



BEDFORDSHIRE FIRE AND RESCUE AUTHORITY

Members of Fire and Rescue Authority.

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

Central Bedfordshire Councillors: R Berry, J Chatterley, P Duckett, D McVicar and I Shingler

Luton Borough Councillors: K Choudhry, D Franks, K Malik and Y Waheed

A meeting of **Fire and Rescue Authority** will be held at **Conference Room, Fire and Rescue Service Headquarters, Kempston, Bedford MK42 7NR** on **Monday, 7 October 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).
3.	Communications	Chair	

Item	Subject	Lead	Purpose of Discussion
4.	Minutes	Chair	To confirm the Minutes of the meeting held on 4 September 2019 (Pages 5 - 14)
5.	Public Participation	Chair	To receive any questions put to the Authority under the Public Participation Scheme
6.	2019/20 Budget Monitoring	CFO/Treasurer	To consider a report (Pages 15 - 24)
7.	Mid-Year Treasury Update	ACO	To consider a report (Pages 25 - 40)
8.	Collaboration Working Group	DCFO	To consider a report (Pages 41 - 46)
9.	Work Programme	CFO	To consider a report (Pages 47 - 54)

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

To consider whether to pass a resolution under Section 100(A) of the Local Government Act 1972 to exclude the public from the remainder of the meeting on the grounds that consideration of the following items of business is likely to involve the disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act as amended.

Item	Subject	Lead	Purpose of Discussion
10.	Business Continuity	CFO	To consider a report (Pages 55 - 66)
	Next Meeting	10.00 am on 6 November 2019 at Lecture Theatre, Dunstable Community Fire Station, Brewers Hill Road, Dunstable LU6 1AA	

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 4 SEPTEMBER 2019

Present: Councillors C Atkins, R Berry, J Chatterley (Chairman), K Choudhry, P Duckett, D Franks, J Gambold, M Headley, D McVicar, K Malik and Y Waheed (Vice-Chair)

CFO P Fuller, DCFO A Hopkinson, ACO G Chambers and SOC G Jeffery

19-20/FRA/26 Apologies

An apology for absence was received from Councillor Shingler.

19-20/FRA/27 Declarations of Disclosable Pecuniary and Other Interests

There were no declarations of disclosable pecuniary and other interests.

19-20/FRA/28 Communications

LGA Fire Commission Meeting

The Chair advised that he had accepted an invitation to attend a meeting of the LGA Fire Commission on 20 September 2019. A number of speakers would be presenting at the event, including HMI Zoe Billingham.

LGA Inclusion Champions Network

The Chair reported that he had been invited to attend the LGA's Inclusion Champions Network on behalf of the Authority. A meeting of the Network was being arranged in December 2019.

HMICFRS Event

The Service had been invited to attend an event hosted by the HMICFRS on 16 September 2019. The Chairman and Deputy Chief Fire Officer would be representing the Service.

Informal Visit from Deputy Director of Fire and Resilience

The Chief Fire Officer advised that the Service had hosted an informal visit from the Deputy Director of Fire and Resilience on 29 August 2019. A number of issues had been discussed, including the reintroduction of a cost of fire report.

Asian Fire Services Association

The Chief Fire Officer reported that, following the Service receiving an award from the Asian Fire Services Association recognising excellence in board leadership in equality, diversity and inclusion, the Service had received correspondence from the Association thanking the Service for its continued support and participation.

Change to Incident Recording System

The Chief Fire Officer had received notification of changes to the Fire and Rescue Incident Recording System. The system was being migrated to a new server location at the end of September and the letter had advised there may be some disruption to the availability of the system for a short period during the migration.

Fire Station Open Days

The Chief Fire Officer thanked Members for supporting the Station Open Days that had taken place during the summer. These had been successful and well attended.

Open Days would take place in Leighton Buzzard and Sandy during the forthcoming weekend.

19-20/FRA/29 Minutes

RESOLVED:

That the Minutes of the meeting held on 18 July 2019 be confirmed as a true record.

19-20/FRA/30 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).

19-20/FRA/31 Audit and Standards Committee 10 July 2019

Councillor Headley submitted the draft Minutes of the meeting of the Audit and Standards Committee held on 10 July 2019. He advised that due to national resourcing issues, Ernst & Young had been unable to complete the audit of the Statement of Accounts, and, as such, the next meeting of the Audit and Standards Committee had been postponed until October.

The Assistant Chief Officer added that there were a number of local authorities, at least 19, that had not had their audits completed by the early closure. The audit had originally been postponed until 19 August 2019 until being postponed again to 16 September 2019. He would be meeting with Neil Harris on 6 September 2019 to discuss the most recent postponement.

Councillor Headley expressed the view that the Committee should question Ernst & Young about the delay and seek reassurances that this would not affect next year's audit.

RESOLVED:

That the submitted Minutes of the meeting of the Audit and Standards Committee held on 10 July 2019 be received.

19-20/FRA/32 Q1 Performance Report

The Deputy Chief Fire Officer presented the summary of performance as at the end of the first Quarter of 2018/19. He referred to a number of changes to the performance report including the introduction of additional RAG ratings comparing the current quarter's performance to the previous year and five year average in addition to the normal comparison against target. Work was ongoing with the University of Bedfordshire to develop an interactive and self-populating performance dashboard to enable both a service and local view of performance against service delivery key performance indicators. This would also be extended to the corporate services and human resources performance indicators in due course.

The Deputy Chief Fire Officer also explained what information was contained within each of the columns, including the column indicating whether an increase or decrease was positive performance.

In terms of exception reporting, the Deputy Chief Fire Officer reported on PI03b (number of primary fire injuries). Whilst this was RAG rated as red for the quarter, with 9 injuries against a target of 5.75 (a 56.5% increase), it was only 1 more injury than had been reported in Quarter 1 of 2018/19 and a 2.2% increase against the five year average. The Service had one of the lowest levels of primary fire injuries in the country, and the majority of those recorded for the quarter were minor.

An example of a stretching target was PI15 (the number of Safe and Well Visits (SWV) delivered). During 2018/19, the Service delivered 139% more SWVs than it did in 2017/18, visiting over 5000 households across Bedfordshire. For 2019/20, the Authority had set an ambitious stretch target to deliver 50% more SWVs than it did in 2018/19. At the end of Quarter 1, although RAG rated as red with 1222

visits undertaken against a target of 2015, this was an increase of 69.5% on the performance in Quarter 1 of 2018/19 and 16% higher than the five year average. The Deputy Chief Fire Officer expressed confidence that performance against the indicator would improve during the following two quarters.

The number of accidental dwelling fires, measured by PI05b, had reduced by 11.1%, with 84 recorded against a target of 94.5. This was also an improvement on the five year average. Positive performance in this area may be a result of the increased SWVs undertaken by the Service.

In relation to secondary fires, PI04b, the number of deliberate (arson) fires, was above the target level, although it was noted that these incidents were often prevalent during the summer months. Only 5 of these fires had involved a dwelling, when compared to 11 during the same quarter in 2018/19. Performance against the five year average had also improved.

The target had been slightly missed in relation to (PI18) Total Primary Fires in Non-Domestic Buildings, although there was an 18.4% reduction from the previous year's first quarter performance.

Performance against PI19 (total false alarms attended in non-domestic properties had improved with a reduction of 26.7% against the target. The Service had adopted robust call-challenge and this had resulted in the number of false alarms attended decreasing dramatically.

The Deputy Chief Fire Officer also advised that the fire safety team engaged with premises management when a high number of false alarms were received.

The number of fire safety audits completed (PI16) had not reached its target due to the temporary reduced capacity in the team during the reporting period. It was anticipated that performance would improve in subsequent quarters.

The number of total incidents, total fires and total special services had all increased but the average response times had improved when compared to the previous year. A fix had been produced by the supplier of the mobilising system provider to rectify the 'ghosting issues' with the data. This had been tested extensively and would be implemented once formal approval by Essex Fire and Rescue Service had been secured.

PI-0034 (% availability of 1st On-Call pumping appliances), the availability of on-call appliances is affected by the skills base of on-call fire-fighters, as some competencies cannot be acquired until after 12-18 months of training. Therefore there can be a lag following recruitment of on-call fire fighters before availability improves.

In response to questions, the Deputy Chief Fire Officer advised that the response times related only to the Service's own appliances and that on-call availability was based on the 24/7, 365 days a year availability of appliances at on call stations.

The Deputy Chief Fire Officer then reported on the Corporate Services and Human Resources performance.

FP5 (percentage of uncontested invoices paid within 30 days) had missed its target but actions had been implemented to improve performance against this indicator.

HR1 (the percentage of working time lost due to sickness), H1 (number of serious accidents per 1000 employees) and H2 (number of working days/shifts lost to accidents per 1000 employees) had all exceeded targets as a result of a small number of individual cases. Only one of these was ongoing into the second quarter.

Two training indicators, T7 (percentage of Flexible Duty Officers that have attended an Incident Command Assessment within the required frequency for their role) and T8b (percentage of Safety Critical Maintenance training programmes completed by On-Call Operational Personnel via PDR Pro within the last 12 months) had also missed their targets. T7 related to one Officer who was currently waiting for a new nomination date. T8b was 3% below target, largely due to the number of on-call fire fighters recruited in the last year. The training plan had had to be adapted to accommodate the larger numbers.

RESOLVED:

1. That the Service's performance against the delivery of the Authority's Community Risk Management Plan (CRMP) at the end of quarter one 2019/20 be acknowledged.
2. That the revised reporting layout for the Service Delivery (Prevention, Protection, Response) areas of performance be acknowledged.
3. That the performance report be approved for publication on the Service website.

19-20/FRA/33 Q1 Projects and Programmes Update

The Deputy Chief Fire Officer presented the position in relation to projects and programmes as at the end of the first quarter of 2019/20. The report format had been updated and a pie chart illustrating the Service's performance against the programmes and projects had been added. This illustrated that the vast majority of projects were rated green (63%), with some amber (26%) and only 2 (7%) rated as red.

The two projects rated red were the Fleet/Asset Management System Project and the Infographics FloSafe Fire Safety Protection Replacement MIS. The Fleet Management module was being delivered on schedule but the Asset Management module had been delayed due to resourcing issues. These had now been resolved with additional support being allocated to the completion of the project.

The Fire Safety Protection Replacement MIS had been delayed due to difficulties with the current supplier as the specification had not been fully delivered. The Head of ICT and Programmes was providing robust challenge and an account meeting with the supplier had been arranged for later in the year.

In relation to the seven projects rated amber, the Deputy Chief Fire Officer reported that mobile data terminals were being rolled out and it was intended to provide hardware and software to enable the visits to be recorded electronically.

The Unified Communications Project had been slightly delayed as it was reliant on the roll-out of Xen Desktop, which itself had been delayed by technical issues.

The Emergency Services Mobile Communications Programme is a national project and the current delays are outside of the Service's control.

The Replacement Mobilising System (RMS) Project was now in the procurement phase but this was behind schedule following Cambridgeshire Fire and Rescue's decision to withdraw from the joint procurement. The project had been called in by the Deputy Chief Fire Officer and the Assistant Chief Officer due to the consequent delay to the planned contract award date, from December 2019 to March 2020. This was still within the timescales required to replace the mobilising system before the arrangement with Essex Fire and Rescue Service came to an end. A project review report on the RMS would be submitted to a future meeting of the Authority.

The Replacement Mobile Data Terminal Project and the PDR Pro Project would be re-baselined and were expected to return to green in the next reporting period.

Councillor Atkins referred to the app What3Words. She suggested that all Members of the Authority should download the app (this could be purchased through the app store) and requested that a link be sent out with the Minutes of the meeting.

RESOLVED:

That the progress made on Strategic Programmes and Projects be acknowledged.

19-20/FRA/34 2020/21 Revenue Budget, Capital Programme and Council Tax Setting

The Assistant Chief Officer introduced his report on the current planning arrangements for the 2020/21 Revenue Budget and Capital Programme.

The spending review announcement was expected later that day and would cover one financial year only. This made medium-term financial planning much more difficult.

The timeline for the budget setting process was set out in the report and included Member Budget Workshops on 27 November 2019 and 16 January 2020, with the Authority setting the draft budget at its meeting on 12 December 2019 and the final budget and Council Tax at its meeting on 6 February 2020.

The Service had advocated for the return of Transformation Funding at its meeting with the Deputy Director of Fire and Resilience. Officers regularly sought sources of grant funding, but many of the funds were restricted to local authorities only.

RESOLVED:

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

19-20/FRA/35 Health and Safety Annual Report 2018/19

Strategic Operational Commander Jeffery submitted the Service's Health and Safety Annual report for the year 2018/19. The extensive report set out the Service's responsibilities for health and safety and identified the team within the Service responsible for health and safety. The Service's health and safety policies were identified and information was provided on the policies and procedures that had been updated during 2018/19. Reviews of the Service's risk assessments had also been undertaken, with 4 additional risk assessments being produced during the year. The health and safety objectives for the current reporting year were listed at the end of the report.

The team was also responsible for producing safety bulletins and critical updates. Two safety updates, on vehicle marshalling and hypodermic needles, had been produced during the year.

Strategic Operational Commander Jeffery reported on the health and safety performance as measured by indicators H1, H2 and H3. The high number of shifts lost due to accidents had been the result of three long-term injuries where the members of staff concerned had been off work for 59, 39 and 36 days respectively. No trends had been identified.

The Service had been audited by the Royal Society for the Prevention of Accidents (RoSPA) and had been awarded a Level 5, the highest award available. The Service had improved its score against the audit from 79 in 2014 to 96.4 in 2019.

In relation to vehicle collisions, the number of collisions had increased slightly to 42 in 2018/19 from 38 in 2017/18. The majority of these were very minor accidents at low speeds and may be the result of increased reporting and the increased number of vehicle movements associated with the Service's preventative and partnership work. 8 of these related to a service vehicle being struck by another vehicle.

The Service was very proactive in reporting incidents and in engaging with local authorities in areas where there were streets down which it would be difficult for an emergency vehicle to pass through without damaging a vehicle. Some streets were leafleted to remind residents of appropriate parking to enable larger vehicles, such as fire appliances or bin lorries, to travel safely down the street.

Service personnel had a high level of fitness, as demonstrated by the 99.5% pass rate against the annual fitness test.

In response to a question, Strategic Operational Commander Jeffery confirmed that each station had a designated health and safety representative. These representatives attended the Health and Safety Consultative Group meetings to feed back any issues or concerns.

RESOLVED:

That the Health and Safety Annual Report be acknowledged.

19-20/FRA/36 Scheme of Members' Allowances

The Secretary and Monitoring Officer advised that, whilst there was no provision in Regulations to prevent a Member from receiving more than one Special Responsibility Allowance (SRA), many local authorities included such a provision in their Members' Allowances Schemes.

RESOLVED:

That the Scheme of Members' Allowances be amended to provide that a Member may be paid no more than one Special Responsibility Allowance.

19-20/FRA/37 Work Programme

Members received an updated work programme for 2019/20.

In response to a comment regarding the large number of items scheduled for the Authority's meeting in February 2020, the Assistant Chief Officer advised that some items may be brought forward to the December meeting.

RESOLVED:

That the work programme for 2019/20 be received and the 'cyclical' Agenda Items for each meeting in 2019/20 be noted.

19-20/FRA/38 HM Prison Bedford Update

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).

The meeting ended at 11.46 am

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

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REPORT AUTHOR: ASSISTANT CHIEF OFFICER - FINANCE AND CORPORATE SERVICES
SUBJECT: REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2019/20 AS AT 31 AUGUST 2019

For further information on this report contact: Gavin Chambers
Assistant Chief Officer - Finance and Corporate Services
Tel No: 01234 845112

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 inform the Fire and Rescue Authority (FRA) of the forecast year end budget monitoring position as at 31 August 2019 and to seek agreement to the recommendations contained within.

RECOMMENDATION:

That the FRA:

1. Review and comment on the forecast outturns for revenue and capital.
2. To agree the capital slippage requests into 2020/21 as identified in Table 3.
3. Note the comments in para 2.3.7 regarding the reconciliation work being undertaken regarding the firefighter pension schemes.
4. Note the comments in para 2.3.8 regarding the potential cost of recruits in year.
5. Note the saving in para 3.3.2 regarding the Server hardware renewal capital project which slipped into 2019/20 but has now completed.

1. Introduction

- 1.1 On 7 February 2019, the Fire and Rescue Authority (FRA) approved a Revenue Budget Requirement for 2019/20 of £29.836m and a Capital Programme of £1.736m.

2. Revenue Budget Monitoring

- 2.1 The Revenue Budget efficiency savings for 2019/20 can be found in Appendix 1. The budgets have been reduced for these areas, therefore if they are not achieved it is likely this would lead to an overspend. This appendix forms part of the Government return, in order to receive the four year Government funding offer. It will also be used to populate the new NFCC savings and efficiencies return.
- 2.2 The funding of the 2019/20 Revenue Budget is by way of Government Funding £6.410m, local Business Rates redistribution £2.222m and Council Tax of £20.973m, there is also funding from a Collection Fund surplus of £0.231m

Forecasting Outturn:

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

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

2.3.3 Table 1: 2019/20 Revenue Budget Forecast Outturn (excluding salary budgets)

Title	Current Budget £	YTD Actuals	F/cast Yr-End Outturn £	Variance £	RAG status (see note below**)
Strategic Management	382,300	19,873	382,300	0	Green
Assistant Chief Officer	2,553,700	690,404	2,519,700	(34,000)	Green
Head of Response	923,700	340,477	938,700	15,000	Green
Head of Training and Assurance	549,100	138,183	549,100	0	Green
Head of Governance and Asset Management	920,800	465,467	955,800	35,000	Green
Head of Prevention and Protection	230,000	(8,170)	230,000	0	Green
Head of Information Communications Technology	2,339,600	(271,857)	2,384,600	45,000	Green
Head of Human Resources	260,100	82,612	260,100	0	Green
Total	8,159,300	1,456,989	8,220,300	61,000	

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

- 2.3.4 The forecast underspend of (£34k) within the Assistant Chief Officer's (ACO) area identified above in table 1, relates to extra income from the Ministry of Housing, Communities & Local Government (MHCLG), following a recalculation of business rates surpluses.

The forecast overspend in Head of Response relates to the unachievable £15k of income expectation within HQ Control, working is ongoing to seek opportunities to redress this. (See Appendix 1)

Within Head of Governance and Asset Management the £5k overspend is due to an unachievable saving regarding the Blue Light installation, the £20k will be achieved however this will be over the 4 life of the contract. (See Appendix 1)

The overspend of £45k within Head of Information Communications Technology relates to the unachievable efficiency saving for removing the MIS (Management Information System) legacy systems, this will now take place in June 2020. (See Appendix 1)

- 2.3.5 The current year to date (YTD) spend as at 31 August 2019 looks low in a number of areas, the reasons for this are highlighted below;

Strategic Management budget includes an Earmarked Reserve for £47k to help fund defibrillators in the community and a further £23k for Service Events, both of which are ongoing across a number of years and any underspend will be carried forward into 2020/21 for spend in future years.

Assistant Chief Officer budgets include £2m of year-end adjustments for contributions to capital, loan principal and interest and also the income received from our local authority partners which is received over 11 months, so not equally apportioned across the financial year. Overall these variances will be £0 at year end.

Head of Protection and Protection includes £85k income received from Bedford Borough Council to deliver the Dementia Safety First pilot, this income will be spent across 2019/20 but is currently showing as an underspend.

Head of Information Communications Technology includes a number of project areas which have over £350k of income and £417k of expenditure budgets which have yet to be spent, any underspends here will be earmarked into future years as these projects will span across financial years and therefore the variance at year end will be zero (£0).

2.3.6 With the salary budgets being such a large proportion of the overall budget, the split from the budgets above is justified.

Table 2: 2019/20 Salary Budget Forecast Outturn

Category	Current Budget £	YTD Actuals as at 31 Aug 2019 £	Forecast year end outturn £	Variance £
Whole Time	13,299,000	6,068,454	12,839,000	(460,000)
Control	932,300	381,225	932,300	0
Retained	1,872,600	762,736	1,872,600	0
Non operational	5,708,700	2,284,984	5,708,700	0
Agency	209,200	122,628	209,200	0
Grand Total	22,021,800	9,620,027	21,561,800	(460,000)

2.3.7 It has been agreed that the pay award for firefighters will be 2% from July 2019, the budget for this increase was agreed in February 2019 at 5%, this generates an in-year underspend of (£270k).

From July 2019 the employer contributions for each of the firefighter pension schemes increased significantly, costs for these extra employer contributions will be met from a grant from government in 2019/20, however it is unclear if these costs will be fully met in future financial years. Current calculations show that this will lead to an underspend of (£190k) on firefighter pensions however the exact amount is unclear and could vary between an underspend of (£160k) and (£210k) as it will depend upon the number of starters, leavers and retirements the service has in the remainder of 2019/20. These calculations will be revisited on a regular basis to ensure that FRA have the latest position should this change. At this time it is unclear if the Authority will be required to repay any excess grant therefore has not been included in table 2 above.

2.3.8 There is likely to be an extra cost relating to the forward recruitment of Whole Time firefighters in order to ensure there is no gap in service delivery due to retirements and leavers from the service, the effect of this is yet to be quantified. In August there were 7 firefighters above the budgeted establishment, a further 16 recruits will be integrated into the service in mid-September; these will be offset by number of leavers retirements however the timing of these is unknown. Each new recruit costs approximately £32k per annum so in the worst case scenario should there be no further retirements or leavers from September 2019 then this would lead to a budget pressure of approximately £340k for the year to 31 March 2020.

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

2.4.1 The total forecast variance at year end including both the non-salary figure in Table 1 above and for pay and on costs, including agency staff shown in Table 2, is currently expected to be an underspend of (£399k).

3. **Capital Programme Monitoring**

3.1 Table 3 below is the 2019/20 Capital Programme. The Red, Amber, Green (RAG) status indicates how well the schemes are progressing (Green being on target for year-end completion within budget; Amber indicating possible slippage or overspend; and Red indicating actual slippage/overspend or deletion of the scheme.

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

Table 3: The 2019/20 Capital Programme

Bedfordshire Fire and Rescue Authority Capital Programme	Capital Budgets 2019/20 £'000	Expected completion Month / Year	Rag Rating (Red / Amber / Green)	Comments
Rescue Pump Hydraulic Equipment (Replacement of current equipment)	650	2021/22	Amber	Slippage into 21/22 - awaiting new technology to be released at Interschultz in June 2020. £7K to be spent in Sept 19 with on tools for specialised cutting equipment
Positive Pressure Ventilation Fan (PPV)	120	2021/22	Amber	Slippage into 21/22 - awaiting new technology to be released at Interschultz in June 2020.
Stabfast stabilisation kit	40	Mar-20	Green	Will purchase from the YPO framework
Water Dams (to be used at incidents to store water for use by rescue pumps)	15	Mar-20	Green	In process of purchasing
Increase in cost of Water Dams (above)	5	Mar-20	Green	In process of purchasing
Site Team Van	20	Mar-20	Green	In process of purchasing
Increase in cost of Site Van (flt108) - Upgrade to Electric vans	5	Mar-20	Green	In process of purchasing
Fire Investigation Team Long Wheel Based (LWB) Van	30	21/22	Amber	Slippage - Looking at options for the van fleet & Specification
Community Fire Safety Long Wheel Based Van – Leighton Buzzard FSOT/Co-responding	20	Mar-20	Green	In process of purchasing

Bedfordshire Fire and Rescue Authority Capital Programme	Capital Budgets 2019/20 £'000	Expected completion Month / Year	Rag Rating (Red / Amber / Green)	Comments
Increase to cost of Flt5 to Long Wheel Based	10	Mar-20	Green	In process of purchasing
Road Traffic Collision Long Wheel Based Van - Kempston	30	21/22	Amber	Slippage - Looking at options for the van fleet & Specification
Road Traffic Collision Trailer	10	21/22	Amber	Slippage - Looking at options for the van fleet & Specification
Chip Demo- Trailer	10	21/22	Amber	Slippage - Looking at options for the van fleet & Specification
Mitsubishi W/S	25	Jan-20	Green	
Fire Appliance (x2)	300	20/21	Red	Slippage to 20/21 pending Operational Response Review.
Renewal of Mobilising System Mobile Data Terminals	276	20/21	Amber	Phase 1 (procurement of devices) of project delivered, phase 2 (imaging & installation) to be completed by Mar 2020 with phase 3 further work regarding better use of devices ongoing into 2020/21. Saving expected.
Wi-Fi refresh	75	Mar-20	Green	At procurement stage
Capital Works - Service Wide (lighting replacements, CCTV, fire protection, etc) - All locations	68	Mar-20	Green	
Drill yard resurfacing (Biggleswade, Luton, Woburn)	25	Mar-20	Green	

Bedfordshire Fire and Rescue Authority Capital Programme	Capital Budgets 2019/20 £'000	Expected completion Month / Year	Rag Rating (Red / Amber / Green)	Comments
WC/Shower facility refurbishments (Amphill, Dunstable, Harrold, Workshops, Training, Luton)	25	Mar-20	Green	
Community Facility - Bedford Station	44	Mar-20	Green	
Fitness Equipment Expenditure	8	Feb-20	Green	Will spend early 2020 on replacement gym equipment
TOTAL	1,811			

3.3 Capital Programme – Withdrawals, Additions or Variations:

3.3.1 **Slippage:** A number of projects contained in table 3 above are due to be slipped into 2020/21 within the technical and fleet management area, the total amount of these schemes is £1.143m.

3.3.2 Variations:

There has been a saving of £54k in relation to the Server hardware renewal which was a capital project in 2018/19 which partially slipped into 2019/20 which has now been completed. This unused funding will remain in the capital funding allocation and either be reallocated during the year or included as a budget saving later in the year following a wider capital funding review.

3.3.3 Additions:

There are no additions to the capital programme.

GAVIN CHAMBERS
ASSISTANT CHIEF OFFICER - FINANCE AND CORPORATE SERVICES

Medium Term Savings and Efficiencies 2019/20

Appendix 1

CMT Area	Savings/Efficiencies Description	2019/20 £'000s	RAG Rating (Red / Amber / Green)	Comments
ACO	To capture Fire & Rescue Indemnity Company - no Insurance Premium Tax	20	Green	Achieved
ACO	Energy Management Savings (Insulation & works)	5	Green	Achieved
ACO	To capture salary abatement & pension savings	85	Green	Achieved
ALL	2019/20 Zero Base Budget Exercise (forecast reduction)	100	Green	Achieved
HGAM	Saving following Procurement of new Fire Fighter PPE Contract (was £50k in 18/19, now additional £50k therefore £100k in total)	100	Amber	Only £70k-£80k deliverable in 2019/20 a further c.£20k will be achieved in 2020/21
HGAM	Savings from internal Blue Light Installations	20	Amber	Only £5k achievable in year the £20k saving was for the life of the contract @£5k per annum.
HGAM	Procurement - (various including stationery, cleaning materials & Fire Safety checks)	10	Amber	£4k achieved for Fire Safety check, the remaining £6k saving will depend on the procurement tender that will take place in by Mar 2020.
HICT	Management Information System (MIS) - Wholetime Rota/Availability System, Human Resources, Technical Equipment	45	Red	Savings will not be achievable until June 2020.
HICT	Savings from MDT collaborative procurement and review of licenses	40	Amber	£30k already achieved work ongoing to identify the remaining £10k.
HICT	Savings due to new ICT contract	5	Green	Achieved
HRes	Control Income generation	15	Red	Investigating options for income generation and/or efficiencies
HTA	Draw down apprenticeship levy (therefore reduction in training budget)	50	Green	On target to be achieved.
* NB - All Savings have been removed from 2019-20 Base Budgets		495		

For Publication

Bedfordshire Fire and Rescue Authority
7 October 2019
Item No. 7

REPORT AUTHORS: CHIEF FIRE OFFICER AND TREASURER

SUBJECT: TREASURY MANAGEMENT – MID-YEAR REVIEW REPORT TO 30 SEPTEMBER 2019

For further information on this Report contact: ACO G Chambers
Assistant Chief Officer/Treasurer
Tel No: 01234 845000

Background Papers:

Treasury Management Strategy 2019/20, as detailed in the Budget Book 2019/20.

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 provide an update on the Authority's Treasury Management to 30 September 2019.

RECOMMENDATION:

That the Fire and Rescue Authority consider and comment on the report.

1. Introduction

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

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

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

1.3 The FRA adopted the Code of Practice for Treasury Management in the Public Services published by the Chartered Institute of Public Finance and Accountancy (CIPFA), revised in 2017. One of the requirements of the CIPFA Code is for there to be regular reports on Treasury Management to be presented to the appropriate 'committee'. This is the mid-year Review Report for 2019/20 to 30 September 2019.

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

2. Treasury Management Reports

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

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Authority's capital expenditure (prudential indicators);
- A review of the Authority's investment portfolio for 2019/20;
- A review of the Authority's borrowing strategy for 2019/20;
- A review of any debt rescheduling undertaken (if applicable) during 2019/20;
- A review of compliance with Treasury and Prudential Limits for 2019/20; and
- An economic update for the first six months of 2019/20.

3. Treasury Management Training

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

3.2 Training has previously been provided to Members by our Treasury Advisor's, Link Asset Services. This can again be arranged at the Members request.

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

For the current year, these were recommended for approval by the CSP&CG on 27th February 2019 and approved by the FRA on 28th March 2019. There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5. Authorities Capital Position (Prudential Indicators)

This part of the report is structured to update:

- Capital expenditure plans
- How these plans are being financed
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

The Prudential Indicators have now been updated in accordance with the revised Code. Members had previously requested further information on one of the specific indicators, this indicator is no longer used and has therefore been removed.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget. The increase is due to the wi-fi refresh that the FRA has previously agreed. The low spend as at the mid-year point is detailed in the Budget Monitoring report to the FRA, also on the meeting's agenda. In summary there will be slippage of vehicles and equipment into 2020/21.

Capital Expenditure by Service	2019/20 Original Estimate £'000	Current Position £'000	2019/20 Revised Estimate £'000
As per Budget Book	1,736	71	1,811

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Authority by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	2019/20 Original Estimate £'000	2019/20 Revised Estimate £'000
Total Capital Expenditure	1,736	1,736
Financed by:		
Capital receipts	140	140
Capital grants	0	0
Capital reserves	200	200
Revenue	1,396	1,396
Total financing	1,736	1,736
Borrowing Requirement	0	0

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the operational Boundary.

Prudential Indicator – Capital Financing Requirement

We are on target to achieve the original forecast Capital Financing Requirement.

Prudential Indicator – the Operational Boundary for external debt

	2019/20 Original Estimate £'000	Current Position £'000	2019/20 Revised Estimate £'000
Prudential Indicator – Capital Financing Requirement			
TOTAL CFR	8,038	8,038	8,038
Net movement in CFR	(424)	(424)	(424)
Prudential Indicator – the Operational Boundary for external debt			
Borrowing	9,987	9,987	9,987
Other long term liabilities*	0	0	0
Total debt (year end position)	9,987	9,987	9,987

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing, (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Authority has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2019/20 Original Estimate £'000	Current Position £'000	2019/20 Revised Estimate £'000
Borrowing	9,987	9,987	9,987
Other long term liabilities	0	0	0
Total debt	9,987	9,987	9,987
CFR* (year end position)	7,614	7,614	7,614

The Treasurer reports that no difficulties are envisaged for the current future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised limit for external Debt	2019/20 Original Indicator £'000	Current Position £'000	2019/20 Revised Indicator £'000
Borrowing	9,987	9,987	9,987
Other long term liabilities	1,900	1,900	1,900
Total	11,893	11,893	11,893

6. Borrowing/Investment Strategy for 2019/20

- 6.1 It was anticipated at the beginning of 2019/20 that the Authority would have surplus funds available for short-term investment, either within its Special Interest Bearing Account (SIBA) at its bankers or through the money market. As at the 30th September 2019 the SIBA account is paying a rate of 0.20% up to £999,999 and 0.30% for funds over £1M.
- 6.2 The Authority's call-account with Barclays Bank has been used during 2019/20. As at the 30th September 2019 the Barclays account is paying a rate of 0.45%.
- 6.3 This Authority's 120-Day Interest account with Santander has been used during 2019/20. As at the 30th September 2019 this account is paying a rate of 0.95%.
- 6.4 This Authority's 180-Day Interest account with Santander has been used during 2019/10. As at the 30th September 2019 this account is paying a rate at a rate of 1.00%.
- 6.5 The Authority has invested funds with two foreign banks, Qatar National Bank and Goldman Sachs during the first half of 2019/20, via our Treasury Agents, Link Asset Services. The Qatar National Bank fixed term investments are for six months at a rate of 1.13% and 1.08% and will mature October 2019 and January 2020 (£2.75M and £2.25M). The Goldman Sachs Bank investment is a fixed term investments for three months at a rate of 0.79% and will mature in November 2019 (£2.5M).

- 6.6 This Authority has also placed surplus funds into a 95-Day Interest account with Lloyds Bank at a variable rate of 1.10% (Bank Rate 0.75% (variable) plus 0.35% fixed) as from August 2019.
- 6.7 During the second half of 2019/20 this Authority will be considering using Money Market Funds for short-term investments. Operators use the credit ratings agencies which lay down investment restrictions to enable the funds to maintain its AAA status. Money Market Funds may also be governed by the Institutional Money Market Fund Association (IMMFA) which is a voluntary code of practice issued in 1992 by a trade body for Money Market Funds. This ensures all members offer a consistently high quality product by promoting best practice, transparency of fund values and a standardised format for published data.
- 6.8 Borrowing has not been undertaken in 2019/20 to finance the Capital Programme. The funding for the 2019/20 Capital Programme was through Grant and revenue contributions.
7. Interest Rate Movements During 2019/20
- 7.1 Bank base rate has remained at 0.75% from the beginning of the year.
- 7.2 Interest rates applicable to temporary investments were short-term money market rates. These investments were fixed for a set period (between one month and one year), at a greater interest rate than bank base rate. During the first six months of 2019/20, four investments reached maturity, new investments were then placed, two in April of £3.5M, two in July for £5.25M, and one in August for £2.5M. When placing these, a number of factors were considered, including cashflow, security, return etc in order to meet our Policies and at the same time get the best return.

8. Investment/Borrowing Operations

8.1 Investments:

Surplus cash is invested on a temporary basis through the money market. Levels of investment have varied from £9.5M at the start of 2019/20 to £12.5M as at 30th September 2019. In the year 2019/20 to 30 September 2019, £47,300 interest will have been generated through these investments and through the local SIBA account, Barclays Account, Santander Accounts and Lloyds Account. Interest on PWLB borrowings totals of £210,817 was paid on 1st October but was for the period up to end of September. This will give a net interest paid position of £163,517 as at 2 October 2019.

8.2 The FRA's budgeted investment return (interest receivable) for 2019/20 is £90,400.

8.3 Long-Term Borrowing:

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

8.4 **Borrowing and Investments Outstanding:**

	Temporary Investments £000s	Long-Term Borrowing £000s
Outstanding at 1 April 2019	9,500	9,987
Raised	11,250	0
Repaid	(8,250)	0
Outstanding at 30 September 2019	12,500	9,987

9. Performance Measurement

- 9.1 The success of cash flow management, and hence the Fire Authority's temporary investment and borrowing activity, is measured by comparing the actual rates of interest achieved and borne against a benchmark of the average Local Authority 7 Day Rate.
- 9.2 For the period ending 30 September 2019, the average interest rate achieved from temporary investments, the SIBA Account, Barclays, Lloyds and Santander Accounts was 1.13%, higher than the average Local Authority 7 Day Rate over the same period of 0.57%.

10. General Economic Conditions

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

- Inflation – Target Inflation (CPI) was at 1.90% on 1 April 2019 and at 2.10% by 31 August 2019 (0.20% change).
Headline Inflation (RPI) was at 2.50% on 1 April 2019 and at 2.80% by 31 August 2019 (0.30% change).

10.2 Economic Update:

UK. This first half year has been a time of upheaval on the political front as Theresa May resigned as Prime Minister to be replaced by Boris Johnson on a platform of the UK leaving the EU on or 31 October, with or without a deal. However, so far, there has been no majority of MPs for any one option to move forward on enabling Brexit to be implemented. At the time of writing, (first week in September), the whole political situation in the UK over **Brexit** is highly fluid and could change radically by the day. The vote in the Commons on 3 September looks likely to lead to a delay in the date for Brexit to 31 January 2020, but there is also likelihood that there will be an imminent general election. In such circumstances, any interest rate forecasts are subject to material change as the situation evolves. At present, if the UK does soon achieve an agreed deal on Brexit, including some additional clarification wording on the Irish border backstop, then it is possible that growth could recover quickly. The MPC could then need to address the issue of whether to raise Bank Rate when there is very little slack

left in the labour market; this could cause wage inflation to accelerate which would then feed through into general inflation. On the other hand, if there was a no deal Brexit and there was a significant level of disruption to the economy, then growth could falter and the MPC would be likely to cut Bank Rate in order to support growth. However, with Bank Rate still only at 0.75%, it has relatively little room to make a big impact and the MPC would probably suggest that it would be up to the Chancellor to provide help to support growth by way of a fiscal boost by way of tax cuts and / or expenditure on infrastructure projects, to boost the economy. However, infrastructure projects generally take a long time to plan and to start up, and so to feed through into impacting the economy; tax cuts would be much quicker in impacting the level of consumption in the economy.

The first half of 2019/20 has seen UK **economic growth** fall as Brexit uncertainty took a toll. In its Inflation Report of 1 August, the Bank of England was notably downbeat about the outlook for both the UK and major world economies. This mirrored investor confidence around the world which is now expecting a significant downturn or possibly even a recession in some developed economies. It was therefore no surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% throughout 2019, so far, and is expected to hold off on changes until there is some clarity on what is going to happen over Brexit.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, (July 2.1%), and is likely to shift only a little upwards over the rest of 2019/20. It does not therefore pose any immediate concern to the MPC at the current time.

With regard to the **labour market**, despite the contraction in quarterly GDP growth of -0.2%q/q, (+1.2% y/y), in quarter 2, employment rose by 115,000 in the same quarter: this suggests that firms are preparing to expand output and suggests there could be a return to positive growth in quarter 3. Unemployment has continued near to a 44 year low, edging up from 3.8% to 3.9% on the Independent Labour Organisation measure in June; however, that was caused by a rise in the participation rate to an all-time high. Job vacancies fell for a sixth consecutive month, hitting record levels, and indicating that employers are having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to a high point of 3.9%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 1.8%. As the UK economy is very much services sector driven, an 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 could mean that the MPC will need to take action to raise Bank Rate if there is an agreed Brexit deal as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, if there is a general election soon, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up although, conversely, a weak international backdrop could provide further support for low yielding government bonds and gilts.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a temporary boost in consumption in that year which generated an upturn in the rate of strong growth to 2.9% y/y. Growth in 2019 has been falling back after a strong start in quarter 1 at 3.1%, (annualised rate), to 2.0% in quarter 2. Quarter 3 is expected to fall further. The Fed finished its series of increases in rates to 2.25 – 2.50% in December 2018. In July 2019, it cut rates by 0.25% as a 'midterm adjustment' but flagged up that this was not to be seen as the start of a series of cuts to ward off a downturn in growth. Financial markets are, however, expecting another cut in September. Investor confidence has been badly rattled by the progressive ramping up of increases in tariffs President Trump has made on Chinese imports and China has responded with increases in tariffs on American imports. This trade war is seen as depressing US, Chinese and world growth. In the EU, it is also particularly impacting Germany as exports of goods and services are equivalent to 46% of total GDP. It will also impact developing countries dependent on exporting commodities to China.

BOND YIELDS. It is this souring of investor confidence that has largely contributed to the sharp fall in bond yields on government debt in mid-2019 in the major western economies as investors have switched out of risky assets - equities, fearing an impending recession, and buying into bonds, so pushing their prices up and correspondingly, pushing yields down. Investors have little confidence that the US China trade war will have a satisfactory outcome in the near future and both sides look as if they are digging in to entrenched positions. However, most domestic US economic indicators are not currently pointing to a recession in the US, only to a slowing of growth. Provided the major world economies do avoid recession, then it is likely that there will be some reversal of this flow from equities into bonds and, therefore, that bond yields will recover to a limited extent from recent truly exceptional lows. However, the near-term reality is that we have seen 10 year bond yields fall below 2 year yields in the US; this has historically been a prime indicator of impending recession in the

US, though this correlation has been much weaker in the UK. All German bond yields between 2 and 30 years are actually negative while many other EZ countries have bond yields which are also negative, at least in some maturity years.

EUROZONE. Growth has been slowing from +1.9% during 2018 to +0.4% q/q (+1.2% y/y) in quarter 1 and then to +0.2% q/q (+1.0% y/y) in quarter 2; there appears to be little upside potential to the growth rate in the rest of 2019. German GDP growth fell to -0.1% in quarter 2; industrial production was down 5.2% y/y in June with car production especially being hit. Germany would be particularly vulnerable to a no deal Brexit depressing exports further and if President Trump imposes tariffs on EU produced cars. The ECB meeting in July expressed concern as to the weak outlook for growth and how low inflation was despite all the monetary stimulus the bank still has in place. The ECB is therefore expected to take action to cut its main rate of -0.4% further, but only marginally, and to look at the potential for more quantitative easing and/or other instruments of monetary policy to provide further stimulus to economic growth. On the political front, Spain and Italy are in the throes of trying to form coalition governments while the very recent results of two German state elections will put further pressure on the frail German CDU/SDP coalition government.

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. The trade war with the US does not appear to have had a significant effect on GDP growth as yet as some of the impact of tariffs has been offset by falls in the exchange rate and by transshipping exports through other countries, rather than directly to the US.

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.

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

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

	End Q3 2019	End Q4 2019	End Q1 2020	End Q2 2020	End Q3 2020	End Q4 2020	End Q1 2021
Bank Rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
5yr PWLB rate	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%	1.80%
10yr PWLB rate	1.50%	1.60%	1.80%	1.90%	2.00%	2.00%	2.10%
25yr PWLB rate	2.10%	2.30%	2.40%	2.50%	2.60%	2.70%	2.70%
50yr PWLB rate	2.00%	2.20%	2.30%	2.40%	2.50%	2.60%	2.60%

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

**GAVIN CHAMBERS
TREASURER**

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For Publication

Bedfordshire Fire and Rescue Authority
7 October 2019
Item No. 8

REPORT AUTHOR: DEPUTY CHIEF FIRE OFFICER
SUBJECT: BLUE LIGHT COLLABORATION UPDATE

For further information Andrew Hopkinson
Deputy Chief Fire Officer
Tel No: 01234 84 5112

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 of the Fire and Rescue Authority (FRA) with a regular update on progress with key collaboration initiatives between Bedfordshire Fire and Rescue Service (BFRS), Bedfordshire Police (BP) and East of England Ambulance Service (EEAS) as managed through the Blue Light Collaboration Strategic Board (Blue Light CSB).

RECOMMENDATION:

The Authority acknowledges the content of the report and the continued efforts to pursue collaboration with our blue light partners.

1. Background

- 1.1. The Policing and Crime Act 2017 places a statutory duty on the emergency services to collaborate, where the collaboration is viewed to be in the interests of efficiency or effectiveness or where it will improve public safety. BFRS, BP and EEAS have a successful track record of collaborating together operationally on a number of initiatives in recent years.
- 1.2. Collaboration between the three primary emergency services within Bedfordshire is co-ordinated through the Blue Light CSB, jointly chaired by the Deputy Chief Fire Officer (DCFO) and the Deputy Chief Constable (DCC).

2. Programme Governance

- 2.1. The work of the CSB is now supported by the sub-ordinate “Blue Light Collaboration Delivery Group” which has met four times since it was established in November 2018. With the exception of the Joint HQ project, all key projects and workstreams are being tactically managed via this group with the CSB providing strategic oversight and scrutiny.
- 2.2. DCFO Andrew Hopkinson and ACO Gavin Chambers had a productive meeting in September with the new Deputy Chief Constable, Trevor Rodenhurst, and ACO Phil Wells, reviewing the governance arrangements to identify further opportunities to improve their effectiveness. Both parties recognised that whilst the introduction of the Collaboration Delivery Group had been successful, there is an opportunity to further strengthen the governance arrangements by establishing a jointly funded strategic post to lead the range of collaboration projects across both BP and BFRS. The post, potentially at Area

Commander or Chief Superintendent level, would be 50% funded from the BFRS Collaboration Reserve for a period of 12 months initially on a secondment basis from either BFRS or BP as a development opportunity. The postholder would be Chair of the Collaboration Delivery Group, accountable to the Collaboration Strategic Board and would be afforded authority to direct resources across both BP and BFRS. It is anticipated that recruitment to the post would be completed before December.

2.3. The next meeting of the CSB is scheduled for 1 November 2019.

3. Estates Collaboration

3.1. Joint Headquarters:

- As previously reported, both BP and BFRS continue to work towards co-locating the core functions based at our respective HQ sites.
- Efforts by BP to recruit to the role of project manager were unsuccessful so the CSB is exploring alternative options.
- Spatial and functional requirements for the Workshops functions of both Police and Fire have been captured and work to explore potential sites is being progressed alongside discussions with EEAST who have identified a need for two ambulance 'operational hubs' in the Bedford and Luton areas.

3.2. Toddington Fire Station co-location

- Agreement has been reached for BP to establish a Police station within Toddington Fire Station. Works to adapt the accommodation are anticipated to commence before the end of 2019.

4. Response Collaboration

4.1. Emergency & Non-urgent Medical Response:

- The DCFO is hosting a meeting with the EEAST in October to explore, at their request, how BFRS can support EEAST with Emergency and Non-urgent Medical Response calls. Although this will be influenced by the lack of progress with the on-going national negotiations linked to pay and conditions, we are keen to explore this area in anticipation of securing a national agreement, especially in light of the increased demand that occurs over the winter period.

4.2. Video Live Streaming from the Incident Ground:

- BP and BFRS are at the early stages of sharing a live video streaming service, initially to be deployed to police officers in October or November that will enable live streaming of video footage from the incident ground into police and fire control rooms. The service will enable:
 - Text to Video by SMS – Call handlers trigger the live stream by sending a link to the recipient by SMS.
 - Live streaming by officers using an application on their smart phone.

5. Support Services:

5.1. Response Driver training (cars):

- This project has progressed to the stage where our lead driving instructor will, in the very near future, be shadowing a Police Response Driver training course before finalising the BFRS course content to ensure it meets Police requirements and allow BFRS to train police officers in blue light response driving skills.

5.2. Chaplaincy:

- BP and BFRS have jointly recruited a multi-faith team of Chaplains who will provide a joint county-wide service. We are at final stages of the necessary HR and security vetting checks.

5.3. Communications and Engagement/Public Relations:

- Charlotte Parker has been seconded, for a 6 month period, from Bedfordshire Police as our Interim Communications and Engagement Manager, managing all aspects of the department's work. We are exploring other opportunities with the police in this area, such as improving the resilience of our out of hours on-call arrangements.

6. Recommendation

- 6.1. The Authority acknowledges the content of the report and the continued efforts to pursue collaboration with our blue light partners.

ANDREW HOPKINSON
DEPUTY CHIEF FIRE OFFICER

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For Publication

Bedfordshire Fire and Rescue Authority
7 October 2019
Item No. 9

REPORT AUTHOR: CHIEF FIRE OFFICER

SUBJECT: WORK PROGRAMME 2019/20

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			

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

PURPOSE:

To review and report on the work programme for 2019/20 and to provide Members with an opportunity to request additional reports for the Fire Authority meetings for 2019/20.

RECOMMENDATION:

That Members consider the work programme for 2019/20 and note the 'cyclical' Agenda Items for each meeting in 2019/20.

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

FIRE AND RESCUE AUTHORITY - PROGRAMME OF WORK 2019/20

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
7 October 2019	Communications		Business Continuity (followed by annual reviews)	Requested by HHR
	Collaboration Working Group			
	Q2 Performance Report (covering Service Delivery, Human Resources and Corporate Services)	Q2 July-Sept, deferred to November Meeting due to timescales for stats		
	Projects and Programmes Update			
	2020/21 Budget Monitoring	Added by ACO		
	Procurement Strategy	Added by ACO Deferred to Nov mtg by ACO		
	Mid-Year Treasury Update	Added by ACO		
	Work Programme			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
6 Nov 2019	Communications		Procurement Strategy	Moved from Oct mtg
	Collaboration Working Group			
	ASC Minutes from 15.10.19			
	Q2 Performance Report (covering Service Delivery, Human Resources and Corporate Services)			
	Q2 Projects and Programmes Update			
	HMICFRS Update Report	Added by ACO/DCFO		
	National Benchmarking Report	Added by ACO/DCFO		
	Public Sector Equality Duty Report	(transferred from HRPCG)		
	Information Bulletin (Q2 July – Sept)			
	Work Programme			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
12 Dec 2019	Communications			
	Collaboration Working Group			
	2019/20 Revenue Budget and Capital Programme Monitoring	Added by ACO		
	Draft 2020/21 Revenue Budget, Capital Programme and Council Tax			
	2020/21 Community Risk Management Plan	Added by ACO/DCFO		
	Members' Allowances Scheme			
	Work Programme			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
6 February 2020	Communications			
	Collaboration Working Group			
	ASC Minutes from 06.12.19			
	Q3 Performance Report			
	Q3 Projects and Programmes Update			
	Revenue Budget and Capital Programme Monitoring	(transferred from CSPCG)		
	The 2020/21 Revenue Budget, Capital Programme and Council Tax setting			
	2020/21 Community Risk Management Plan	Added by ACO/DCFO		
	Treasury Management Strategy and Practices	(transferred from CSPCG)		
	Localism Act 2011 – Pay Policy Statement 2020			
	Proposed Indicators and Targets for 2020/21	(transferred from SD, CS and HR PCGs)		
	2019/20 Corporate Health and Safety Objectives to date and Proposed 2020/21 Corporate Health and Safety Objectives	(transferred from HRPCG)		
	Information Bulletin (Q3 Oct – Dec)			
	Work Programme			

Meeting Date	'Cyclical' Agenda Items		Additional/Commissioned Agenda Items	
	Item	Notes	Item	Notes
30 April 2020	Communications			
	Collaboration Working Group			
	ASC Minutes from 26.03.20			
	Q4 Performance Report	ACO/DCFO move to May as data will not be available		
	Q4 Projects and Programmes Update			
	Asset Management Strategy (reviewed every 3 years, next review 2021/22)	(transferred from CSPCG)		
	Disposal of Assets under the Scheme of Delegated Authority			
	Information Bulletin (Q4 Jan – March)			
	Work Programme			

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

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