised flooding. In recent years we have deployed our flood rescue capability to support incidents in other areas as part of national planning and preparedness arrangements..

River Flooding and Surface Flooding are amongst the highest risks identified by the National Risk Register. Flooding is identified as a high risk by the Bedfordshire Local Resilience Forum (BLRF). A Multi-Agency Flood Plan has been prepared by BLRF to ensure an effective coordinated response to significant flooding events. There are a number of rivers and water courses that run through the county of Bedfordshire. Although most of the above are small water courses, they all have the potential to flood and cause risk to the life, property and infrastructure.

NATIONAL RISKS

Risk of terrorist activity

This is a complex area due to the frequency of new threats being identified and seen enacted internationally. Events over the last few years, both at home and abroad, have increased the risk of terrorist or self-motivated attack activity impacting on our society. BFRS plays a major role in protecting the community in the event of such an incident and along with the other blue light services contributes significantly to the planning and training for such events.

Emergency services work closely with security services and government to identify threats and provide effective warning, informing and response planning. Our Service supports this with national incident liaison officers (NILO), who are able to work closely with emergency service partners, and currently provides a local and national capability for mass casualty injuries and decontamination processes.

How we use our resources to make Bedfordshire safer

Fulfilling our mission of providing outstanding fire and rescue services to make Bedfordshire safer requires us to make sure that *everything* we do is focused on improving the safety of our diverse communities. As the risk in Bedfordshire is constantly evolving our approach needs to keep pace with this change.

Our CRMP is underpinned by our medium term financial strategy, and specific strategies covering Prevention, Protection, Response, People, Assets, and Digital & Data.

Like many fire and rescue services we are facing the challenges of:

- reductions in government funding;
- reducing levels of experiential learning amongst firefighters due to fewer incidents, which places a greater focus on simulation training;
- A retirement profile that is forecasting large numbers of senior and experienced firefighters retiring in the next few years;
- Recruiting and retaining a skilled and diverse workforce;
- A drive to diversify the range of services we provide to the public.

We continually analyse the risks within our communities and use this to allocate the right number of our staff to prevention, protection and emergency response duties. For example in 2019/20, a key focus is deepening our understanding of community risk, and providing all our staff with greater insight into how productive we are and how well we are performing. We will use this insight to provide assurance we are focusing our resources to areas of highest risk and can explain our rationale for doing so.

Prevention Strategy

Aim: **PREVENTING** fires & other emergencies from happening.

Our prevention **priorities** are to:

- Continue to reduce the number and impact of fires within our diverse communities;
- Improve our understanding of community risk through better & more innovative engagement with our diverse & hard to reach communities;
- Continue to reduce the number and impact of deliberate (arson) fires;
- Reduce the number of people killed or seriously injured on our roads;
- Reduce the number of people killed or seriously injured in water related incidents;
- Work with partners to broaden our prevention role & capabilities.

Our **approach** (how we will do this) will be to:

- Use an intelligence led, risk based approach to target the vulnerable & most at risk from fire;
- Maximise capacity and reach through use of specialists, firefighters & partners;
- Work collaboratively to make every contact count;
- Positively engage with and educate young people;
- Deliver an effective Safe and Well service;
- Ensure continuous improvement through effective evaluation of prevention activities;
- Actively support the Tri-Force Road Safety Partnership & the NFCC Prevention Strategy.

Safe & Well Visits

The success of our traditional Home Fire Safety Checks (HFSC) has contributed to a reduction of risk and a significant reduction in the number of deaths and injuries from accidental fires in the home. Our Safe and Well programme, designed with our local health and social care partners to target the most vulnerable, extends our HFSC approach to include risk factors that impact on health and wellbeing, such as winter warmth checks, falls prevention support, alcohol misuse and crime prevention advice, and includes referrals to specialist services. We also work with other public sector organisations, such as housing providers and health services, to exchange relevant information about people who need support and make sure they receive a visit from the person best placed to help them.

Arson Reduction Strategy

Deliberate fires account for a large proportion of the emergency incidents we attend. Our prevention strategy is focused on working with partners including the police, local authorities and other agencies to understand where the areas of greatest risk are and to work together to reduce the number of deliberate fires that occur, analysing data and investigating fire related crimes to ensure appropriate action is taken against offenders. We also deliver targeted educational activities to change the behaviours of those people who are likely to commit arson. Although the smaller fires we attend are, to some extent, linked to the prevailing weather conditions, there is a recognised link between deliberately set small fires and other forms of antisocial behaviour. It has been estimated that young people start a

large proportion of these fires so education and engagement with this group is key to reducing these incidents. We aim to reduce deliberate fires through interventions in three key areas:

- **Environmental Interventions:** These are multi agency initiatives involving teams of people from BFRS and other partners to visit designated areas to identify, process, and where necessary remove the opportunities and targets for arsonists such as fly-tipped combustible waste and abandoned vehicles. Also to identify potential targets where improved security could deter arsonists, such as derelict or unused buildings and insecure outbuildings;
- **Investigation-based Interventions:** We identify arson 'hot spots', patterns and trends and share this information with relevant partners to ensure a joint approach is taken in dealing with arson attacks; the sharing of data often reveals that the arson is part of a wider pattern of anti-social behaviour;
- **Educational Interventions:** We aim to engage with every Year 2 pupil across the county highlighting the dangers of fire and the role of the Fire and Rescue Service within the community. Our staff and partner agencies deliver 'Safety Squad' educational inputs to Year 5 and 6 pupils in Luton, which includes a session on the dangers of fire and the crime of arson. Secondary school students can engage in our newest programme, 'Fire Forward'. It is specifically designed to help improve young peoples' aspirations and promotes positive, safe decision making relating to fire, roads and water. Our SAFE (Safety Awareness and Fire Education) programme is a targeted programme for young people who present a risk around fire. This is delivered by specially qualified staff with the aim of changing behaviours.

Our Fire Cadets

We have four Cadet Units based at Kempston, Leighton Buzzard, Luton and Sandy Community Fire Stations. We focus on teaching practical skills to young people and developing positive behaviours to create role models in society. Cadet units take part in activities such as the Duke of Edinburgh Award scheme, with Cadets working towards recognised qualifications. Cadets support Fire Station Open Days, charitable events and fundraising, take part in civic events such as Remembrance Day and assist at ceremonial activities such as the Service Awards Evening and the Christmas Christingle Service. We are proud to nominate one Fire Cadet each year to be the Lord Lieutenant's Cadet.

Reducing the risk of death or injury from road traffic collisions

We are an active partner on the Bedfordshire Strategic Road Safety Partnership Board which brings together the key agencies with responsibility for safety on our roads. We undertake a range of interventions particularly targeting vulnerable road users. Many of these initiatives are delivered jointly with other partners including police and local authority. Examples include:

- 'Biker Down' and 'Bike Safe' delivered by our FireBike team of Road Traffic Collision Reduction Officers (RTCRO);
- Schools 'Year 5 Alive' programme;
- '6th Form Safe' programme for new and learner drivers;
- Supporting national and local road safety campaigns;
- 'Staying Safe in Later Life' presentations.

Protection Strategy

Aim: **PROTECTING** people & property when fires happen.

Our protection **priorities** are to:

- Focus our resources on engaging & educating local businesses to reduce the risk of fire & comply with fire safety legislation;
- Through inspection & audit, continue to reduce the risk from fire in buildings to both the public and firefighters.

Our **approach** (how we will do this) will be to:

- Use an intelligence led, risk based approach to audit & inspection;
- Actively engage & educate local businesses, supported by fair & proportionate enforcement;
- Work together with other regulators & stakeholders to reduce risk;
- Maximise capacity & firefighter safety by utilising operational crews to undertake fire safety audits;
- Ensure we maintain a highly skilled & sustainable specialist fire safety team;
- Ensure continuous improvement through effective evaluation of protection activities;
- Work with the NFCC to actively support & respond to learning from the Grenfell Tower Public Inquiry & the Independent Review of Building Regulations.

In discharging our statutory responsibilities under the Regulatory Reform (Fire Safety) Order 2005, we provide education and business support and, if necessary, use our enforcement powers to make premises safe. This helps to protect people, property and the environment by either preventing fires from occurring in the first place, or by limiting the effects of fires when they do occur. We maintain a comprehensive database of premises that are categorised from very high risk to very low risk. Our risk based audit programme ensures that those premises most at risk of fire are prioritised by our protection activities. To increase capacity, our specialist fire safety officers have trained our full-time firefighters to undertake audits of low and medium risk buildings. Our dedicated fire safety officers focus on premises that are more complex and which represent a higher risk. This makes the most appropriate use of resources we have available, enabling us to ensure we allocate resources according to risk.

We have taken proactive activity within education to improve compliance and community safety. We engage and share information with businesses and the public through:

- Business action days;
- NFCC Safety Weeks;
- Social media;
- Our website; and
- Attending business, residents and landlord forums.

Response Strategy

Aim: **RESPONDING** to fires & other emergencies promptly & effectively.

Our response **priorities** are to:

- Ensure we provide an effective & timely response to fires & other emergencies at all times;
- Work with LRF partners to effectively plan & prepare for local & national emergencies;
- Work with partners to broaden our response role & capabilities;
- Ensure our response resources & crewing arrangements are aligned to current & future risks.

Our **approach** (how we will do this) will be to:

- Have effective operational policies & procedures aligned to National Operational Guidance;
- Provide firefighters with fast access to relevant & timely operational risk information;
- Maintain a positive Health & Safety (H&S) culture, ensuring we continuously learn from incidents;
- Continue to invest in the best appliances, equipment, training & development to ensure our crews respond safely & effectively;
- Review our emergency cover ensuring our resources align with current & future risks;
- Continue to test & maintain effective business continuity plans;
- Proactively collaborate with the NFCC & multi-agency & cross-border partners;
- Continue to develop & maintain our national resilience assets & capabilities.

Our emergency response standards

Prior to 2004, targets for response times to fires and other emergencies were based on a prescriptive framework of national standards. Since then, we have established our local emergency response standards that set out how quickly we aim to respond to key emergencies within our area. The standards relate to the time it takes to get the first fire appliance to the scene from the time it is alerted by our Fire Control Centre.

For **emergency calls**, we will:

- Answer 90% of 999 calls within 7 seconds or less; and
- Mobilise required resources within 60 seconds or less on 80% of occasions.

For **critical fire incidents**, (threaten life, structures or the environment), we will provide an initial response of:

- 2 fire appliances (total 9 riders) on 90% of occasions; and
- Arrive within 10 mins on 80% of occasions.

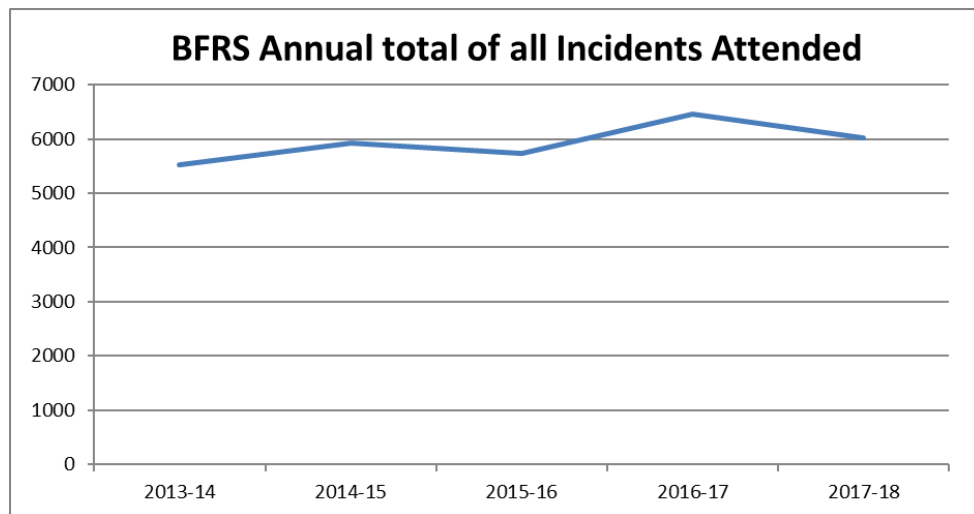
For **road traffic collisions** (RTCs), we will:

- Arrive within 13 mins on 80% of occasions.

For **secondary incidents** (non-life risk), we will provide an initial response of:

- 1 fire appliance with 5 crew; and
- Arrive within 20 mins on 96% of occasions.

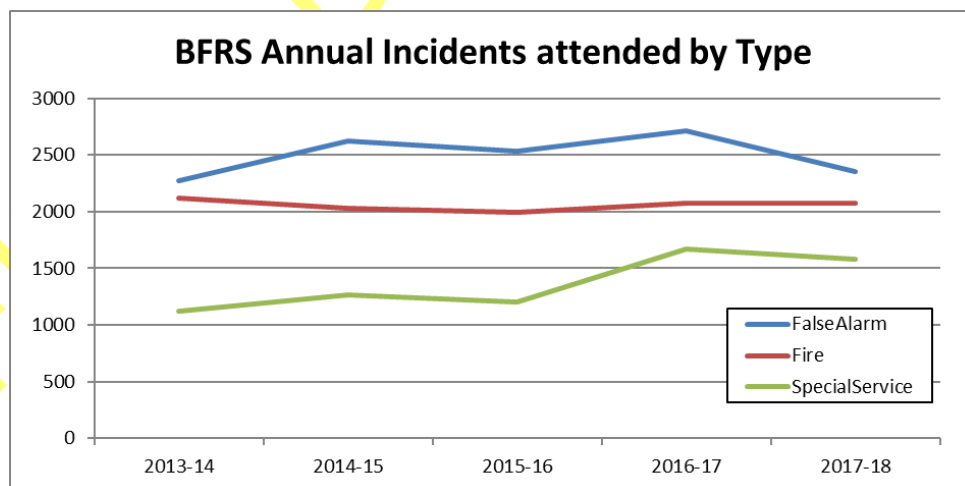
Our response strategy is designed to provide a resilient emergency response if an incident does occur. In 2017/18 BFRS Fire Control received 11,099 emergency 999 calls (an average of over 30 calls per day) and as a result attended and resolved 6,013 incidents. The total number of incidents we attend is steadily rising as the chart below shows.



The type of incidents responded to by BFRS can broadly be split into three areas:

- **Fires** – Defined as either primary or secondary (see below);
- **Non-fire** – Covers a wide range of incidents including road traffic collisions, rescues from height, from water, providing medical assistance, flooding, incidents involving hazardous materials and other calls to protect life, property and the environment;
- **False alarms** – This includes false reports of all incidents types originating from both automatic fire detection systems and by human error.

Over the last five years we have seen a slight decline in the number of fires we attend however non-fire special services are on the increase.



We have implemented a range of improvements to maintain operational availability more flexibly and efficiently including:

- Introducing lean 24 hour shift system arrangements in 2012 (10% reduction in posts);
- Implementing a revised officer rota in 2015 (20% reduction in officer posts);
- Introducing a shared Strategic Command rota with Cambridgeshire FRS in 2016;

- Better availability of on-call fire appliances through new ways of working (strategic reserve, standby schemes, dual contracts, self-rostering and phased alerting);
- On-call availability management improved through use of new software system and trialling use of pro-rata retainers and flexible leave arrangements.

People Strategy

Aim: **EMPOWERING** our people as we work together to make Bedfordshire safer.

Our people **priorities** are to:

- Be an employer of choice, recruiting, retaining & developing a highly skilled & diverse workforce who uphold and model our values and virtues;
- Ensure our people understand our strategic direction & their role in achieving it;
- Embed a positive and inclusive learning culture where all staff have a voice;
- Provide a safe & healthy working environment with low absence, accidents & injuries;
- Develop our managers to value, lead, motivate, develop & empower their staff to be the best they can be;
- Continue to invest in providing all our staff with the best training and development opportunities.

Our **approach** (how we will do this) will be to:

- Work with our communities and our partners to better engage, understand & recruit a truly inclusive workforce reflective of our diverse communities;
- Work with our staff to update and embed our values and virtues, ensuring all our leaders are visible role models of them;
- Work with our trade unions to maintain an effective employee relations environment, promoting and investing in the health & wellbeing of our people;
- Continue to recognise & reward our people for the excellent work they do;
- Build confidence, resilience, capability & capacity, providing a range of effective, high quality learning, development & assessment pathways that support our strategic objectives;
- Ensure our promotion processes and are transparent and consistent;
- Seek more effective means of communicating and engaging with our staff in ways that empower them and encourage innovation, agility and continuous improvement in the services we provide;
- Continue to develop & embed our values based performance management framework.

The retirement profile of the Service shows a high number of staff will likely retire in the next few years. This profile presents a risk around potential loss of skills and experience and therefore robust workforce planning is essential. However, it also presents an opportunity to reform our ways of working to ensure that the Service can attract and retain a more diverse workforce equipped with the skills to deliver a modern fire and rescue service to the communities we serve.

We will be working to align our existing staff development programmes with the new NFCC leadership framework (2019) whilst maintaining career pathways that are underpinned with

technical skills, knowledge and understanding, giving our staff the confidence and opportunities necessary.

From 2019 our new wholtime firefighters will benefit from attending initial training through an apprenticeship standard, developed by the sector to meet our expectations and externally accredited by Skills for Justice. We will explore further opportunities to benefit from modern apprenticeship standards to support a range of staff development.

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Assets Strategy

Aim: **UTILISING** our assets & resources efficiently & effectively.

Our assets **priorities** are to:

- Continue to provide the best facilities, vehicles, equipment and PPE we can afford to enable our staff to respond and support the range of emergency incidents and other activities that we attend in ways that are professional, effective and efficient;
- Ensure any investment is mindful of our duty to collaborate and the national procurement agenda wherever there is a clear business case to do so;
- Always specify, procure and maintain our assets under the principles of protecting the front line, improving firefighter safety, providing value for money.

Our **approach** (how we will do this) will be to:

- Produce sustainable capital & revenue budgets aligned to our strategic objectives;
- Adopt the whole life cycle approach to asset management, engaging with end users, utilising innovative new technologies, and actively pursuing collaboration opportunities with partners;
- Implement effective & sustainable asset management plans & systems providing assurance our fleet, equipment, estates, ICT & training resources support current & future needs;
- Ensure we have compliant & collaborative procurement processes so we purchase the right products & services at the best price and when we need them.

As a fire and rescue service, we operate from 14 fire stations and a headquarters complex that also incorporates our training and development centre, 999 Fire Control mobilising centre and our fleet and equipment workshops. We procure a range of professional services and provide and maintain a wide range of vehicles, equipment, personal protective equipment (PPE) and IT hardware and software to enable us to provide our prevention, protection and training services, as well as respond professionally to the significant range of emergency incidents we are called to attend.

We seek to align our approach to procuring, improving and maintaining our asset base with the mission, aims and priorities within our CRMP mission.

Digital & Data Strategy

Aim: **MAXIMISING** use of data and digital solutions to drive improvement.

Like many public services, it can be challenging to keep pace with the changing digital environment. Feedback from our staff and recent HMICFRS inspection tells us that some of our IT systems and processes are hindering our productivity. We know we can also improve how we collect, store and utilise our data so our staff have greater insight into how we are performing and the risks we are working to reduce. By giving staff access to more information will enable us to empower them to take greater ownership in driving improvements in everything we do, whilst allowing proper evaluation against our objectives.

Digital technologies available today can act as real enablers, not only speeding up our processes but also generating intelligence through analysis that allows evidence-based decisions to be made about where best to utilise our resources.

Digital transformation means the integration of digital technology into all areas of an organisation, fundamentally changing how we operate and deliver value to customers. True digital transformation will improve the ways in which we work, how we interact with partners, the public and each other. This transformation requires some organisational culture change; to accept and embrace the use of new technologies, systems and processes to facilitate organisational improvement where we can all work smarter.

Our digital and data **priorities** are to:

- Embark upon a programme of digital transformation, using data and technology to enable not hinder improvement;
- Become a 'fast follower', adopting industry best practices in key areas through collaboration, whilst building capacity to be fire sector leader;
- Improve overall staff engagement and digital literacy by offering a more flexible, collaborative and mobile working environment;
- Create a paper-lite workforce, eradicating re-keying of data to central systems;
- Build a more visible brand with the creation of digital services;
- Enable better access to data and performance insight.

Our **approach** (how we will do this) will be to:

- Maximise the added value of digital solutions;
- Expand our data analysis capabilities, collaborating within and across sectors;
- Invest in digital solutions to support collaboration and make better use of existing data;
- Develop our approach to understanding, and utilising, open data;
- Using data across fire and rescue services and partners to support service delivery;
- Create a culture and environment where data analytics can add value to service delivery, whilst allowing outcomes to be properly evaluated against objectives;
- Ensure our digital transformation is underpinned by strong governance and effective cyber security procedures;
- Influence and support delivery of the national NFCC Digital and Data Strategy.

Financial Strategy

Since 2010, we have seen our Government funding cut by £7.5 million. The 2020/21 financial year may see significant funding changes due to the Comprehensive Spending Review, Formula Funding Review and changes to Business Rates Retention and we forecast a further cut of £1.4m. However, we have been proactive in identifying changes that ensure continuity of our professional services whilst delivering the required efficiencies.

Future financial settlements are likely to remain difficult. As such, we continue to plan for a range of financial scenarios that may emerge in the next few years.

Our ability to mitigate our risks and realise opportunities is directly impacted by our resourcing and budgetary make-up. Our current budgetary plans and assumptions determine the speed at which we will deliver our action plans. More information is available on our website.

Our financial **priorities** are to:

- Ensure we deliver a balanced sustainable budget that provides value for money, aligns our resources to risk & supports the delivery of our CRMP;
- Be innovative in developing & delivering on our Efficiency Plan whilst maintaining a prudent level & utilisation of our reserves.

Our Medium-Term Financial Strategy (MTFS) is a document that sets the Authority's financial strategy for the next four years. It focuses on the 2019/20 Revenue Budget and Capital Programme, but also sets the scene for future years. It covers national events such as the Comprehensive Spending Review (CSR) and then breaks down how this impacts locally on the Authority.

The MTFS details our reserves policy, planning assumptions behind the budget figures and other considerations that must be taken into account when setting the strategy, such as the tax base, efficiencies and shared services.

Efficiency Savings

An efficiency saving occurs when the cost of an activity is reduced but its quality and effectiveness remains the same or improves. The Fire Authority continues to focus on finding new ways to deliver the highest quality services at lowest possible cost.

In 2015, the Government announced the revenue support grant funding for the Service over the four years from 2016/17 to 2019/20. This settlement equates to a 59% funding reduction from 2015/16 grant funding levels.

Some of the key areas where the Authority has been achieving its planned efficiency savings include:

- Savings in managerial and support staff costs through shared service arrangements, organisational restructure and improvements to working systems;
- Savings in firefighter crewing arrangements;
- Savings to the public through collaborative work;
- Savings through joint Procurement such as Firefighters Personal Protective Equipment (PPE);
- Savings in the Service Vehicle Replacement Programme through improved asset management and maintenance.

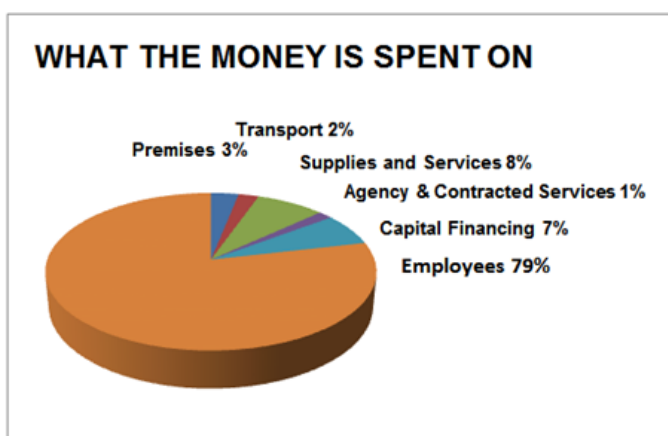
Revenue Budget

Our revenue budget sets out the money necessary for the day to day running of the Service. Our efficiency measures have allowed us to continue with key service improvements whilst restricting the increase in 2019/20 council tax precept to 2.99% (equivalent to an increase of 5.5 pence per week for a Band D household).

This has been achieved despite the impact of a 20% reduction in Government grant to the Authority (compared to 2018/19) totalling £0.573m, and the effect of inflation which is forecast to increase our costs in 2019/20 by £0.854m.

Capital Budget

Our capital programme highlights spending on assets such as our fire stations and fire engines. Each year the Authority draws up a rolling four year programme of capital projects. The capital projects for 2019/20 total £1.736m and these are being funded by contributions from the revenue budget.

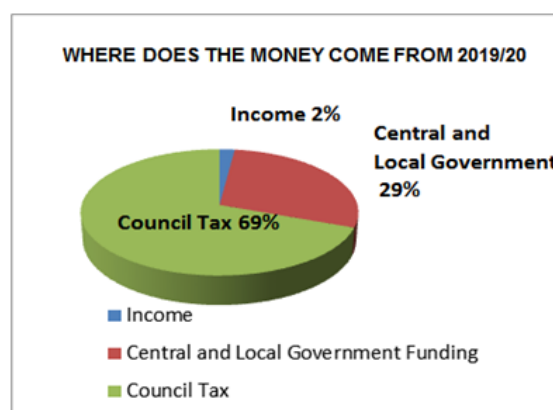


What the Money is Spent on:

	2019/20 (£m)	2018/19 (£m)
Employees	23.8	23.2
Premises	1.0	1.1
Transport	0.7	0.7
Supplies and Services	2.3	2.3
Agency and Contracted Services	0.5	0.3
Capital Financing	2.0	2.0
Total	30.3	29.6
Reserves Funding	-0.6	-0.2
Budget Requirement	29.7	29.4

Where Does the Money Come From?

	2019/20 (£m)	2018/19 (£m)
Gross Budget	30.3	29.9
Income	(0.6)	(0.5)
Budget Requirement	29.7	29.4
Central and Local Government Funding	(8.7)	(9.4)
Council Tax	(21.0)	(20)
Total Funding	(29.7)	(29.4)



Accountability

Our internal Programme Board is responsible for overseeing the effective delivery of the key projects and programmes that underpin delivery of our CRMP and ensuring project risks and resources are properly managed.

The Fire and Rescue Authority, through its Audit Committee and Policy and Challenge Groups, sets us challenging targets for a range of performance indicators which help them to monitor and scrutinise our performance, both in terms of activity outputs and outcomes, ensuring the Service is functioning efficiently and effectively and delivering on our CRMP.

To support the delivery of our CRMP, we have a range of measures known as Key Performance Indicators (KPIs) which are aligned to the strategies underpinning the CRMP and are reported to the Authority every quarter. You can view these and the targets set by the Authority on our [website](#).

We publish an annual Statement of Assurance that seeks to provide assurance on financial, governance and operational matters, showing that Bedfordshire Fire and Rescue Service continues to deliver the expectations detailed within both the National Framework and our own CRMP. From 2019, we intend to expand this document and rename it our Annual Performance and Statement of Assurance Report.

In 2017, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) extended its remit to include inspections of England's fire and rescue service. They now assess and report on the efficiency, effectiveness and people of the 45 fire and rescue services in England. You can find more information about our most recent inspection on their [website](#).

Each year the Service conducts a number of audits in specific areas to provide assurance to our processes and identify further areas of improvement. We are also required to periodically respond to national audit and self-assessments on specific areas of our service, such as specialist response capabilities for flood rescue (conducted in 2019).

Consultation & Engagement

The purpose of consultation is to understand the effects of a proposal on different stakeholder groups. We regularly consult with local people and organisations on a range of issues. There may be a number of reasons to consult such as gathering views and opinions on our plans.

We always seek to engage in real discussion with stakeholders to help us make informed decisions, and how we consult will vary depending on the nature of the proposal. The choice and form of consultation will depend on the issues under consideration, who needs to be consulted, and the available time and resources. More information about our consultations is available on our [website](#).

If you would like a printed copy of this document please contact us via any of the following:

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Post: Bedfordshire Fire and Rescue Service
Southfields Road
Kempston
Bedford
MK42 7NR

Website: www.bedsfire.gov.uk

Email: contact@bedsfire.gov.uk

Social Media: Facebook: www.facebook.com/bedsfire
Twitter: @bedsfire
Instagram: @bedsfire

Appendix A - Our 2019/20 Annual Action Plan

Each year, we prepare an Annual Action Plan that outlines what we intend to do during that particular year to support the delivery of our CRMP and our mission to **provide outstanding fire and rescue services** that help make Bedfordshire safer. To help make it easier to follow, the actions are aligned to our CRMP 'Aims'. Our Annual Performance and Statement of Assurance Report will explain how well we did in delivering our plans.

FINAL DRAFT v1.0ah

Aim: **PREVENTING** fires & other emergencies from happening.

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> Review and refresh our approach to assessing and predicting risks from fire and other emergencies within Bedfordshire, and how we share outcomes from this analysis with our staff, partners and the public. 	<p>We must have a thorough understanding of the evolving risks in our area and be reassured we are using the latest tools and techniques. A key aspect to this will be how we engage with our staff and communities.</p>
<ul style="list-style-type: none"> Refresh our approach to Safeguarding Children & Vulnerable Adults ensuring alignment with national guidance. 	<p>Our work brings us into contact with some of the most vulnerable children and adults so our approach, policies & procedures need to keep pace with the latest national guidance such as the 'Working Together to Safeguard Children'.</p>
<ul style="list-style-type: none"> Implement a programme to improve understanding of safeguarding & vulnerability within our communities amongst our operational staff. 	<p>Our staff have said they want to better understand how to identify vulnerability, and safeguard vulnerable people along with building their skills in engaging with our diverse communities.</p>
<ul style="list-style-type: none"> Deliver at least 50% more Safe & Well Visits than we delivered in 2018/19, ensuring we are targeting the most vulnerable. 	<p>Our Safe & Well Visits build upon our highly successful home fire safety checks, reducing risks from falls, alcohol, crime, winter warmth and other health problems. An ambitious target but the more we deliver, the more people we can help to improve their health, safety and wellbeing.</p>
<ul style="list-style-type: none"> Establish a new Community Safety Facility at Bedford Fire Station. 	<p>Building upon the success of our Home Safety Centre in Luton, providing an alternative venue in Bedford, will allow more people to access our community safety activities.</p>
<ul style="list-style-type: none"> Evaluate our key prevention activities and ensure any new activities incorporate effective evaluation. 	<p>Evaluation enables us to determine if we are efficiently targeting our resources towards the areas of greatest risk, and importantly, if it is having a positive impact.</p>
<ul style="list-style-type: none"> Proactively pursue new and innovative ways to work together with partners to contribute to the wider public health agenda in support of the NHS 10 Year Plan. 	<p>The fire and rescue service is recognised nationally as a 'health asset' and we are keen to use our knowledge, skills, capabilities and reputation to improve the health, safety & wellbeing of our communities, beyond just fire safety.</p>
<ul style="list-style-type: none"> Ensure those living within high rise residency premises are provided with a collaborative and coordinated approach to improve safety and confidence 	<p>BFRS made an immediate response following the Grenfell fire in London, where we re-inspected all our high rise premises. We will ensure that community concerns are addressed and our engagement reflects the national and local learning (see Protect).</p>

Aim: PROTECTING people & property when fires happen

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> Implement a new digital fire safety management system to deliver more efficient working and better oversight of activity. 	<p>To ensure we are doing the right thing, using the right people and resources, provided in the right place and at the right time to help make Bedfordshire safer.</p>
<ul style="list-style-type: none"> Introduce enhanced quality assurance arrangements to ensure consistent effective enforcement. 	
<ul style="list-style-type: none"> Review our risk based inspection programme to ensure that our resources are being effectively targeted, working with our Eastern region to agree a common definition what constitutes high-risk premises. 	
<ul style="list-style-type: none"> Work with the business community to further reduce unwanted fire signals. 	<p>Unwanted fire signals are ‘false alarm’ incidents we attend due to a fire alarm actuation caused by defective equipment or poor fire safety management. They represent a significant draw on our resources so reducing them will release capacity to focus on other important work.</p>
<ul style="list-style-type: none"> Continue to work with the NFCC to actively support & respond to learning from the Grenfell Tower Public Inquiry & the Independent Review of Building Regulations. 	<p>The tragedy at Grenfell Tower in 2017 will have a profound impact upon the way fire safety in buildings is managed and regulated and we want to be proactive in supporting and responding to the learning.</p>
<ul style="list-style-type: none"> Refresh our approach to developing and assuring the competence of our firefighters to carry out fire safety audits. 	<p>We train our operational firefighters to carry out fire safety audits in buildings we consider to be lower in risk, improving their knowledge of the buildings in their area and allowing our specialist fire safety officers to focus on the more complex, high risk inspections. We want to accredit the training we provide with an appropriate qualification.</p>

Aim: **RESPONDING** to fires & other emergencies promptly & effectively

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> Utilising the latest technology, commission an in-depth analysis of our emergency cover arrangements. 	<p>Risks within Bedfordshire are constantly evolving and our emergency response cover needs to reflect this. We want to be confident we are doing the right thing, using the right people and resources, provided in the right place and at the right time to help make Bedfordshire safer.</p>
<ul style="list-style-type: none"> Improve the availability of fire appliances crewed by on-call firefighters by introducing new and innovative ways of working. 	<p>Many of our fire stations rely on on-call firefighters to crew fire appliances. Like many fire services, recruiting and retaining on-call firefighters is a real challenge so we are seeking new and sustainable ways to overcome these challenges.</p>
<ul style="list-style-type: none"> Continue to work regionally to implement the remaining elements of National Operational Guidance. 	<p>Ensuring our firefighters are working to National Operational Guidance provides a common platform for all fire and rescue services in the UK to work safely and effectively together at emergency incidents.</p>
<ul style="list-style-type: none"> Invest and rollout new Mobile Data Terminals (MDTs) to all our fire appliances. 	<p>Our fire appliances MDTs (mobile computers) give our firefighters access to risk critical information about buildings, chemical hazards, vehicle construction, water supplies and location mapping in our and neighbouring counties. Purchasing the latest MDTs will enhance our response capabilities, improve firefighter safety and reduce reliance on paper based systems.</p>
<ul style="list-style-type: none"> Work collaboratively with Cambridgeshire Fire and Rescue Service to procure a new 999 call handling and mobilising system for our Fire Control Centre. 	<p>Investing in the latest technology will improve our ability to respond effectively to emergencies. Working with Cambridgeshire to buy a new system will deliver efficiency savings and improve resilience between our Services.</p>
<ul style="list-style-type: none"> Replace our Operational Support Unit (OSU) vehicles. 	<p>Our OSU vehicles provide invaluable support to large or complex emergency incidents and they have reached the end of their serviceable life so need replacing.</p>
<ul style="list-style-type: none"> Refresh our approach to capturing and sharing the learning from emergency incidents both within Bedfordshire and nationally, including how it influences training provision. 	<p>Every emergency incident is different from the next one, so it is important that we effectively capture, share and act upon any learning, whether it happens in Bedfordshire or elsewhere in the country.</p>

Aim: **EMPOWERING** our people as we work together to make Bedfordshire safer

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> Work with our staff and representative bodies to refresh and update our Service Values and Virtues framework as part of the Moving Forward Together programme. 	<p>Involving staff at all levels in refreshing our values and virtues, putting empowerment at the heart, will help ensure everyone understands and visibly demonstrates them, led by our Corporate Management Team.</p>
<ul style="list-style-type: none"> Refresh our approach to recruiting operational staff and managers, both wholetime and on-call, taking learning from others, maximising positive action initiatives and collaborating wherever possible. 	<p>Our people are our biggest asset, so it is important we recruit the best and most diverse talent to help us engage with and improve the safety and wellbeing of our communities. Our ageing workforce and retirement profile means we need to better anticipate our future recruitment needs and plan for these accordingly. Learning from and working with others will help improve our approach. It is important we align our approach with the recently published NFCC Leadership Framework.</p>
<ul style="list-style-type: none"> Develop our approach to identifying, developing and supporting high-potential staff and aspiring leaders, aligned to the NFCC Leadership Framework. 	
<ul style="list-style-type: none"> Review the support staff pay structure to ensure alignment with new NJC Green Book conditions ensuring BFRS is well placed in the market to attract and retain a highly skilled workforce. 	<p>Our support staff are an essential and valued part of our workforce. We often struggle to recruit and recruit the talent we need in these varied roles so this is one way of making us an employer of choice.</p>
<ul style="list-style-type: none"> Implement our Mental Health Action plan to ensure that managers and employees are trained, supported and equipped to deal with mental health issues in the workplace. 	<p>Research shows that members of the emergency services are more at risk of experiencing mental health problems than the general public, but are less likely to seek support. We're committed to taking action to raise awareness, challenge mental health stigma and provide help and resources to support our staff.</p>
<ul style="list-style-type: none"> Undertake a service wide wellbeing survey and develop proposals to address any areas of concern. 	
<ul style="list-style-type: none"> Work with our staff and representative bodies to review and further improve our approach to managing grievance, sickness and discipline issues. 	<p>Our staff have told us before they lacked confidence in raising grievances and had mistrust in our disciplinary system. After taking action last year we were pleased that HMICFRS said staff had told them about recent improvements but we acknowledge more work is needed to ensure our staff feel engaged and part of a positive culture.</p>
<ul style="list-style-type: none"> Review our approach to maintaining operational competence of firefighters and upgrade our PDRPro software to make it easier to record competence. 	<p>Safely reducing the administrative burden on firefighters who have achieved competence can allow them to focus on other work.</p>

Aim: **UTILISING** our assets & resources efficiently & effectively

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> • Update our internal Procurement Strategy documents with a focus on: <ul style="list-style-type: none"> • Leadership & Collaboration; • Commercial Practice; • Social Value. 	<p>To ensure our procurement approach supports delivery of our CRMP and is aligned to and influence the national Fire Procurement Strategy.</p> <p>We must also take a more commercial approach to procurement practice and income generation, that is legally compliant and effectively managing our supplier relationships to deliver better value for money products and services and reduce corporate risk.</p>
<ul style="list-style-type: none"> • Work with our staff and representative bodies to introduce systems to better assess the productivity of our operational staff. 	<p>The majority of our revenue budget is spent on employing our firefighters so we are keen to better understand how productive they are so we can improve how effectively and efficiently we are delivering our services and maximising capacity. We continue to face financial challenges so having an evidence base built on solid and consistent data will be crucial to sustaining our fire and rescue service going forward.</p>
<ul style="list-style-type: none"> • Establish an internal staff focus group to identify, develop and implement innovative solutions that support delivery of our CRMP and deliver efficiencies. 	<p>We want to encourage our staff to get more involved in developing ideas and solutions that will help us be more effective and efficient.</p>
<ul style="list-style-type: none"> • Implement an electronic Asset Management System (AMS) for our operational equipment and vehicle fleet. 	<p>This will greatly enhance our ability to track, test and maintain our vehicles and equipment and inform our future procurement decisions.</p>
<ul style="list-style-type: none"> • Proactively pursue further collaborative opportunities with our blue light partners to share our buildings, functions and capabilities, using our financial reserves to invest in mutually beneficial schemes. 	<p>We have a duty to collaborate but we firmly believe it is the right thing to do to ensure we and our blue light partners are working together to improve the effectiveness and efficiency of the services we provide within Bedfordshire.</p>
<ul style="list-style-type: none"> • Adopt a more commercial approach to collaboration, including exploring establishing a trading company to support income generation. 	<p>The creation of fire trading companies is one means of addressing some of the challenges associated with austerity, and offering opportunity to realise benefits such as generating additional income, utilising spare capacity and providing a social return.</p>

Aim: **MAXIMISING** use of data and digital solutions to drive improvement.

What we intend to do in 2019/20	Why we are doing it
<ul style="list-style-type: none"> Baseline our digital transformation by undertaking a Digital Maturity assessment to assess the current status of our digital capabilities. 	<p>This assessment will help clarify the level of “digital readiness” that will inform delivery plans going forward.</p>
<ul style="list-style-type: none"> Migrate our desktop estate to Windows 10 to utilise enhanced functionality and security. We will go cloud based with Microsoft Office 365 and SharePoint Online. 	<p>Building upon our recent infrastructure improvements, moving to the latest Microsoft Windows operating system and Office software strategy that will allow us to embark upon our digital transformation programme and provide the majority of the digital tools needed to move away from paper based, bureaucratic and inefficient processes, to an environment providing technical excellence through scalable, sustainable, and resilient and secure IT infrastructure.</p> <p>It will also empower staff by providing staff with a more flexible, collaborative and mobile working environment.</p>
<ul style="list-style-type: none"> We will work with Bedfordshire University to implement a KPI (corporate) dashboard with dynamic data views to present timely information to aid our performance monitoring. 	<p>Empowering our staff to take greater ownership for delivering performance improvements means we need to give them better access to data and information to broaden their insight into the risks we face and how we are performing in terms of our outputs and community outcomes.</p>
<ul style="list-style-type: none"> We will implement Microsoft Power Business Intelligence (BI) to create tailored reports available on-demand to empower our workforce. 	
<ul style="list-style-type: none"> Further develop our HR iTrent system to create efficiencies through reducing paper and moving to online resources. 	<p>Moving to our new HR iTrent system has already improved performance and realised efficiencies. We plan to:</p> <ul style="list-style-type: none"> Evaluate the performance Management module to enable on line appraisals; further develop the recruitment module to enable on line shortlisting; roll out the iTrent expenses module to cut out bureaucracy.
<ul style="list-style-type: none"> Continue to plan for and support the implementation of the Emergency Services Network (ESN). 	<p>ESN is a major national project that will eventually replace the existing Airwave communications network used by the emergency services across the UK.</p>

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Community Risk Management Plan 2019-2023

Survey Results

1. Executive Summary

- CRMP 2019-2023 consultation survey received 125 individual responses (10% of the response to our recent budget consultation);
- Only 7% of respondents stated they work for BFRS;
- A further 50 staff were involved through our management engagement event on 19 March 2019, additionally 21 watches and stations visited through February and March where CRMP was a key engagement topic (approximately 200 staff);
- 99% of respondents support our Mission;
- There is significant agreement that our proposed actions fit with our aims;
- 91% of respondents support the CRA (or chose not to read it), however 9% felt it did not provide sufficient detail;
- 82% support an in-depth analysis of emergency cover arrangements, delivered prudently and, if possible, independently;
- High support for our prevention, protection and response proposals, with emphasis made toward reassuring those that live in high rise accommodation;
- There is general agreement that our Community Risk Analysis (CRA) provides sufficient detail to enable the Service to plan and deliver its services;
- A number of additional risks were suggested by those responding (see Q5);
- There was overwhelming support for our priorities and approach towards prevention, protection, response activities and towards our people, assets, digital transformation and finances;
- As a source of information, local news websites are more popular than local newspapers, along with Town and Parish Magazines and Community Magazines;
- The most popular sources of information provided by the Service were our website and Facebook page;
- There was a high level of support that we should invest in data analytics and digital solutions to deal with a number of issues;
- We received 47 comments on our People Strategy element covering recruitment, pay and conditions and diversity.

2. Introduction

Between February-March Bedfordshire Fire and Rescue Service (BFRS) undertook a consultation on its proposed Community Risk Management Plan (CRMP) covering 2019 to 2023.

The CRMP, in Word format, together with its supporting Community Risk Assessment (CRA) document, were placed on the BFRS website. The survey was open for responses between 18 February and 10 March 2019, a total of twenty days. A number of methods were used to invite local people to read and comment on the draft. These include:

- a consultation was launched on the BedsFireAlert (BFA) community messaging service. This was sent to 14,737 participants who wished to receive surveys. Two reminders were subsequently sent to those who had not responded;
- a post was put on the Service's Facebook page and boosted – it "reached" 44,886 people across the county and led to 1,196 engagements including 45 link clicks and 80 shares. The cost of boosting the post was £261.15;
- a tweet was sent out every day of the campaign, sometimes several were sent;
- an email was sent to town and parish councils and to a range of partner organisations;
- an article was placed in the internal BFRS staff newsletter, Blue Bulletin, each week during the consultation period;
- information on the survey was shared by Bedford Borough Council with its citizen panel and by Central Bedfordshire council with its staff;
- the website consultation page received 152 page views and those visiting spent an average of 3 minutes 46 seconds on the page.

A total 125 responses were received – 73 through the BedsFireAlert (BFA) service and 52 through a questionnaire on Survey Monkey (SM) promoted via social media and to staff.

It is difficult to measure the scale of reach and engagement to our survey, however we do know that posts about the survey reached in excess of 50,000 social media followers, nearly 15,000 BedsFireAlert subscribers (some of whom may be both), generated over 150 website page visits, plus communicated to approximately 600 staff within Service. Without trying to understand the reach beyond these (such as interest from posts within partners websites) this provides 65,750 people, which is approximately 10% of the population.

3. Survey Question Responses

There were thirteen core questions relating to the CRMP; several of these included the ability for those responding to add their comments. This provides both quantitative and qualitative data to consider.

Subjective responses have been considered as being positive, neutral or negative in context, however this is meant in relation to the question posed (i.e. supporting or not supporting the position) and not whether the perceived comment is felt to be either positive or negative (e.g. a seemingly unsporting comment may provide content that offers a positive change of direction or new idea). In this report I have included a few representative sample comments.

Q1 : Do you support our mission: "to provide outstanding fire and rescue services that help make Bedfordshire safer"?

Only one person did not support this mission statement, which therefore gives 99% support.

Q2 : Our CRMP includes revised aims for the Service. Previously the aims of the Service were: -

- To respond effectively, manage risks, and reduce the number of emergency incidents that we attend;*
- To ensure high standards of corporate governance and continued service improvement; and*
- To develop our employees and create a safe, fair and caring workplace for our staff.*

Do you agree with our revised aims?

All of our revised aims received a high level of support. 'Maximising' received some negative responses from 7 out of 125. This can be seen in the table (for Q2) below.

Our new aims:

PREVENTING fires and other emergencies from happening

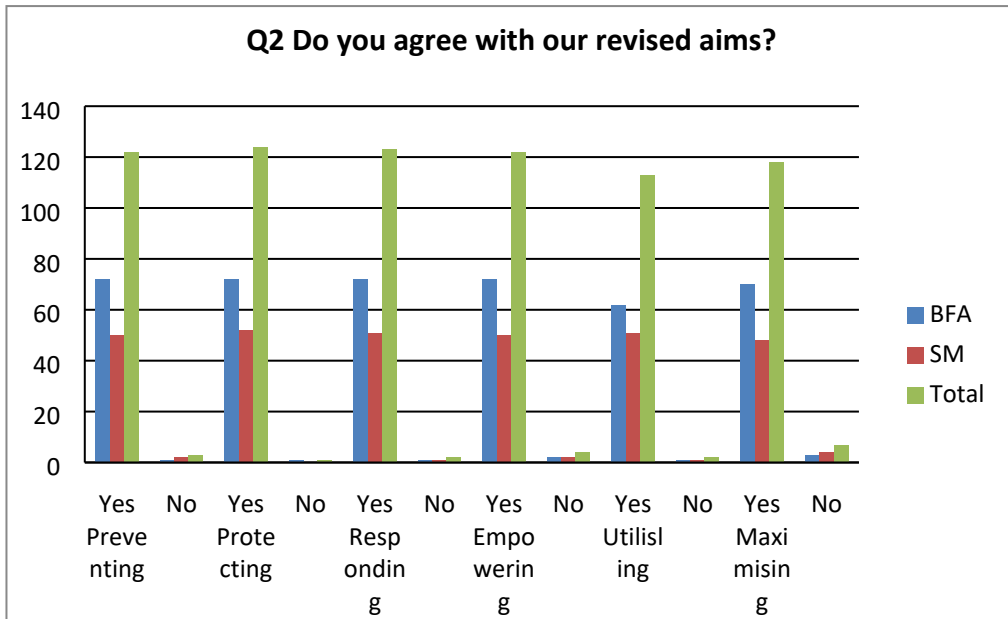
PROTECTING people and property when fires happen

RESPONDING to fires & other emergencies promptly & effectively

EMPOWERING our people as we work together to make Bedfordshire safer

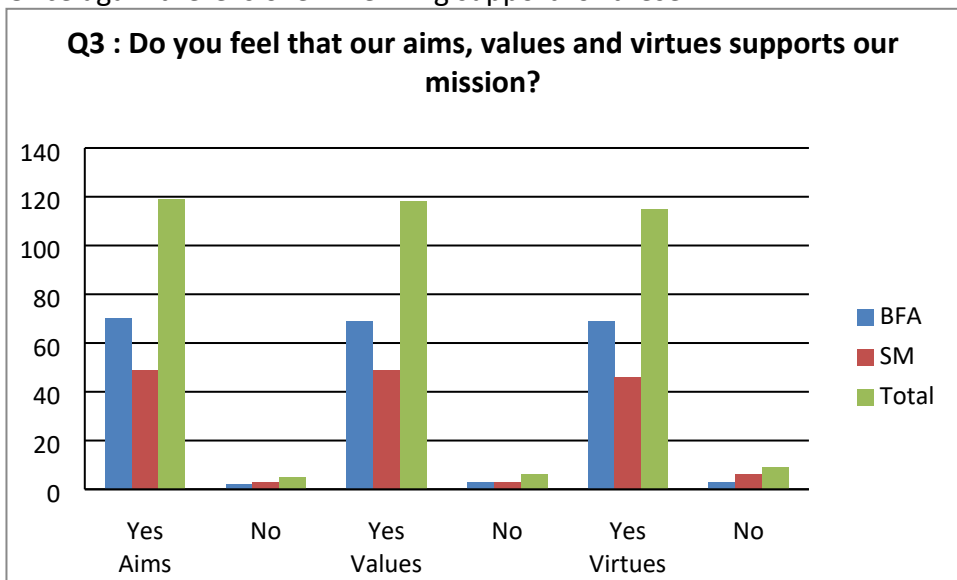
UTILISING our assets & resources efficiently & effectively

MAXIMISING use of data analytics and digital solutions to drive improvements



Q3 : Do you feel that our aims, values and virtues as detailed supports our mission as defined in Q1?

Once again there is overwhelming support for these.



There were a total of 17 comments made about our aims, values and virtues. These included positive support for them such as:

“It is good to know the service is focussed on the safety and well-being of the community.”

As well as the comment that:

“Virtues are somewhat “old fashioned” in this day and age.”

The most pertinent comments were:

“As long as utilising assets and resources efficiently and effectively doesn't include reducing crewing to increase fire engine availability then I agree.”

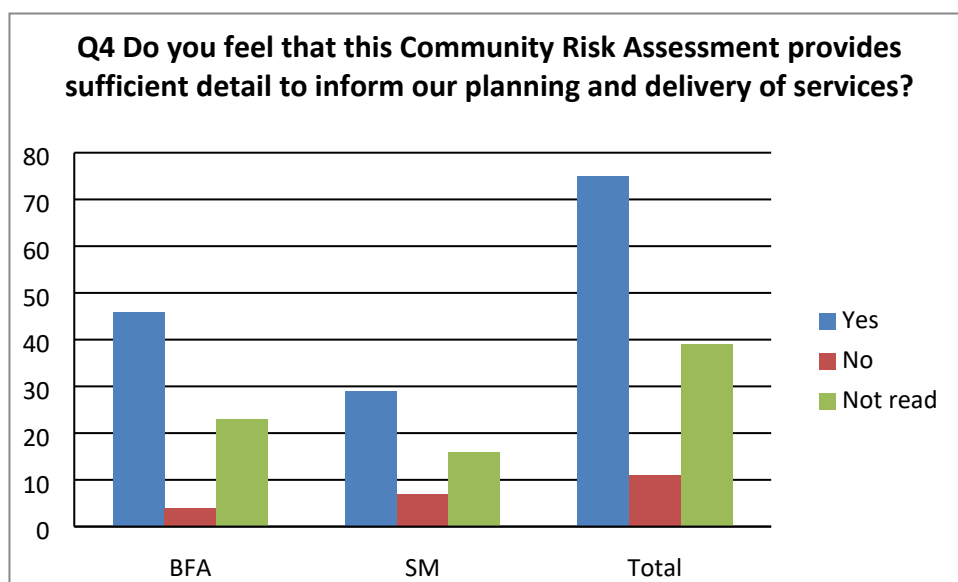
“We should not lose sight of the fact that firefighters are there to fight fires and extract people in RTAs.”

Other comments raised issues such as:

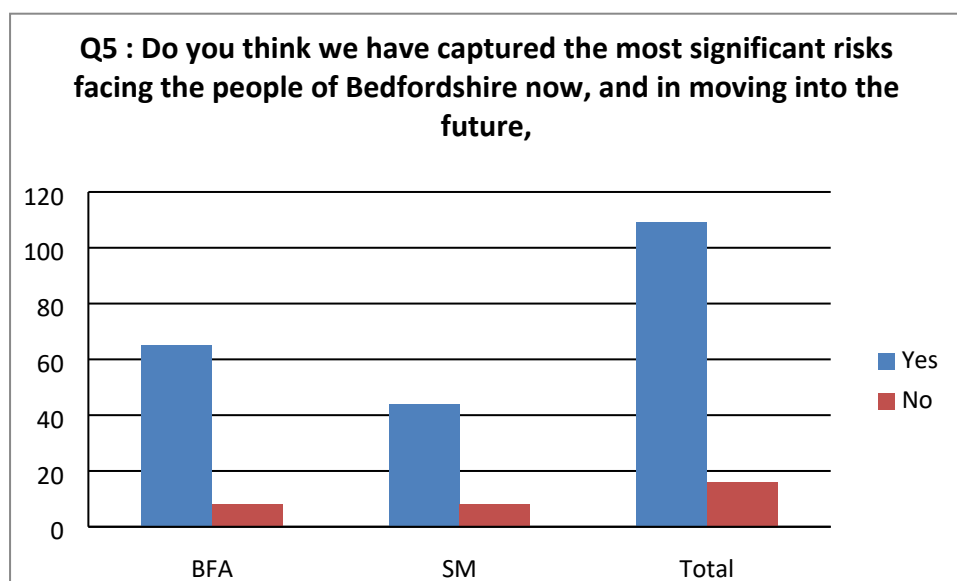
- working with estate planners to ensure easy access for fire appliances;
- prosecuting those who make false 999 calls;
- targeting elderly people who don't have smoke alarms; and
- there is too much emphasis on diversity.

Q4 : Do you feel that this Community Risk Assessment provides sufficient detail to inform our planning and delivery of services?

There is general agreement that our Community Risk Analysis (CRA) does provide enough detail to enables the service to plan and deliver its services – however almost one third of respondents had not read the CRA and 9% said it did not provide sufficient detail for us to plan and deliver our services. A sample of responses and considered areas for further development can be seen below.



Q5 : Do you think we have captured the most significant risks facing the people of Bedfordshire now, and in moving into the future.



While a majority of people agreed with this statement, sixteen disagreed. The risks that respondents perceived we were not taking into account were:

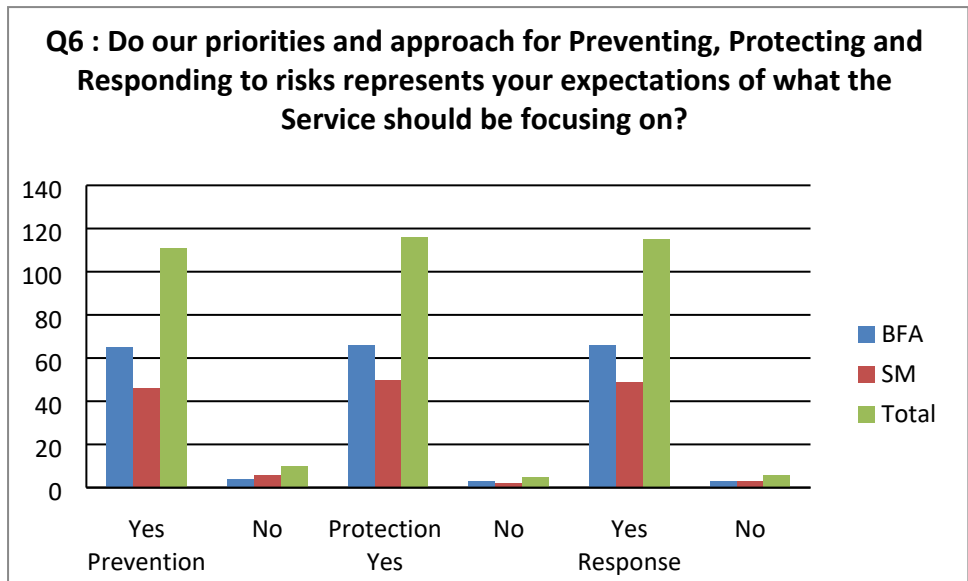
- A crash by aeroplanes using Luton airport;
- Railway incidents;
- The extensive building programme in Bedfordshire that is planned and would current station locations will cover this;
- Rising levels of cybercrime;
- Flammable cylinders in small business premises, requiring evacuation of local communities;
- Response to civil unrest;
- Single elderly in old houses.

One response pointed out:

“I can’t see any reference to the major roads that run through Bedfordshire. M1, A421, A1 although you mention road networks. If someone outside of Bedfordshire was reading this document it might be helpful.”

Q6: Do you think our priorities and approach for Preventing, Protecting and Responding to risks, detailed on pages 14 to 18, represents your expectations of what your Fire and Rescue Service should be focusing on?

Again there was significant support for these, as shown below.



Issues raised by respondents were:

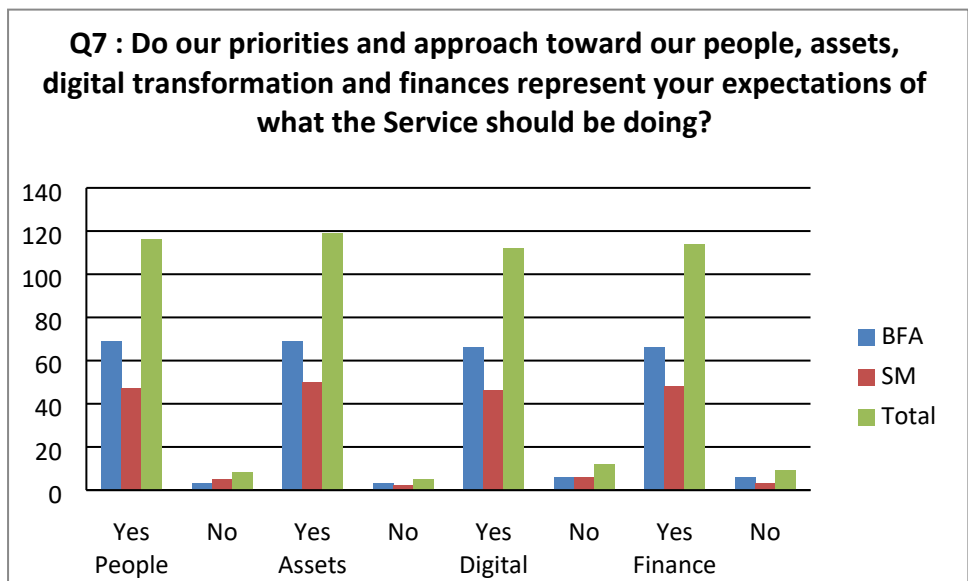
“Education for people living in multi-floor buildings.”

“After Grenfell I think the public need reassuring that you do check blocks of flats to ensure fire doors are working, that they are not covered in flammable cladding, that refurbishment has not degraded fire prevention; that there are multiple staircases or other means of escape.”

“Greater attention needed to speed of response.”

Q7 : Do you think our priorities and approach toward our people, assets, digital transformation and finances (as detailed on pages 19-23) represents your expectations of what your Fire and Rescue Service should be doing?

There was overall support for each of these.



There were a number of varied responses to this question. In many cases people said there wasn't anything to add – People (16 responses), Assets (13 responses), Digital (12 responses), and Financial Management (12 responses). In terms of comments there were a variety spread across each area:

People:

“More Frontline staff”

“Greater collaboration across local agencies and regional FRS's”

“Explore alternative ways of flexible working to make it a more attractive option.”

“Quite inflexible in supporting partner agencies”

“I have heard that there has been a culture of bullying in the service management I don't know if that has been addressed?”

“Respect your Green Book Staff (you say you do but you don't)”

Assets:

“Improve crewing at on-call stations”

“National procurement across all FRS's”

Digital:

“The transition to cloud increases the impact of a network connectivity outage. Using on-premise software (like legacy desktop versions of MS Office) will at least allow legacy files to be read, even if they have to be passed around on memory sticks! If there is a transition to cloud, it should be accompanied by increased resilience of the network architecture (dual links etc) and a clear backup plan of how services will continue in the event of an outage. Sadly a lot of businesses have learnt this the hard way... Also note that cybersecurity is a Tier 1 threat (see the CRA) so there is a credible risk to network connectivity!”

“You don't have the staff and are not ready for digital transformation”

“Didn't understand much of the narrative to be able to give an informed opinion.”

Financial Management

“Maximise economies of scale and performance through national purchasing. Vehicles; equipment; uniforms; telecoms; systems including HR systems”

“How might we address the fact that most of our budget is spent on staffing?”

“Will you stop replacing workers as they retire?”

Q8 : The Service uses a range of communication channels to inform you of our activities, including our website, social media and local news media.

Full results for this question are given in Appendix 3.

Local news websites are now more popular than local newspapers (as seen in the demise and closure of recent local printed news), with Town and Parish Magazines also very popular as a source of information, as were Community Magazines. Given that a large proportion of responses came through our Community Messaging Service, BedsFireAlert, it's no surprise this was also a popular source of information.

In terms of social media, the BFRS Website and Facebook page were more, or as, popular as local newspapers and community magazines. However Twitter, Instagram and YouTube were less popular. Given the age range of the respondents (see below) this is also not surprising.

What is of note here is the relative low importance reported of Station Open Days which fall below those sources in the first paragraph above, although are more popular than Twitter, Instagram and YouTube. As above, this could be attributed to the age group that have considered to engage in our survey.

There were many suggestions about how to improve communications and information provision. Some suggestions, if adopted, would require additional resources, in both revenue spend and staff to fulfil, while others could be met by using existing staff.

- *“Perhaps utilising local community open days and neighbourhood watch events.”*
- *“Visit more community clubs/offices or retirement facilities”*
- *“Possibly via a monthly/quarterly roundup of activities and news/plans by email.”*
- *“More video content for YouTube and other social media platforms.”*
- *“Posters in local supermarkets, schools, churches, local stations/bus stations/shopping”*
- *“Add Barcodes [QR codes?] on your vehicles to allow smartphone users to photo them/ access your website easily”*
- *“Use Post Office advertising screens to publicise what we do”*
- *“Local notice boards”*
- *“Community talks”*
- *“Make all media multi lingual including the visually impaired”*

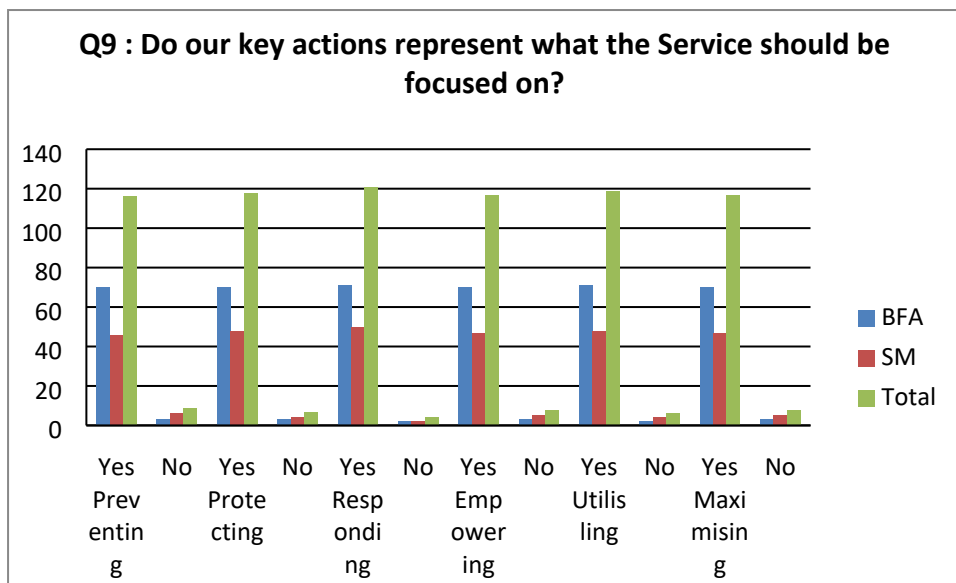
There were some negative comments presented:

- *“The social media platform used is stale and does not link to other service platforms. We need to refresh content and broaden out content. There is too much of the same stuff that does not capture the community.”*

- "In North Bedfordshire we don't get any information at all"
- "It doesn't take account the rural communities (i.e. Odell) no longer receive local papers so no longer know what is going on, broadband/mobile phone connection is also poor"

Q9 : Our key actions for each of our proposed aims are detailed on Appendix A (p26-32). Do you think the activities set out there represent your expectations of what your Fire and Rescue Service should be focused on?

There is significant agreement our actions fit our aims.

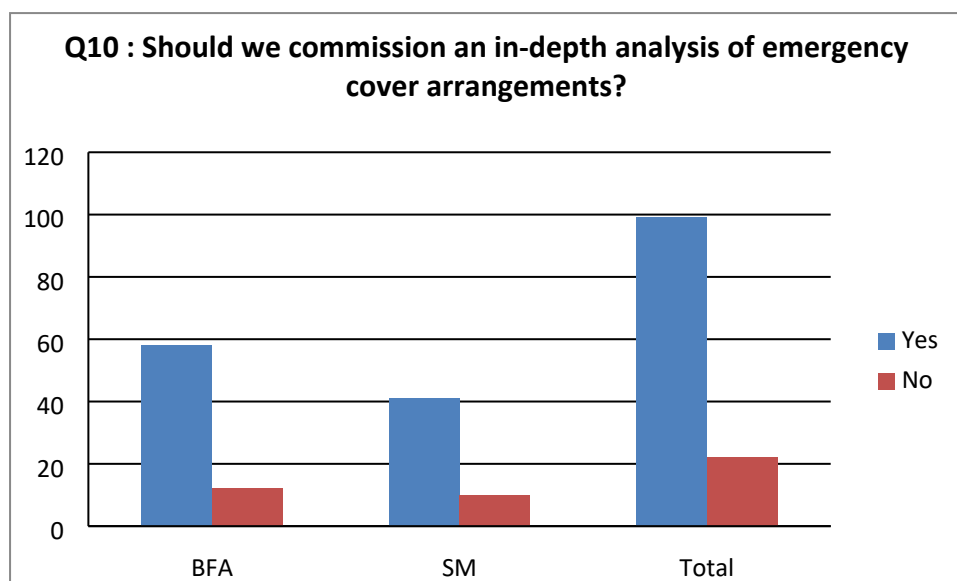


Those who chose to add comment thought much of this had been covered previously. Areas that the Service could also focus on were to **“do more to support partners”** (Prevention), **“ensure fire engines are properly crewed on call and at full time stations”** (Responding) and **“Talk to staff and take action to deal with bullying”** (Empowering), **“Hire a business analyst! Take a holistic view of systems architecture instead of buying software in silo”,** **“Reduce too much localism, maximise national¹ whilst retaining local effectiveness”** (Maximising).

Q10 : Our Response Strategy states we will ensure we provide an effective and timely response to fires and other emergencies. Do you believe that we should commission an in-depth analysis of emergency cover arrangements, using the latest technologies, to ensure that we are doing the right thing, using the right people and resources, in the right place and at the right time?

While there is support for commissioning the analysis of emergency cover, 18% of those responding to this question disagreed.

¹ I’m assuming this means taking action nationally rather than the political sense of “nationalism”.



This question did generate a lot of public comments both in favour of carrying out the work but also concerned about the cost of such an exercise. There were four outright positive comments, 14 that made useful suggestions and 18 generally negative responses (i.e. many of these simply enforced the “no” option).

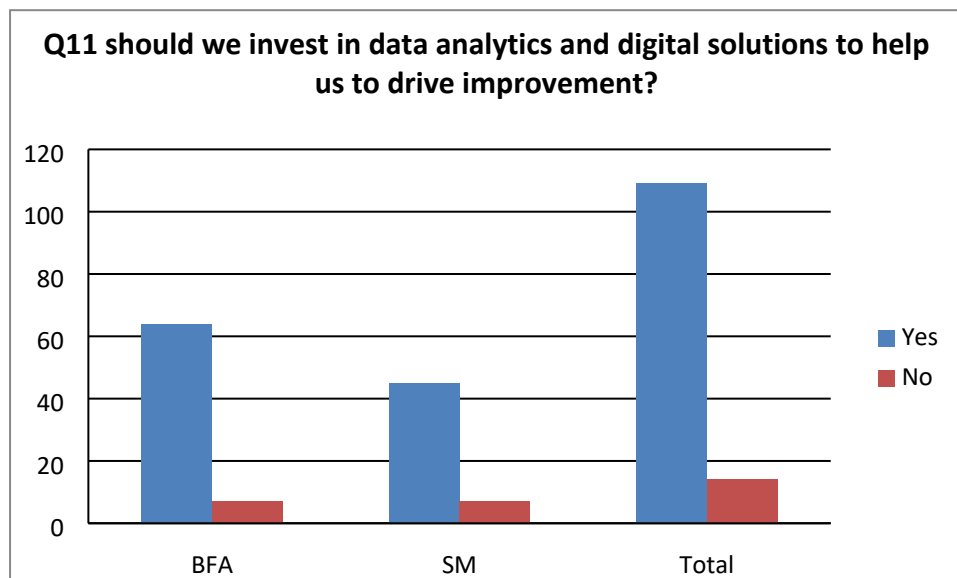
This selection of comments gives the range of responses:

- *“It just sounds very reassuring that you are doing everything you can to keep the public safe.”*
- *“Operational and effectiveness analysis are a key understanding what you do now and can reasonably predict what you will need for the future. Combined Operational and Effectiveness Analysis has been a tool used by large agencies, government and industrial, for decades.”*
- *“Perhaps establishing a local representative within community organisations who could act as a “go between”*
- *“Will need to spend some money on a proper GIS Analyst to do this.”*
- *“Not unless such an analysis can be done relatively quickly and cheaply, preferably in - house. Can’t your staff use “the latest technologies”, if needed?”*
- *“Don’t overthink the latest technology bit. This can be done pretty well with a spreadsheet/database and get actionable results.”*
- *“Worth getting another force [sic] to assist with audit as they will have greater awareness of risk issues”*
- *“Only if delivered by an independent organisation”*
- *“Use the money to fund more firefighters & appliances / Financial resources are already stretched: why squander them on yet another “strategic study”?”*

Q11 : Our Data Strategy states that we will use data and digital solutions to drive improvement. Do you believe that we should invest in data analytics and digital solutions to help us: a) better understand the risks in our community; b) reduce reliance on paper-

based systems freeing up staff time to focus more on delivering front-line services; and c) improve the availability of risk and performance information to both staff and managers to help target our resources towards the most vulnerable and keep our firefighters safe?

A high level of support (89%) was reported for this question.



This question also elicited a large number of responses; a representative sample are set out below:

- *“Data is an important element of the planning for improvement. All staff need to have access to it to provide feedback on their performance.”*
- *“Needs to be able to provide detailed real time information on availability of resources.”*
- *“There should be potential to reduce workforce and staffing budget through the Data Strategy”*
- *“Be careful - seen this is several government departments and it never goes smoothly. So maintaining current systems until proven wise”*
- *“You should do this. Sadly you have completely mis-managed the resources you have to complete this over many years. You don't have the resources or tools to do this. Your capacity to deliver transformational change using ICT is minimal.”*
- *“Very much doubt you would learn anything useful given how costly this could prove to be”*
- *“Limit the amount spent on this. It is important, but some companies charge vast amounts for analysis and new computer systems which are not always as effective as they could be. NHS systems being a prime example.”*
- *“Provided this can be managed in-house without further depleting valuable financial resources.”*

Q12 : Our People Strategy details our ambition to be an employer of choice; recruiting, retaining and developing a highly skilled and diverse workforce who uphold and model our values and virtues. How do you believe we could improve our recruitment and selection to all of our roles from across our diverse communities?

This was a free text only question and so has many and varied comments – 8 positive, 31 neutral and 8 negative (mostly reinforcing a “no” position).

Topics covered were:

- Doing a good job
 - o *“I don't think that you can improve with the budget you have”*
- Pay and benefits
 - o *“Better pay and benefits to the actual first responders. They are heroes!”*
 - o *“Encouraging a sense of belonging and making sure that loyalty is seen to operate positively in both directions in the management structure.”*
 - o *“A firefighter's job is a labour of love. No money can cover that stress and risks.”*
- Recruitment
 - o *“Increase the basic entry level requirements for joining as a fire fighter, and better promote the opportunities there are to progress to management roles. This may help attract high achievers to join the service who may normally see careers such as Law and Medicine as their options.”*
 - o *“The strategy does not seem to be a very "exciting" one in order to attract young men and women to view the job as a long term career opportunity when set against other employment and career opportunities.”*
 - o *“More locals, less out of county people.”*
 - o *“Making shift pattern even more available to families.”*
 - o *“Include different ethnicities in adverts / Target recruitment adds into less represented parts of the community”*
 - o *“Constant positive action campaign not just when we want to recruit. should be a constant program to raise our profile.”*
- Diversity
 - o *“Do not dwell upon being an "inclusive" employer! Dwell on finding the right people for the job and not reducing standards to accommodate those that might not ordinarily find employment in the fire service. Those that match up to the requirements of the jobs do so on their own merit!” [Most comments reflected this view]*

- *“Ensure you know what attracts and retains people as firefighters. Be real about cultural views of firefighter work - some cultural groups are highly unlikely to want to aspire to be firefighters”*

Q13 : Are there any additional comments you wish to make about our draft Community Risk Management Plan 2019-2023?

This was an open text question but only received 19 comments and almost all said they had nothing to add. Where comment was included, these said:

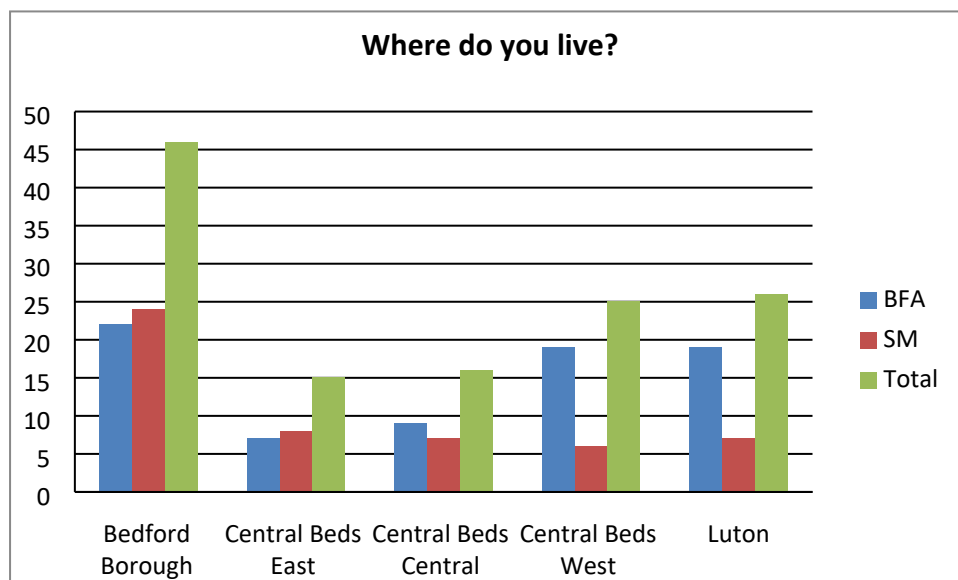
“No it all reads very good”

“It looks thorough”

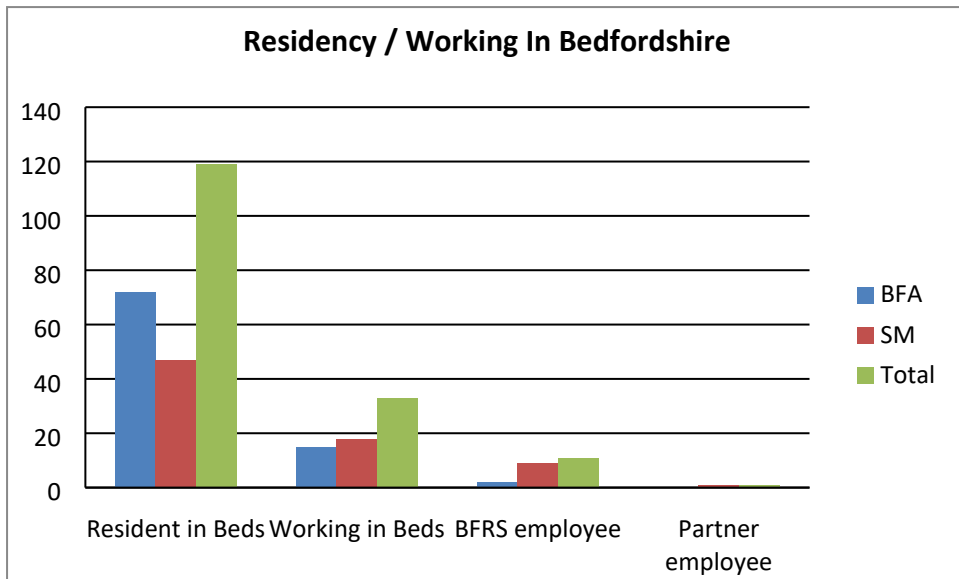
“Any plan is only as good as the people who implement it”

4. Demographics

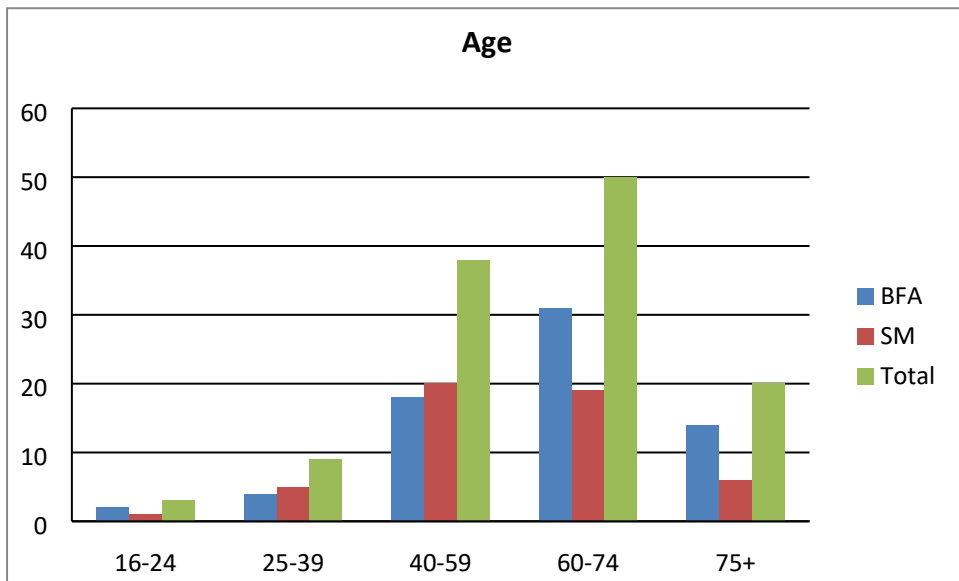
Responses were not proportionate to population; 44% came from those living in Central Bedfordshire and 36% from Bedford Borough with only 20% of responses coming from Luton. Take up of social media promotion was lower in West Central Bedfordshire (Dunstable, Leighton Buzzard, Toddington etc.) and Luton where a majority of responses came via BedsFireAlert.



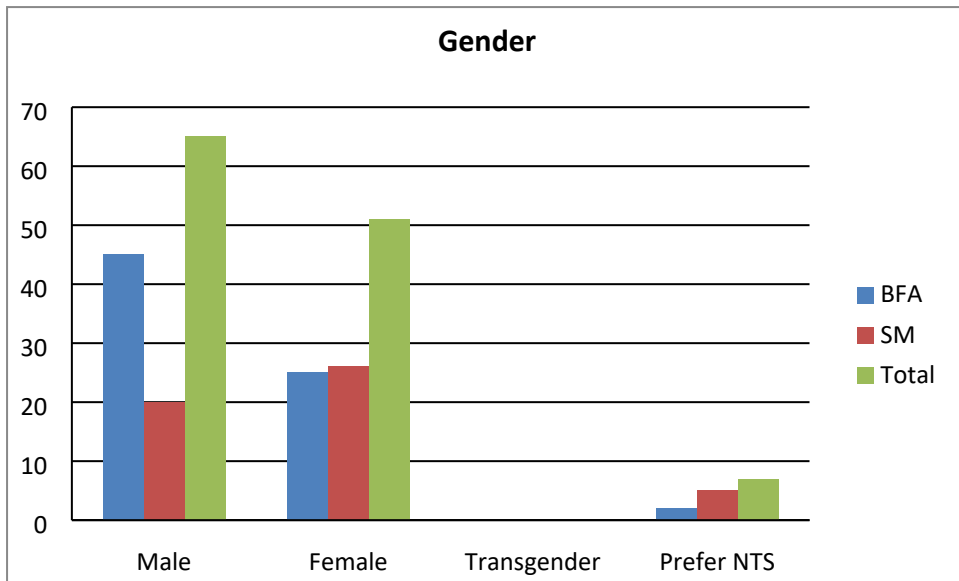
A majority of those responding lived in the county with one in five (20%) saying they worked in the county. Only 7% of respondents were staff and one person worked for a blue light or other partner organisation.



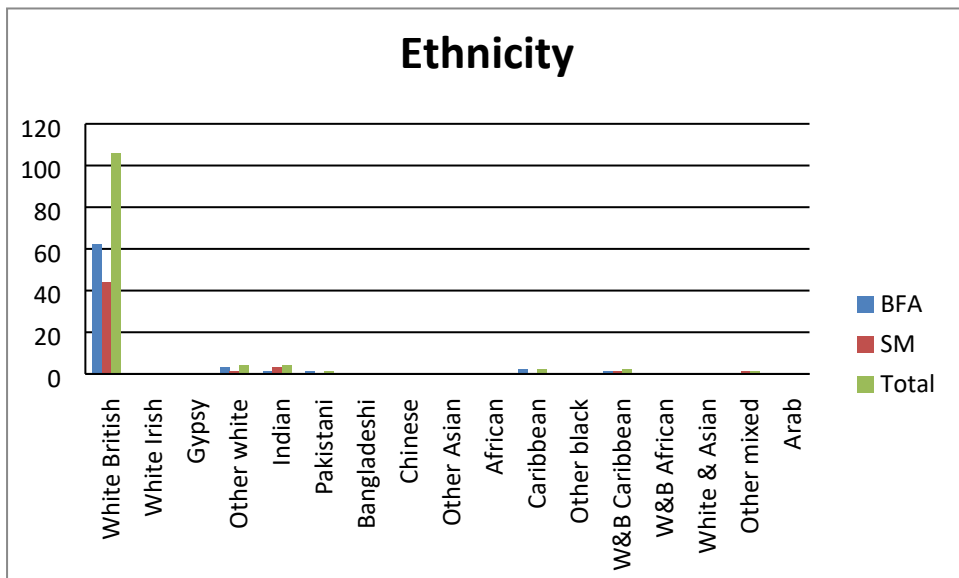
The demographic of the BedsFireAlert audience is over 55 and generally male, so we would expect this to be reflected in the respondents to the survey and 65% of them were over 65 years old. We can see that those who took part via Survey Monkey and were alerted by social media tend to be younger, with 51% aged 64 or below (although 49% were still 65 or over).



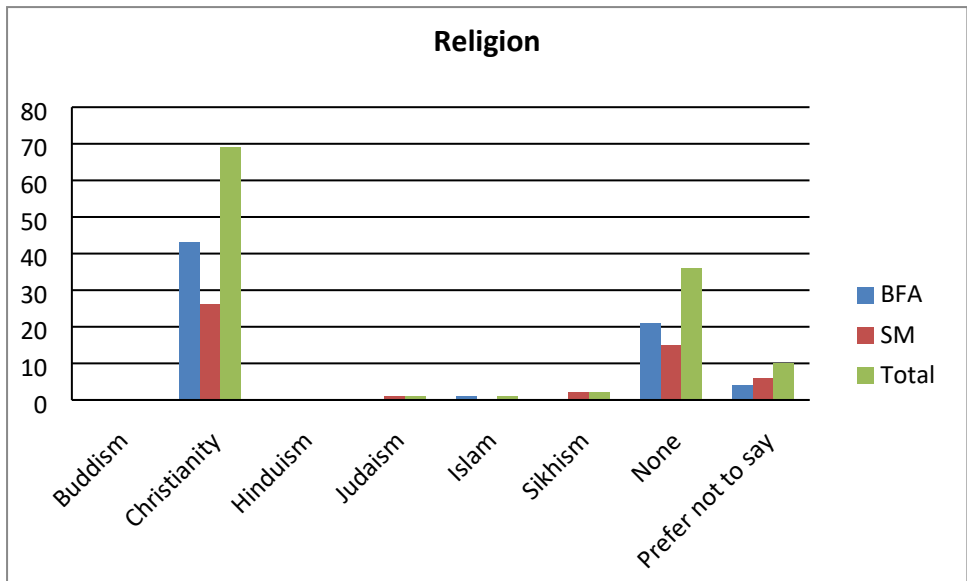
In terms of gender 62% of the BedsFireAlert respondents were male compared to only 39% for those using the Survey Monkey platform (51% were female and 10% preferred not to say). This brought the overall split between men and women to 53%:41% (with 6% preferring not to say).



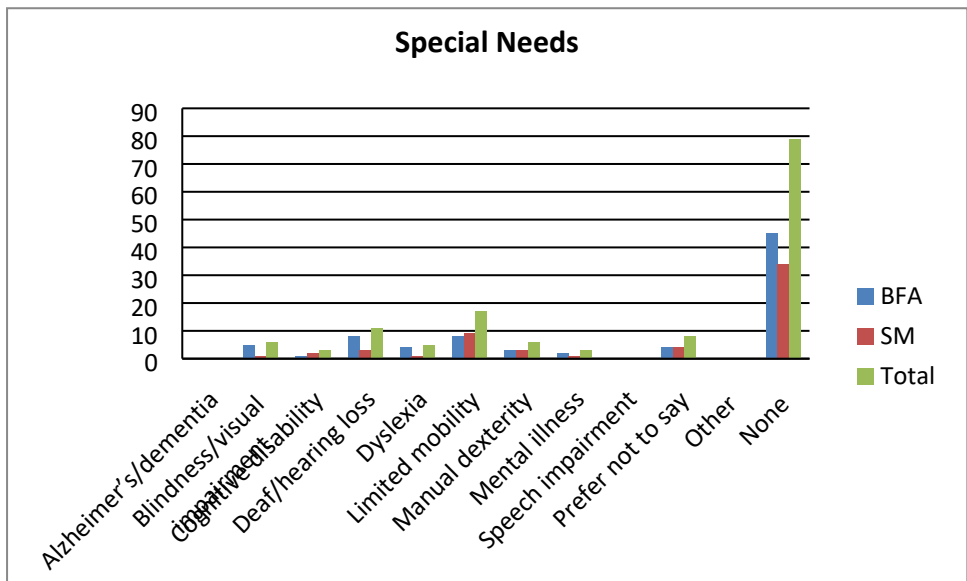
In terms of ethnicity the responses were overwhelmingly from white British people.



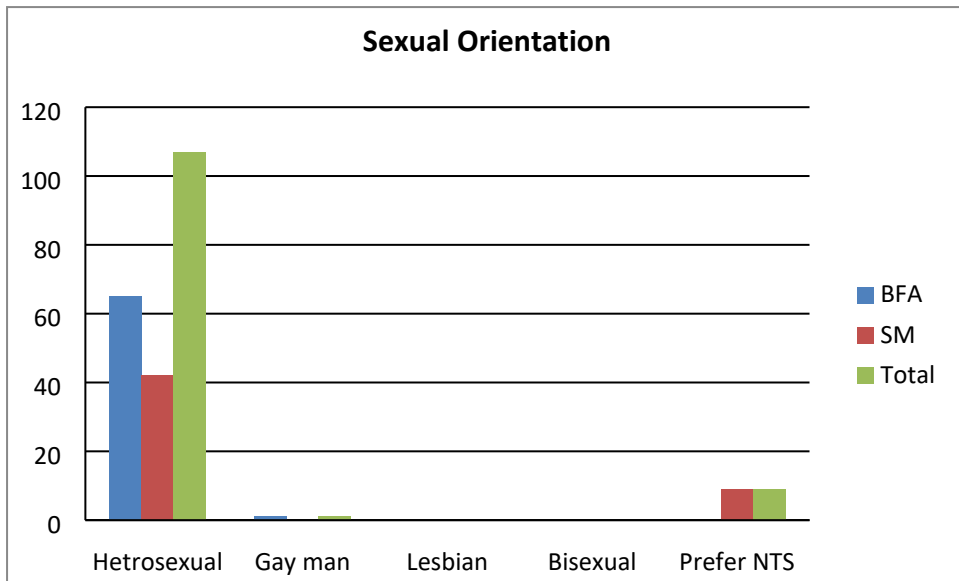
Generally respondents said they were Christian, had no religion or preferred not to say.



In general those taking the survey had no special needs. Where they were given they were hearing impairment and mobility impairment, something the Safe and Well surveys also find. One person did comment that the presentation of the CRMP on white only background and the survey itself on the same format made it hard for dyslexics to read (of which five responded to the survey).



Finally with the exception of one gay man all those who took part were heterosexual (under the “prefer not to say” heading three people questioned the relevance of this question).



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20 March 2019