

Public Document Pack

To: All Members of the Policy and Resources Committee
(and any other Members who may wish to attend)

J. Henshaw
LLB (Hons)
Clerk to the Authority

Tel: 0151 296 4000
Extn: 4112 Helen Peek

Your ref:

Our ref HP/NP

Date: 18 September 2013

Dear Sir/Madam,

You are invited to attend a meeting of the **POLICY AND RESOURCES COMMITTEE** to be held at **1.00 pm** on **THURSDAY, 26TH SEPTEMBER, 2013** in the Wirral Suite at Merseyside Fire and Rescue Service Headquarters, Bridle Road, Bootle.

Yours faithfully,



Clerk to the Authority

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MERSEYSIDE FIRE AND RESCUE AUTHORITY

POLICY AND RESOURCES COMMITTEE

26 SEPTEMBER 2013

AGENDA

Members

Les Byrom (Chair)
Robbie Ayres
Roy Gladden
Ted Grannell
Steve Niblock
Denise Roberts
Sharon Sullivan
Pat Moloney

1. Preliminary Matters

The Committee is requested to consider the identification of:

- a) declarations of interest by individual Members in relation to any item of business on the Agenda
- b) any additional items of business which the Chair has determined should be considered as matters of urgency; and
- c) items of business which may require the exclusion of the press and public during consideration thereof because of the possibility of the disclosure of exempt information.

2. Minutes of the Previous Meeting (Pages 1 - 2)

Part One of the Minutes of the previous meeting of the Policy and Resources Committee, held on 30th July 2013, are submitted for approval as a correct record and for signature by the Chair.

3. Part Two Exempt Minutes of Previous Meeting (Pages 3 - 4)

Part Two Exempt Minutes of the previous meeting of the Policy and Resources Committee, held on 30th July 2013, are submitted for approval as a correct record and for signature by the Chair.

4. Presentation - Local Enterprise Partnership

To consider a presentation by representatives of the Local Enterprise

Partnership, concerning an update on the activity of the LEP and benefits to MFRA in being affiliated to the LEP.

5. **Approved Exemptions To Contract Standing Orders** (Pages 5 - 18)

(CFO/116/13)

To consider Report CFO/116/13 of the Clerk to the Authority, concerning approved Exemption requests in the financial year 2012/13.

6. **Financial Review 2013/14 - April to June 2013** (Pages 19 - 50)

(CFO/115/13)

To consider Report CFO/115/13 of the Deputy Chief Executive, concerning the financial position, both revenue and capital, for the Authority for 2013/14, covering the period April to June 2013.

7. **Private Finance Initiative Project - Progress for the Period March - August 2013** (Pages 51 - 64)

(CFO/112/13)

To consider the report CFO/112/13 of the Deputy Chief Executive concerning a review of progress on the North West Fire & Rescue Services Private Finance Initiative (PFI) Project in the period from March – August 2013 and to confirm the end of the construction phase of the project.

8. **Code Of Conduct - Operational PFI/ PPP Contracts** (Pages 65 - 72)

(CFO/100/13)

To consider Report CFO/100/13 of the Deputy Chief Executive, concerning sign up to the Code of Conduct for Operational PFI/ PPP Contracts issued by H.M. Treasury.

9. **Statutory Officers Discipline Procedure** (Pages 73 - 102)

(CFO/114/13)

To consider Report CFO/114/13 of the Deputy Chief Fire Officer, concerning a revised discipline procedure for relevant officers holding statutory positions in Merseyside Fire & Rescue Service, which is based on the prescriptions of the Local Authorities (Standing Orders) England Regulations 2001.

If any Members have queries, comments or require additional information relating to any item on the agenda please contact Committee Services and we will endeavour to provide the information you require for the meeting. Of course this does not affect the right of any Member to raise questions in the meeting itself but it may assist Members in their consideration of an item if additional information is available.

Refreshments

Any Members attending on Authority business straight from work or for long periods of time, and require a sandwich, please contact Democratic Services, prior to your arrival, for arrangements to be made.

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MERSEYSIDE FIRE AND RESCUE AUTHORITY**POLICY AND RESOURCES COMMITTEE****30 JULY 2013****MINUTES**

Present: Cllr Leslie T. Byrom CBE (Chair) Councillors Robbie Ayres, Roy Gladden, Ted Grannell, Steve Niblock, Pat Moloney, Dave Hanratty and Linda Maloney

Apologies of absence were received from: Councillors Denise Roberts and Sharon Sullivan

1. Preliminary Matters

Members considered the identification of declarations of interest, urgent matters of business and any items of business that would require the exclusion of the press and public due to the possible disclosure of exempt information.

- a) The following declaration of interest was made by Members in relation to items of business on the agenda:
 - Councillor Pat Moloney declared a personal interest in relation to Agenda Item 6, due to being a Trustee of the talent pension fund.
- b) There were no additional items of business which the Chair had determined to be considered as matters of urgency, and;
- c) The following item of business required the exclusion of the press and public during consideration thereof, due to the possibility of the disclosure of exempt information;
 - Agenda Item 10 – *“ICT Arrangements For The Merseyside Joint Control Centre (JCC)”*

2. Minutes of the Previous Meeting

As this was the first meeting of the Policy & Resources Committee for 2013/14, there were no previous Minutes for consideration and approval.

3. Presentation - Local Enterprise Partnership

Unfortunately, representatives from the Local Enterprise Partnership were unable to attend this meeting, due to being called away on urgent business. Therefore, the Committee agreed to defer this item to the next meeting of the Committee.

4. **IRMP 2014/15**

(CFO/093/13)

Members considered Report CFO/093/13 of the Deputy Chief Fire Officer, concerning whether it is necessary to produce an Integrated Risk Management Plan (IRMP) supplement for 2014/15.

Members resolved that the recommendation not to produce an IRMP Supplement for 2014/15, be approved.

5. **External Reports On The Fire & Rescue Service**

(CFO/097/13)

Members considered Report CFO/097/13 of the Deputy Chief Executive, concerning recent formal reports on the Fire & Rescue Service.

Members Resolved that:

- a) Carefully considered responses to the external reports, be drafted by the Chair and Vice-Chairs of the Authority in consultation with Officers, and circulated to all Members for consideration and comment.
- b) A report be brought back to a future meeting of the Authority, highlighting the position of each District Council in terms of proposals for the creation of a Merseyside Combined Authority.
- c) Every effort be made to secure a place for Merseyside Fire & Rescue Authority on any Combined Authority created.

6. **ICT Arrangements For The Merseyside Joint Control Centre (JCC)**

(CFO/077/13)

Members considered Report CFO/077/13 of the Deputy Chief Executive, concerning an update on the proposed ICT future arrangements in the Merseyside Joint Control Centre.

Members Resolved that:

- a) The strategy for ICT arrangements in the JCC as proposed in the report, including connecting to the Airwave network by SAN H, be approved.

The remainder of this Minute contains EXEMPT by virtue of Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972.

Close

Date of next meeting Thursday, 26 September 2013

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY & RESOURCES COMMITTEE
DATE:	26TH SEPTEMBER 2013
REPORT NO.	CFO/116/13
REPORTING OFFICER:	CLERK TO THE AUTHORITY
CONTACT OFFICER:	JANET HENSHAW – DIRECTOR OF LEGAL, PROCUREMENT & DEMOCRATIC SERVICES, EXTN: 4301
OFFICERS CONSULTED:	SHARON MATTHEWS – HEAD OF PROCUREMENT, EXTN; 4556
SUBJECT:	APPROVED EXEMPTIONS TO CONTRACT STANDING ORDERS

THERE ARE APPENDICES TO THIS REPORT:

**APPENDIX A TITLE REGISTER OF EXEMPTIONS
ATTACHED – HARD COPY**

Purpose of Report

1. To advise Members of Approved Exemption requests in the financial year 2012/13.

Recommendation

2. That Members note the contents of the report.

Executive Summary

Contract Standing Orders form part of the Authority's Constitution. The Constitution provides a framework for managing the Authority's financial affairs and apply to every Member and Officer of the Authority.

Within Contract Standing Orders there is a requirement to keep a register of Exemptions. This report provides this information for Members information.

Introduction & Background

3. Section 3.3 of Contract Standing Orders states that for any procurement projects under the EU threshold, an exemption request can be submitted for consideration and approval by the Head of Procurement and a Director in accordance with the powers delegated to them.

Exemptions to the contract procedures are permitted where it can be proven that it is inefficient or uneconomic to comply with the requirements detailed in Contract Standing Orders. Examples are detailed below:

- The procurement involves the purchase of proprietary or patented goods or services obtainable from one firm; are sold at a fixed price and no reasonably satisfactory alternative is available.
 - The goods, works or services constitute an extension of an existing contract which is allowed within the contract terms, or the goods/materials, works or services consist of repairs to, or the supply of parts for, existing proprietary plant or equipment.
 - That new works or services are required which are a repetition of works or services carried out under an original contract.
 - That goods are required as a partial replacement for, or addition to, existing goods or installations and obtaining them from another source would result in issues with compatibility or disproportionate technical difficulties in operation or maintenance.
 - Tenders are invited on behalf of any consortium or collaboration, of which MFRS is a member, in accordance with any method adopted by that body. Where however, an MFRS officer invites tenders on behalf of the consortium the receipt, opening and acceptance of tenders must comply with the MFRS Financial Regulations and Financial Procedure Rules or any overriding National or European Union legislation.
 - The goods, works or services are of a sensitive nature (such as security) where publication of the tender documents would constitute a security breach and undermine the effectiveness of the final product.
4. This report provides the detail in respect of all approved exemption requested for the 01.04.12 – 31.03.13.
5. A total of 87 exemptions with a combined value of £1.4M were granted in financial year 2012/13.
6. Table 1 below summarises the main reasons for these approvals, with a detailed analysis at Appendix 1.

Table 1

Reason for exemption	Cumulative value of exemptions (£)
Continuity of service	£542,765

Sole supplier	£322,408
Specialist knowledge	£221,389
Urgency of service	£60,300
Other	£276,066

7. An analysis of the data details the departments requesting exemptions to Contract Standing Orders. Table 2 refers :

Table 2

Department	Number of Exemption Requests
Estates	9
Finance	1
ICT	6
OHU	5
Operational Equipment	15
Operational Planning	1
Operational Preparedness	4
PFI	4
POD	10
Prevention	1
Principal Officers – Secretariat	1
Procurement	5
Professional Standards/Litigation	1
Protection	1
Station 19 / MRU	1
Strategic Planning	9
TDA	4
Transport	8
Water section	1

8. The 9 exemptions submitted by Estates were required to ensure the continued provision of facilities management services until the whole facilities management procurement project is completed.
9. Procurement has pro actively monitored the requests for exemptions in this financial year, and is working with departments to ensure that corporate contracts are in place where required, in order to decrease the number of requests received. For example a framework contract is now utilised for the engagement of temporary staff across the Service and procurement – it is estimated that this will reduce the number of exemptions required by circa 10% based on 12/13 data.
10. The Head of Procurement is also working with CFOA National Procurement Group to put in place national frameworks for fire specific commodities such as breathing apparatus. It is anticipated that these arrangements will also reduce the number exemption requests received.

Equality & Diversity Implications

11. No impact assessment is required.

Staff Implications

12. No staff implications are identified as a result of this report.

Legal Implications

13. Exemption requests may only be considered by Officers where it is allowed within framework of the Authority's Constitution, the Public Procurement Regulations (2006) and European Union Law (Directive 2004/18/EC).

Financial Implications & Value for Money

14. There are no direct financial implications arising from this report. Officers scrutinise each exemption request before approval is given. Section 3.3 of Contract Standing Orders state that this approval must be provided prior to any commitment being given by the Authority to any supplier, thereby safeguarding the Authority's monies.

Risk Management, Health & Safety, and Environmental Implications

15. There are no risk management, health & safety or environmental implications arising from this report.

Contribution to ****Our Mission – To Achieve: Safer Stronger Communities – Safe Effective Firefighters****

16. Effective financial processes, including the exemptions procedure support our mission by ensuring that monies are spent compliantly and appropriately.

BACKGROUND PAPERS

None.

***Glossary of Terms**

No terms used.

Date	Authoriser	Supplier/Contractor	Nature of Work	Value of Work	Grounds of Exemption (Business Case)	Received From	Location
CONTINUITY OF SERVICE							
11.4.12	KT	OCS	Security Work at SHQ & TDA	£120,000	Continuity of Service. Due to the estates current outsource/insource model it be sensible to extend the OCS contract until the end of that process	Phil Webster	Estates Dept
12.4.12	KT	Sefton Cleaning	Kitchen deep cleaning for MFRS	£26,000	Continuity of Service. Due to the estates current outsource/insource model it be sensible to extend the OCS contract until the end of that process	Phil Webster	Estates Dept
12.4.12	KT	Paramount	Landscape maintenance for MFRS	£26,000	Continuity of Service. Due to the estates current outsource/insource model it be sensible to extend the OCS contract until the end of that process	Phil Webster	Estates Dept
25.4.12	CFO	Bureau Veritas	Scientific support provision for MFRS & CFRS	£66,375	Bureau Veritas has provided this support since 2003 and a recent Market Research exercise has been unable to find alternative suppliers	Ian Voce	Operational Equipment
30.4.12	KT	Liverpool John Moores University	Providing CO2 data gathering services	£4,000	This work was part of an original contractual arrangement with LJMU. This extension is to add additional data from winter 2011/12.	Gary Oakford	Operational Performance Team
11.5.12	DCFO	Leader Group	Purchase of ground monitors	£24,060	The Leader product is the preferred option as MFRS already has a small number of these. The Angloco and Delta offerings are of a lower specification. Leader are offering the same product at a discounted rate of £1495 per unit outside the Contract realising a saving of £575.18 per monitor, a total saving of £9208.88 for 16 monitors	Daniel Hughes	Operational Equipment Team
21.5.12	KT	Veolia	Waste disposal throughout MFRS	£40,000	Continuity of Service. Due to the estates current outsource/insource model it be sensible to extend the OCS contract until the end of that process	Phil Webster	Estates Dept
8.6.12	DCFO	ATS	Supply tyres and repairs for service vehicles	£24,000	To cover whilst National Framework is being drawn up by Government Procurement Services	Jimmy Brannan	Transport
22.6.12	KT	RSG Engineering	Service and maintenance for RSG data logging system	£18,450	Continuity of Service. RSG are the manufacturers that hold the software to calibrate the data logger system.	Bernie Sullivan	Transport
4.7.12	DCFO	Adecco	Temporary kitchen staff	£5,000	Adecco are the preferred supplier as they are already working for MFRS.	Ray Anderson Jones	Strategic Planning
9.7.12	CFO	Griffin Hoverwork	Hovercraft pilot training	£8,050	Griffin Hoverwork is the manufacturer of MFRS hovercraft for mud/water rescue and has previously trained SRT pilots so there is a need of continuity for training provision for health and safety reasons	Enid Charlton	POD
18.7.12	KT	Haydock Commercials	Scania safety critical and factory supplied parts	£40,000	Continuity of Service. Only 3 local Scania suppliers in Merseyside, only Scania parts can be used to service Scania vehicles. Haydock Commercials are the nearest dealer.	Jimmy Brannan	Transport
10.8.12	CFO	TNT	Postal services	£3,000	TNT have provided service in the past up to present. Current Contract expired in March 2012, service will have to continue until new Tender process is made out.	Jeff Edwards	Strategic Planning
3.9.12	KT	Adecco	Temporary kitchen staff	£2,000	Adecco have provided this service in the past and there is a requirement for additional work due to sickness, additional work as a precursor to JCC breaking ground	Jeff Edwards	Strategic Planning
25.9.12	CFO	The Outdoors Company	Additional PPE for ISAR team	£272	Previous order already placed. Company already has artwork setup for the addition of one more member.	Pete Matthews	Operational Equipment
11.10.12	KT	Total Staff Services UK Ltd	Provision of reception staff	£4,700	Urgency & Continuity. Total Services staff are providing the existing reception staff at FSHQ and continuity would be compromised if another supplier was provided	Jeff Edwards	Strategic Planning
15.10.12	CFO	Vision Techniques	Replacement of CCTV recorder at Kirkby Fire Station	£1,040	Continuity of equipment. This item is part of an appliance CCTV system that has been installed and provided by Vision Techniques	Lynda Walker	Operational Equipment Team
29.10.12	KT	TNT	Postal services	£3,000	Continuity of Service. New contract is being worked on and finalised with TNT following RFQ process and is about to be awarded.	Jeff Edwards	Strategic Planning

6.11.12	DCFO	Decision Evaluation	Writing HR integrated specification	£950	Continuity of Service. Decision Evaluation was originally engaged to write the HR Integrated Specification prior to invitation to tender. They are being asked to assist in the recruitment process.	Suzanne Lea	POD
6.11.12	KT	Adecco	Temporary kitchen staff	£2,000	Adecco have provided this service in the past and there is a requirement for additional work due to sickness, additional work as a precursor to JCC breaking ground. Strategic Planning are working with Procurement to put a contract in place.	Jeff Edwards	Strategic Planning

21.11.12	KT	Robert Whetham Associates Limited	Production of specifications and CAD drawings for CCTV schemes across MFRS sites	£8,075	Robert Whetham have past experience of designing CCTV systems for other fire authorities. Due to urgency and continuity of service they are recommended	Stewart Woods	Estates Dept
12.12.12	CFO	Angus Fire Armour	Layflat delivery hose	£1,453	All layflat delivery hose in MF & RS is currently Angus Duraline. This order will maintain resilience stocks at an appropriate level and standardise the allocation of hose across the service	Peter Matthews	Operational Equipment Team
12.12.12	CFO	Leader Group UK Ltd	High pressure hose reel branches	£4,498	In 2010 MF & RS made a decision to use this hose reel branch after extensive trials. At the time this hose was available on Firebuy Contract NPPFB/ERE/016/10. Leader Group are the sole UK supplier of this branch. This is not available on new National Framework, an assessment will be carried out as to the possibility of a Regional Contract.	Peter Matthews	Operational Equipment Team
3.1.13	CFO	Adecco	Catering staff	£5,000	The TDA has only 2 catering staff out of the usual 5 due to sickness and suspension. Therefore this staff is needed for cover. Research shows that Adecco is the only local Agency that specialises in providing catering staff at short notice. A Procurement process for temp staff will be carried out ASAP.	Enid Charlton	TDA
16.1.13	DCFO	Total Staff Solutions	Switchboard/Reception agency staff services to MF&RS	£4,700	Total staff services are the preferred supplier for this service as their staff are currently working on our site & are aware of our working practices.	Jeff Edwards	Strategic Planning
28.1.13	CFO	Advantage Professional	Extension of temporary contract for fulltime HR Contracts Manager	£6,500	Postholder has been with MF & RS since May 2012 to manage and update all contracts of employment. This process was envisaged to last for 6 months however it was extended recently to Jan 2013 and now is required until March 2013. Due to the complexities of this project to change the agency and individual at this stage would introduce the risk of the project not being completed on time. During the process quotes for 3 suppliers have been considered and Advantage Professional was the most competitive.	Nick Mernock	POD
1.2.13	KT	Michael Page International Recruitment Ltd	Continued procurement services of Commodity Manager	£20,000	Interim Procurement services are required to fulfill the demand within the Purchasing Dept prior to a final decision of the restructure of the department. A full interviewing process took place in August 2012 and the present Commodity Manager proved to be the best candidate (Continuity of service and efficiencies of time through not conducting another round of interviews).	Sharon Matthews	Procurement Dept
20.2.13	CFO	Vimpex Ltd	Hydraulic door breaking kits	£32,354	Current door rams are beyond economic repair and past their recommended lifespan. Ops Equipment have held a trial and evaluation of other products on the market. Crews and technicians have indicated a preference for Vimpex. These products are available on "Consortium Fire and Rescue" Contract FBTC/ERE/016/2/XX at a cost of £33,462. Using this supplier direct MF & RS will realise savings of £1,108 under the Contract price.	Peter Matthews	Operational Equipment Team
18.3.13	DCFO	Sprue	Hard of hearing smoke detectors	£34,290	The Consortium Framework for smoke alarms and CO detectors including smoke alarms for the deaf expired on 30.11.12. The Framework is currently out to tender and will be available to use from April 2013 although there could be a slippage with this date.	WM Cousins	Prevention
28.3.13	KT	Veolia	Waste disposal throughout MF&RS	£6,000	Continuity of Service. Due to the estates current outsource/insource model it would be sensible to extend the OCS contract until the end of that process. Following heavy use of waste management services as 9 stations move to temporary stations re PFI/Toxteth projects extra funding will be needed.	Simon Mansfield	Estates Dept
28.3.13	KT	Adecco	Temporary kitchen staff at TDA	£1,000	To continue the service & quality required for the service, tea & coffee bar and the canteen staff.	Ray Anderson Jones	TDA Canteen

SOLE SUPPLIER							
13.4.12	CFO	Fire Service College	Specialised training courses	£80,000	Sole provider and specialist knowledge of fire training courses	June Pye	POD
17.4.12	DCFO	United Utilities	Hydrant replacement and repairs	£32,500	Sole Supplier-they have Statutory duty under Section 57 of Water Industry Act 1991 to maintain all Hydrants on our behalf	Jackie Gleaves	Water Section
30.4.12	DCFO	Diocese of Liverpool	Pastoral care support	£12,000	Agreement between MFRS and Diocese of Liverpool for the services of Fire Service Chaplain Bill Sanders	Paul Blanchard Flett	Occupational Health Services
3.5.12	DCFO	P&MM-Trading as the Voucher Shop	Provision of John Lewis gift vouchers	£4,000	P&MM offer 6.5% discount rate for the purchase of gift vouchers and continuity of supply	Kelly Patterson	Occupational Health Services
3.5.12	DCFO	Liverpool John Moores University	First aid courses	£24,000	LJMU is the sole provider in Merseyside and there is a need for continuity of provision to ensure standards of training and assessment	Enid Chariton	POD
10.5.12	KT	Energy Assets	Gas pipework and meter disconnection at N1 Bootle & Netherton Fire Station	£8,551	Sole Supplier-Energy Assets are part of Corona Energy. This work cannot be carried out by anyone else and therefore no further quotations are needed. The cost of this work will be fully recharged to Mansell Construction- MFRS have agreed to pay for this work for expediency	Justine Guy	PFI
28.5.12	KT	Infoterra Ltd (Astrium Ltd)	Hydrant management system	£6,280	Steps is the system procured from Infoterra that provides Incident management Facilities on the IMU and IGMS Vehicles. Hydra is the system procured from Infoterra that provides Hydrant management and maintenance capabilities. Infoterra is the sole provider of these embedded solutions.	Bernie Kenny	ICT Dept
28.5.12	CFO	Vision Techniques	Repair & maintenance of CCTV systems	£4,000	Vision Techniques were under contract for installation of MFRS CCTV systems and as such are the sole service provider in respect of these services	Yvonne Swinburne	Operational Equipment
28.6.12	CFO	Leader Group	High pressure hose reel branches	£5,606	Firebuy Contract expired. No new national arrangement in place. Leader are the only UK supplier for this hose reel branch	Pete Matthews	Operational Equipment
29.6.12	CFO	Autodata Limited	Firelink autodata licenses	£16,290	Autodata Ltd is the sole supplier of this license	Bernie Kenny	ICT Dept
13.7.12	DCFO	OFCOM	Ofcom radio licence fees	£6,942	Ofcom are the Sole contractor able to carry out this service	Bernie Kenny	ICT Dept
6.8.12	CFO	Merseyside Police	Participation in COMAH Exercise castor & Pollux contract chemicals	£8,813	Only one contractor (Police) is able to carry out the service required to fulfill the requirements of COMAH regulation 1999 (Works Regulations.Reg.10 (e); Supply regulations. Reg 10 (2) (d); Service regulations. Reg.10 (2) (e)	John Davies	Operational Planning & Policy
8.8.12	KT	Warwick Conferences	Provision of conferencing facilities	£8,415	Centrally located conference centre for all attendees across the UK. Good value for money and costs will be reimbursed from fees charged to delegates.	Nyree Collinson	Principal Officers Secretary
8.10.12	DCFO	Sefton Council	Southport Construction works	£7,826	Sole Supplier. This work cannot be carried out by anyone else so there is no need for further quotations.	Justine Guy	PFI Project
15.10.12	KT	Sentinel Security Solutions	Provision of marine rescue launch	£30,000	Approved by SMG Report. Suitable and serviceable marine rescue launches are difficult to source at an acceptable price, therefore it is difficult to apply a RFO process to them	Jim Martin	Operational Equipment Team
6.11.12	KT	Sophtlogic	Oracle license 1.1.12 to 21.12.13	£19,800	Sole Supplier of license. Sophtlogic Oracle is fundamental to the Sophtlogic system. Whilst overall Sophtlogic contract is with Telent, MFRS renew Oracle License to save on the 10 % management fee.	Bernie Kenny	ICT Dept
6.1.13	DCFO	British Heart Foundation (BHF)	Provision of Automatic External Defibrillators (AED'S)	£7,130	This is a partnership with BHF. MF & RS are not purchasing AED's, this is a donation to BHF who will provide the AED's via their sole supplier Zoll.	Jim Martin	Operational Equipment
7.1.13	DCFO	Zoll Medical UK Ltd	Provision of training units for Automatic External Defibrillators (AED'S)	£1,064	Zoll Medical are the nominated sole suppliers of AED's to the British Heart Foundation (BHF). Zoll have offered MF & RS the training units at half the catalogue price as they are BHF Partners.	Jim Martin	Operational Equipment

21.1.13	KT	Ricardo-AEA	Chemdata corporate licence support	£13,090	Ricardo-AEA are the sole contractor able to carry out this service. Chemdata is a standard fire service product used in all fire brigades. It is embedded in HMEPO training and is an ongoing requirement.	Bernie Kenny	ICT Dept
31.1.13	CFO	Arena & Convention Centre	Hire of Auditorium for opening and closing ceremony of the United Kingdom Rescue Organisation-UKRO	£8,000	Only premises in Liverpool which could accommodate 500 people plus	Nick Searle	Operational Preparedness
7.2.13	DCFO	Supply Plus	Parts for ladders	£500	Supply 999 are the manufacturer and sole supplier of the Angus Sacol 135 and 9 metre ladder and gantries. This year MF&RS has had a couple of ladders damaged requiring major repairs which has resulted in a higher than normal expenditure with Supply 999.	Jimmy Brannan	Transport
27.2.13	CFO	Speedings Ltd	Anti entanglement straps for BA sets	£3,800	Speedings and MF & RS have developed this strap over the last 6 months and tested it at the TDA, with amendments made. Following Coroners recommendations from the Shirley Towers fatal fire, the Fire Service should fit these straps. This is a bespoke supplier with approval from Drager. These straps would be compatible with new cylinder covers due for purchase in 2014 and would produce savings on future expenditure.	Peter Nelson	Operational Equipment Team
1.3.13	KT	Healthwork Ltd	Independent practitioner services	£1,500	The IQMP/IRMP process is a requirement under the FPS and LGPS pension schemes	Paul Blanchard Flett	Occupational Health Services
28.3.13	KT	Health Management Limited	HML Board of medical referees for medical appeal	£6,500	HML are the provider for medical appeals hearings contracted with CLG	Paul Blanchard Flett	Occupational Health Services
7.3.13	DCFO	Physio Control UK Ltd	Defibrillation training devices	£3,300	These extra 10 training units will allow TDA the resilience to train across MF & RS premises. Physio Control are the sole UK supplier of the units.	Peter Matthews	Operational Equipment Team
8.3.13	KT	CIPFA	CIPFASTATS Enhanced fire internet access	£1,000	Sole supplier	Neil Hawkings	Finance Dept
19.3.13	DCFO	Angloco	Repair damage to cage on Bronto CPL	£1,500	The repair needs to be carried out by Angloco who are sole agents for Bronto Skylift in the UK. Angloco certificate all our Bronto CPL's appliances and after the repair the cage will require load testing and certification to comply with LOLER and PEWER Regs.	Jimmy Brannan	Transport

URGENCY							
24.4.12	KT	Dave Robinson Project & Event Management Ltd	Creation of Joint Command & Control Centre	£18,000	Urgency and Continuation of Service-development of business plan for JCC Project (Refer to Contract RFQ/30/11)	Bernie Kenny	ICT Dept
9.5.12	KT	Paul Stothart	Professional fees for confidential advice	£20,000	Urgency-Professional fees for providing confidential advice on behalf of CFO through Professional Standards and Litigation Dept	Philomena Dwyer / Caroline Berry	Professional Standards / Litigation
10.5.12	KT	TS Electronics	Supply, delivery, installation and commission of UPS at MACC	£6,825	The purchase, installation and commissioning of this system is needed urgently due to the failure of the existing UPS at MACC and the continued operational requirements of MFRS	Jean Jones	Estates
6.6.12	KT	Todd Ledson	Client representative duties for RIBA stage A-C JCC Project	£10,646	Urgency for Joint Control Project with Police. Done through North West construction hub which is pre completed.	Phil Webster	Estates Dept
5.9.12	KT	SP Power Systems	Electrical connection for Belle Vale LLAR House	£4,829	Urgency. SP Power Systems are part of Scottishpower. This work cannot be carried out by anyone else therefore no further quotations can be obtained	Justine Guy	PFI

OTHER							
24.4.12	KT	Clarkes the butcher	Supply of meat products	£7,000	Benchmarking carried out in 2010. Not possible to purchase meat more effectively via contract.	Brian Welsh	Catering TDA
24.9.12	KT	Chatfields	Supply of parts, MOT Testing and some repairs	£10,000	MFRS are carrying out maintenance work for Liverpool CC. Chatfields are the local agents for Renault and Iveco vehicles which are the bigger part of the vehicles contract.	B Sullivan	Transport
25.9.12	CFO	Dr C Welsh	Medical vaccinations	£7,660	Essential for MFRS to fulfill its UK ISAR operational quota commitments with these vaccinations in a short timescale. Dr Welsh provides great flexibility to administer these with his out of hours service	Paul Lawless	Station 19/MRU
12.10.12	KT	Mando Group	Provision of Microsoft Sharepoint 2007 consultancy services	£22,500	Procurement process followed- the two companies who didn't respond accepted the invitation to quote but chose not to respond	Nicholas Sanderson	Strategic Planning
9.11.12	DCFO	Reed	Temporary Equality & Diversity Manager	£20,608	Temporary cover. Following an extensive but unsuccessful recruitment campaign for a permanent person for Diversity Manager it was agreed that a temporary postholder would be taken on until it was decided what would be the best way of resourcing this in the future.	Vicky Campbell	Strategic Planning
22.11.12	KT	North West Construction Hub	Mini competition to identify building contractor for Texteth Firefit Hub Project	£11,800	NWCH route to market saves internal costs of undertaking full RFQ/Tender process and saves time which was instrumental in securing MyPlace funding for project	Sharon Matthews	Procurement
28.11.12	KT	Kidde	Upgrade training ground equipment	£78,500	The upgrade works are required to meet Health & Safety grounds. The one year guarantee on upgraded items will be used if another supplier is used. To manage until proper procurement process is followed	Nick Searle	Area Manager Operational Preparedness
29.11.12	KT	Culmac Motor Factors Ltd	To supply service and repair parts	£6,000	MFRS are carrying out maintenance work for Liverpool CC. Liverpool CC have stated that MFRS need to buy from a local supplier to keep costs down and speed up production. Culmac have provided this service in the past and will do so until a full Procurement process is followed	Jimmy Brannan	Transport
3.1.13	CFO	Local Solutions	Use of training centre facilities	£4,000	MFRS use the training centre facilities on a weekly basis for operational crews throughout the service. MFRS have begun night time training which has made the annual expenditure exceed £6 K. POD will be meeting with Procurement to look at competitive quotes and contract cover for the next financial year.	June Pye	POD
4.1.13	CFO	BMI Sefton Hospital	Diagnostic testing services for consultations and scans	£8,000	To provide the Occupational Health team with diagnostic testing facilities to diagnose injuries/symptoms for employees and then help them with treatment and rehabilitation. A Procurement process will be followed as soon as possible.	Nicola Hanlon	Occupational Health Services
28.1.13	CFO	Reed Employment Agency	Provision of Temporary Training and Development Academy Administrator	£7,500	The post of Training administrator was advertised internally but no responses were received. Recruitment obtained candidate details and verbal quotes from four contract staff agencies early December 2012. The most suitable candidate at a competitive rate was selected through Reeds. The individual is now required in the post until 31.3.13	Enid Charlton	TDA
4.2.13	CFO	Arena & Convention Centre	Hire of land for United Kingdom Rescue Organisation-UKRO challenge	£8,000	This is deemed the most appropriate venue for this event. The Arena will be used the challenges and access for community to see the prevention and protection aspect of this event. Costs will be covered through sponsorship and the funding received to UKRO	Nick Searle	Operational Preparedness

14.2.13	KT	Chatfields Ltd	Supply service and repair number of vehicles for LCC Contract	£3,000	MF & RS took over the Contract for service and maintenance for 130 vehicles in the LCC fleet. Chatfields are the local agents for the LCC fleet. LCC have asked Workshops to use Chatfields for certain jobs relating to the ECU because they have had issues with the ECU and if repairs are run by Chatfields they will give LCC extended warranty on a number of components for these repairs. The warranty Agreement is due to run out next year and then we can go to market for prices and non dealer parts.	Jimmy Brannan	Transport
28.3.13	KT	Ministry of Justice	Temporary accommodation for Southport Fire Station	£81,498	Savings have been made through control changes to the Balfour Beatty contract of £12,500. It was agreed that Southport Magistrates Courts would be a better location for personnel whilst in the construction phase. We will be charging NWAS, 10% of all utility/rates charges at location	Justine Guy	PFI

SPECIALIST KNOWLEDGE							
3.5.12	DCFO	The Outreach Organisation	Specialist training courses	£15,000	The Fire Service College regards the outreach organisation as the acknowledged experts in their field in the UK which is governed by MOU	June Pye	POD
3.5.12	DCFO	Lancashire Combined Fire Authority	Specialist training courses	£10,000	Legislative Fire Safety courses which are run at Lancashire Fire and Rescue Training Centre, Washington Hall and delivered by Fire Service college Instructors	June Pye	POD
12.6.12	DCFO	Decision Evaluation Ltd	Specialist IT consultancy for finance and HR system	£39,198	Sole Specialist supplier and urgent-Decision Evaluation are the only supplier with suitable expertise in a specialised area.	Nick Mernock	POD
15.8.12	KT	Todd Ledson	Preparation of mini competition	£51,500	Urgency and specialist knowledge. Todd & Ledson have been selected due to experience of NWCH process. Time constraints on JCC make Todd & Ledsons experience invaluable	Phil Webster	Estates Dept
3.10.12	DCFO	Promedsol	Train the trainer courses	£6,250	MFRS will be replacing the FPOS courses with a new trauma based qualification. Promedsol are the organisation we will use to complete the training therefore we will use them for the instructor training courses	Dave Elliott	Operational Preparedness
27.11.12	KT	Atom Regeneration	Project management of Firefit Hub	£8,100	Specialist skills, knowledge and urgency. Previous involvement in the project means that they have good understanding of project and its objectives to cover for absence of staff	Sharon Matthews	Procurement
10.12.12	DCFO	Decision Evaluation Ltd	Consultancy to produce a Management Information System	£28,841	Company has specific knowledge & skills that can assist MF & RS and will save 6 to 8 months over an alternative approach, an estimated saving of £30k. Contract RFQ/50/12	Guy Keen	Protection
20.12.12	DCFO	Fire Service College	Hazmat instructor courses	£33,000	Training required because HAZMAT capability has been relocated to Kirkdale Fire Station (resource centre). Therefore it is necessary to train instructors at this location so that they can train personnel based at Kirkdale and adjacent fire stations, and ensure that competence is maintained via on-going training and development. It was not possible to predict this requirement when the Training needs analysis was carried out in 2011.	Enid Charlton/June Pye	POD
13.2.13	KT	Momentum Expedite Consultancy Ltd	Consultancy work with respect to business plan for Toxteth Firefit Hub	£9,500	Momentum Expedite are able to provide the specialist consultancy services required an have expert knowledge of the Toxteth community and local factors, and as such were nominated by MyPlace to provide the services.	Sharon Matthews	Procurement Dept
20.2.13	KT	Atom Community Regeneration Ltd	To provide management and consultancy services with respect to Toxteth Fire Hub Project	£20,000	Atom are the only organisation available who have the requisite project specific and local community knowledge necessary to provide the project management and consultancy services which are critical at this stage in the Toxteth Project.	Sharon Matthews	Procurement Dept

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AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY AND RESOURCES COMMITTEE
DATE:	26 SEPTEMBER 2013
REPORT NO.	CFO/115/13
REPORTING OFFICER:	KIERAN TIMMINS, DEPUTY CHIEF EXECUTIVE
CONTACT OFFICER:	IAN CUMMINS, HEAD OF FINANCE, EXTN. 4244
OFFICERS CONSULTED:	
SUBJECT:	FINANCIAL REVIEW 2013/14 – April to June

APPENDIX A1: TITLE “Revenue Budget Movements Summary”

APPENDIX A2: TITLE “Budget Movement on Reserves 2013/2014”

APPENDIX A3: TITLE “Fire Service Revenue Budget Movements Summary”

APPENDIX A4: TITLE “Corporate Service Revenue Budget Movements Summary”

APPENDIX B: TITLE “Capital Programme 2013/2014”

APPENDIX C: TITLE “Updated 2013/2014 – 2017/2018 Capital Programme”

APPENDIX D: TITLE “Qtr 1 Write-Offs”

ATTACHED – HARD COPY

Purpose of Report

1. To review the financial position, both revenue and capital, for the Authority for 2013/14. The Authority receives regular comprehensive financial reviews during the year which provide a full health check on the Authority’s finances. This report covers the first 3 months of the year (April – June 2013).

Recommendation

2. That Members note the contents of the report.

Executive Summary

Executive Summary

Revenue:

The Authority has a detailed medium-term financial plan. The key elements of this are :-

- To control Council Tax
- Continue with its modernisation programme and deliver the Authority’s mission of achieving Safer Stronger Communities – Safe Effective Firefighters

- To deliver the required savings through efficiencies of which most are employee related.

The Authority is on target to deliver the 2013/14 budget savings in cash terms and is progressing well with the required structural changes in its workforce to maintain the required savings on a permanent basis.

The total budget requirement remains at the original budget level of £66.721m, (appendix A1 – A4 outlines in detail all the revenue budget and reserve movements).

The Authority has a strategy of maximising savings and delivering its savings plan as early as possible in order to increase reserves as a hedge against the future financial challenges. At this point in the year a small potential favourable revenue forecast has been identified, however, due to the level of uncertainty in the forecast the report has assumed a neutral financial position. Officers will continue to work through the remainder of the year to maximise any savings in order to increase reserves.

Capital:

The capital programme planned spend has increased by £5.213m, of which £3.460m relates to the re-phasing of schemes from 2012/13 into 2013/14 (reported to members in the 2012/13 outturn report). The remaining £1.753m increase relates to approved amendments in current schemes of which £1.747m is funded by specific grant or other non-borrowing funding. The revised Capital Programme is outlined in Appendix C and D.

Reserves & Balances:

The general balance remains unchanged at £2.894m. All movements in earmarked reserves are outlined in Appendix A2.

Treasury Management:

Short-term interest rates have remained at 0.50% as expected. No new long term borrowing has been arranged and the Authority has continued its policy of reducing investments and only taking short term borrowing to cover cash flow requirements.

Financial Processes:

Performance in Financial processes remains strong.

Introduction & Background

3. The purpose of this report is to enable the Authority to monitor its income and expenditure levels against its budget on a regular basis throughout the year to ensure effective financial management.

4. This report is the review of the Authority's position up to the end of the June of the financial year 2013/14 (April – June 2013).
5. In order to ensure that the financial reviews provide a regular and effective financial health check on all aspects of the Authority's finances the following structure has been adopted.

<u>Financial Review Structure</u>	
<u>Section</u>	<u>Content</u>
A	Final Position 2012/13
B	Current Financial Year Review (Revenue Budget, Capital Programme and movement on Reserves)
C	Treasury Management Review
D	Internal Audit
E	Financial Process Monitoring/Performance Indicators

(A) 2012/2013 Position/Final Accounts

6. Members received a report on the 2012/13 final accounts position at the Authority meeting on 27 June 2013 (report CFO/080/13). The accounts reported the Authority was ahead of its savings target so was able to add to reserves in line with its strategy. Overall there was an increase in earmarked reserves of £3.457m (of this £1.147m related to phasing of grant funded and specific projects into 2013/14).
7. At the time of writing this report the Audit Commission have not yet completed the audit of the accounts but the Deputy Chief Executive is not aware of any areas of concern identified by the auditors that will alter the reported position and is confident Audit will approve the accounts without qualification.

(B) Current Financial Year – 2013/14

8. The purpose of the financial review report is to provide members with an assurance that the approved budget remains robust and that the current forecast of expenditure can be contained within the available resources. If actual expenditure or income for the year is inconsistent with the current budget then the report will, if necessary, identify the appropriate corrective action.

Revenue Position:

Revenue Budget Movements:

9. The attached **Appendix A** to this report summarises the revenue budget movements since the last financial review report. The net budget requirement remains at £66.721m which is consistent with the original budget.
10. There have been a number of budget adjustments with no net impact because they are either self-balancing virements within department budgets or budget increases financed by reserves. The net drawdown from reserves for the period was £0.305m, of which £0.150 was the allocation from the severance reserve to cover voluntary severance/early retirement costs.
11. **Update on 2013/14 Elements of Financial plan yet to be Achieved:**

The Authority approved savings in total of £19.3m (Phase 1 & 2) as part of the 2011/12 - 2017/18 financial plans. Of the savings expected to be implemented by 2013/14 (£14.3m) £1.197m have yet to be formally implemented, however plans are well advanced to deliver these savings, and in cash terms the total value of savings will be delivered in the year. The position on the outstanding £1.197m saving options is;

- Estates £0.250m; Outsourcing was anticipated to save £0.250m p.a. The outsourcing has been deferred for a number of reasons. The service has reviewed the in-house cleaning function and has now implemented the revised staffing structure leaving £0.150m to be found from within the remaining employee and facilities management costs. Officers are reviewing these areas and are confident the full saving option can be formally implemented before the end of the year.
- Flexible Shift Patterns at Whiston £0.300m; Whilst the shift pattern at Whiston has not changed the overall restructure of fire cover will deliver additional savings that will meet this target.
- Phase 2 Cuts in Front Line £.305m; this will be delivered as part of the implementation of the grey book staffing model changes and the move to 28 fire appliances as of 9th September 2013, and the subsequent station and watch re balancing.
- Outstanding Phase 2 Cuts in Support Costs £0.342m; Over £1.333m of the required saving has been implemented so far, the balance reflects some outstanding business re-engineering work that is required before the remaining savings can be formally implemented.

Table A below summarises the position in terms of the implementation of the approved savings at the time of writing this report:

Table A				
Progress in allocating out Phase 1 Approved Saving Options				
	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
2011/12 Approved Savings:	-9,200	-9,200	-9,200	-9,200
Approved Saving Options yet to be formally implemented:				
Outsource Estates function	-250	-250	-250	-250
Flexible Shift Patterns at Whiston	-300	-300	-300	-300
Value of Saving Options yet to be formally implemented	-550	-550	-550	-550
2013/14 Approved Savings:	-5,125	-10,060	-10,002	-10,077
Approved Saving Options yet to be formally implemented:				
Phase 2 Cuts in Front Line	-305	-1,750	-3,100	-3,100
Phase 2 Cuts in Support Savings	-342	-543	-543	-543
Income Generation	0	0	-100	-100
Value of Saving Options yet to be formally implemented	-647	-2,293	-3,743	-3,743
Total Value of Approved Savings Options	-14,325	-19,260	-19,202	-19,277
2011/ 12 - 2013/14 Approved Savings yet to be formally implemented:	-1,197	-2,843	-4,293	-4,293

Actual staff numbers are continually monitored to ensure the service continues to deliver in “cash” terms the required saving target.

Revenue Forecast Position:

- The Authority is expecting further grant cuts in 2015/16 and 2016/17 (as reported to Members at 3rd September 2013 Authority meeting, CFO/103/13) and therefore as part of its strategy it has directed Officers to maximise savings in the year to contribute towards the building up reserves. Such reserves can then be used as part of an implementation and risk management strategy to deliver savings.

Employee Costs

Employee costs make-up nearly 80% of the Authority's revenue budget and is the most risk critical area of the financial plan and it is therefore monitored extremely closely.

Firefighter retirements have continued in line with the forecast profile adopted for the financial strategy. Staff turnover within some green book posts has resulted in short term vacancies and this combined with post-holders not being at the top of the their budgeted grade is expected to deliver a small favourable variance by the end of the year, however at this point a neutral position has been assumed.

The Deputy Chief Executive will continue to monitor actual staff numbers during the year to ensure the Service continues to deliver in “cash” terms the required saving target and report back in more detail on savings that are ahead of target as the year progresses.

Other Non-Employee Revenue Costs

The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2013/14. The latest indications are that some additional savings may be delivered through careful management through the year.

Contingency for 2013/14 Pay & Price Increases

Members will recall that the budget made a 1% provision for pay bill increases in 2013/14. Pay awards for all staff have now been settled and have been consistent with the 1% budget assumption. In addition Officers are reviewing the current inflation provision to determine if any efficiencies can be identified in light of the coming financial challenge.

Summary of Revenue Forecast Position:

The Authority has made good progress in implementing the approved budget saving options and required organisational structure changes.

Four 2013/14 budget options remains to be fully completed in budgetary terms, however due to firefighter retirements and other green book savings the Service continues to deliver in “cash” terms the required saving target.

Overall the initial forecast based on the first 3 months of the year has indicated some potential savings, however at this point in the year a neutral financial position has been assumed. The Deputy Chief Executive is continuing to work with budget holders to maximise savings in 2012/13 and will report in more detail in future financial reviews. Table B below summarise the revenue year-end forecast position based on spend to the end of June 2013:

Table B: Anticipated Year-End Revenue Position

	FIRE SERVICE BUDGET	CORP MGT BUDGET	TOTAL BUDGET	ACTUAL as at 30.06.13	FORE-CAST	VARI-ANCE
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Employee Costs (net of o/s savings)	51.413	0.401	51.814	12.392	51.814	0.000
Premises Costs	2.996	0.000	2.996	0.398	2.996	0.000
Transport Costs	1.620	0.000	1.620	0.628	1.620	0.000
Supplies and Services	4.309	0.069	4.378	0.556	4.378	0.000
Agency Services	4.513	0.000	4.513	1.435	4.513	0.000
Central Support Services	0.241	0.129	0.370	0.112	0.370	0.000
Capital Financing	7.931	0.000	7.931	0.000	7.931	0.000
Income	-5.339	0.000	-5.339	-0.765	-5.339	0.000
Net Expenditure	67.684	0.599	68.283	14.756	68.283	0.000
Contingency Pay&Prices	0.792		0.792	0.000	0.792	0.000
Cost of Services	68.476	0.599	69.075	14.756	69.075	0.000
Interest on Balances	-0.367		-0.367	0.042	-0.367	0.000
Movement on Reserves	-1.987		-1.987	0.000	-1.987	0.000
Total Operating Cost	66.122	0.599	66.721	14.798	66.721	0.000

Capital Forecast Position:

13. Members approved a 5 year capital programme worth £36.697m at the Authority Budget meeting on 26 February 2013, (CFO/025/13). This has now been updated for the approved 2012/13 year-end re-phasing of projects into 2013/14 of £3.460m as reported to the Authority on 27 June 2013.
14. Members have considered and approved a reports on the Joint Control Centre (JCC) proposal (report CFO/047/13 and CFO/081/13), and the full scheme funding has now been incorporated into the current capital programme. In addition the capital programme has been updated for the Authority's JCC specific ICT requirements as reported in CFO/077/13.
15. Officers have also re-phased some schemes following a revision of implementation dates;
 - £0.004m was incurred in 2012/13 ahead of the original planed 2013/14 spend,
 - £0.200m has been brought forward from 2014/15 in order to allow a possible early replacement of Breathing Apparatus because of technology changes.
16. The programme has also been increased by £0.010m to include purchase of E-recruitment hardware funded from approved revenue budgets
17. Overall the revised capital programme has increased by £5.213m. The capital programme changes are summarised in Table C below. The revised detailed capital programme is attached as **Appendix B** (2013/14 Capital Programme) and **Appendix C** (2013/14–2017/18 Capital Programme) to this report.

TABLE C

Movement in the 5 Year Capital Programme						
	Total Cost	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
2012/13 re-phrasings (net)	3,456.0	3,456.0				
JCC Build Variations	815.0	815.0				
JCC ICT scheme	932.0	932.0				
E-recruitment Hardware	10.2	10.2				
	5,213.2	5,213.2	0.0	0.0	0.0	0.0
Funding						
External Contributions						
M'side Police	815.0	815.0				
Grant						
CLG Capital Grant for JCC ICT	700.0	700.0				
RCCO						
ICT schemes	10.2	10.2				
Other						
Capital Reserve for JCC ICT scheme	232.0	232.0				
Borrowing:						
Impact of re-phasing of schemes	3,456.0	3,456.0				
	5,213.2	5,213.2	0.0	0.0	0.0	0.0

Use of Reserves:

18. The analysis in Appendix A2 outlines the £0.305m movement on reserves during the first quarter of 2013/14 to fund costs associated with voluntary severance and projects taking place over two financial years. The general revenue reserve has remained unchanged at £2.894m.

(C) Treasury Management

19. The Authority continues to “buy in” Treasury Management from Liverpool City Council. The following paragraphs reflect Treasury Management activities in the period April to June 2013/14.
20. **Prospects for Interest Rates**

There has been a distinct shift towards optimism in growth forecasts and a modest and sustained recovery over the next three years is indicated by the Bank of England. In addition, there was a lowering of the inflation forecast to now hit the 2% target within two years. However, this is still a long way away from a strong recovery and given the generally weak outlook for economic growth, the prospects for any increase in Bank Rate before 2015 are limited. In consequence, short-term rates have remained at 0.5% in line with the forecast for them to remain on hold for the rest of the financial year.

It was expected that there would be upward pressure on longer term rates due to a high volume of debt issuance and improved prospects of a return to economic growth.

Long term PWLB rates rose by 0.25% during the first quarter and forecasts are for higher PWLB rates as a result of the stronger economic recovery.

The strategy indicated that the overall structure of interest rates whereby short term rates are lower than long term rates was expected to remain throughout 2013/14. In this scenario, the strategy would be to reduce investments and borrow for short periods and possibly at variable rates when required.

21. Capital Borrowings and the Portfolio Strategy

The borrowing requirement comprises the expected movements in the Capital Financing Requirement and reserves plus any maturing debt which will need to be re-financed. The Authority does not envisage that any new long term borrowing will be required in 2013/14. Current market conditions continue to be unfavourable for any debt rescheduling.

22. Annual Investment Strategy

The investment strategy for 2013/14 set out the priorities as the security of capital and liquidity of investments. Investments are made in accordance with CLG Guidance and CIPFA Code of Practice. Investments are made in sterling with an institution on the counterparty list.

Extreme caution has been taken in placing investments to ensure security of funds rather than rate of return. The use of deposit accounts with high rated or nationalised banks and AAA rated money market funds has enabled reasonable returns in a low interest rate environment. In the period 1st April to 30 June 2013 the average rate of return achieved on average principal available was 0.85%. This compares with an average seven day deposit (7 day libid) rate of 0.36%.

The Authority had investments of £19.3m as at 30 June 2013, (most of which is due to the carry forward of £17.4m of investments from 2012/13):

ANALYSIS OF INVESTMENTS END OF JUNE 2013

Institution	Credit Rating	MM Fund*	Bank / Other	Building Society
		£	£	£
Ignis Liquidity Fund	AAA	3,000,000		
Prime Rate	AAA	1,300,000		
Natwest Term Deposit	A	4,000,000		
Close Brothers	A	1,000,000		
West Bromwich B Soc	Unrated	1,000,000		
HBOS 12 Month FTD	A		2,000,000	
Nationwide BS	A		2,000,000	
Skipton Building Society	Unrated		1,000,000	
Newcastle Building Society	Unrated		1,000,000	
Nottingham Building Soc	Unrated		1,000,000	
HBOS 12 Month FTD	A		2,000,000	
Totals		10,300,000	9,000,000	
Total Current Investments				19,300,000

*MM Fund - Money Market Funds -these are funds that spread the risk associated with investments over a wide range of credit worthy institutions.

23. External Debt Prudential Indicators

The external debt indicators of prudence for 2013/14 required by the Prudential Code were set in the strategy as follows:

Authorised limit for external debt:	£82 million
Operational boundary for external debt:	£48 million

Against these limits, the maximum amount of debt reached at any time in the first quarter of the financial year 2013/14 was £45.1 million.

24. Treasury Management Prudential Indicators

The treasury management indicators of prudence for 2013/14 required by the Prudential Code were set in the strategy as follows:

a) Interest Rate Exposures

Upper limit on fixed interest rate exposures:	100%
Upper limit on variable interest rate exposures:	50%

The maximum that was reached in the first quarter of the financial year 2013/14 was as follows:

Upper limit on fixed interest rate exposures:	100%
Upper limit on variable interest rate exposures:	0%

b) Maturity Structure of Borrowing

Upper and lower limits for the maturity structure of borrowing were set and the maximum and minimum that was reached for each limit in the first quarter of the financial year 2013/14 was as follows: -

Maturity Period	Upper Limit	Lower Limit	Maximum	Minimum
Under 12 months	80%	0%	3%	2%
12 months and within 24 months	50%	0%	3%	3%
24 months and within 5 years	50%	0%	9%	9%
5 years and within 10 years	50%	0%	10%	10%
10 years and above	80%	0%	77%	75%

c) Total principal sums invested for periods longer than 364 days

The limit for investments of longer than 364 days was set at £2 million for 2013/14. No such investments have been placed during 2013/14.

(D) Internal Audit

25. The Authority continues to “buy in” Internal Audit services from Liverpool City Council. Most audit work is carried out in the second part of the year to fit in with the service work demands and provide relevant data for the year. At the end of June 2013 no new internal audit reviews have been completed.

(E) Monitoring of Financial Progress

26. To ensure the internal financial processes of the Authority are operating effectively, for example payroll, debt collection and the payment of invoices, a suite of performance indicators have been developed that now feed into the financial review. At present indicators relate to:

- Payment of invoices,
- Discounts obtained from prompt payments;
- Debtors

27. Prompt Payment of Invoices

Prompt payment of invoices was previously a statutory indicator under the Best Value legislation. While there is no longer a requirement for the Authority to report its prompt payment performance under BVPI8, the number of undisputed invoices paid within 30 days of receipt continues to be analysed to assess the effectiveness of the various Accounts Payable systems and procedures. Information about the prompt payment of invoices has now been incorporated with the suite of local performance indicators (LPI128) and is reported monthly.

28. In July 2009 the Authority joined the Prompt Payment Code (PPC). The PPC gives notice to suppliers of the Authority’s commitment to pay promptly. In the current economic climate the Government is keen for all businesses and local authorities to pay suppliers promptly. By paying promptly the Authority is able to make its contribution to improving the cashflow position of its supplier base, particularly small businesses, that rely on payments made promptly to keep them in business. Consistent with that objective, considerable effort has been made to develop a range of administrative processes to enable the Authority to comply with its obligations under the PPC which is deemed to be best practice.

29. A comparison of first quarter performance over previous years confirms that system improvements continue to enable the Authority to pay invoices (some 2,007 in the quarter ended June 2013) promptly.

2009/10	99.4%
2010/11	99.9%
2011/12	99.9%
2012/13	100.0%
2013/14	100.0%

30. The target for prompt payment in 2013/14 is 100%. The first quarter's results confirm the Service continues to respond quickly and efficiently to requests for payment from suppliers with 2,007 out of 2,007 invoices being paid within the required timeframe.
31. We have continued to ensure discounts due from the prompt payment of invoices are vigorously pursued. During the quarter a total of 73 invoices that attracted prompt payment discounts were paid generating savings of £2,435. This is evidence of the robustness of the systems in place that are enabling the Service to take advantage of the financial savings available from suppliers.
32. The publication of payments to suppliers for goods and services over £500 is now fully embedded. Consistent with the Government's drive for transparency in relation to spending by all Local Authorities, details of payments to suppliers for goods and services over £500 are available on the Authority's website in both PDF and CSV formats for the convenience of those wishing to access and interrogate the information. Payments details are now available for the period from 1 April 2009 to 30 June 2013. Payments for each month are made available as soon as possible following the closure of each accounting period and subject to verification against guidance received from Government.

33. Processing Sales Invoices and the Debt Recovery Process

A number of Performance Indicators have been developed to give drive and focus to improvements to the sundry debtor process and to plot the age profile of outstanding debt. Key Performance Indicators in relation to the processing of income generation type transactions are as follows:

- SIRF Generation - 100% in 35 working days from service delivery
- Sales invoice production - 100% in 2 working days from receipt of SIRF

(Note: SIRF = Sales Invoice Request Form. SIRFs are generated by Officers to request that a customer be invoiced for goods/services received)

34. Performance against these targets for the equivalent quarter in previous years is as follows: (Cumulative)

	2009/10	2010/11	2011/12	2012/13	2013/14
SIRF Generation	63%	72%	80%	84%	82%
Sales invoice production	97%	100%	100%	100%	100%

35. Members will be aware that the Authority's Financial Regulations were amended for 2010/11 to require prepayment for services where possible. It is recognised that there is a correlation between the time taken to request payment for services and payment actually being received. While every effort is made to ensure customers receive their invoice as quickly as possible it is often necessary to wait for key information (e.g. confirmation of course attendees, Payroll data etc) that is to be included with any invoice to enable the customer to make prompt payment. In certain circumstances it is deemed cost effective to wait until all appropriate information is available before issuing a sales invoice rather than it be raised prematurely to remove the potential for a credit note to be raised and an amended invoice reissued.

36. The Age Profile of Outstanding Debt

A comparison of the value of aged debts over 60 days for the first quarter can be summarised as follows:

Number of debts 60 days+

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
April	95	63	38	32	40
May	91	63	34	50	43
June	101	65	44	41	38

Value of debts 60 days+

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
April	311	101	81	79	131
May	255	107	62	180	136
June	293	148	149	127	45

37. The Service raises approximately 1,100 sales invoices per year and this can equate to income of between £2m - £3.5m. The profile of accounts raised varies significantly month by month and from year to year. It therefore can lead to significant variations when comparing the same month over a five year period. However, considerable effort has been made to actively engage with customers as part of the drive to improve the aged debt profile of the Authority and the success of that effort is reflected in the data set out above. The significant reduction in the number and value of aged debts in 2013/14 is a reflection of the work undertaken by the Finance and Legal Teams to tackle aged debts through active engagement with customers in the drive to maximise income for the Authority. Consistent with that effort the number of write offs each year is small.
38. Debtor accounts under £5,000 may be written off by the Deputy Chief Executive. One account was partially written-off under delegated powers, totalling £268 (excl. VAT) following advice from the litigation service.

Equality & Diversity Implications

39. There are no equality and diversity implications contained within this report.

Staff Implications

40. None directly related to this report.

Legal Implications

41. None directly related to this report.

Financial Implications & Value for Money

42. See Executive Summary.

Risk Management, Health & Safety, and Environmental Implications

43. None arising from this report.

Contribution to Our Mission – To Achieve: Safer Stronger Communities – Safe Effective Firefighters

44. The achievement of actual expenditure within the approved financial plan and delivery of the expected service outcomes is essential if the Service is to achieve the Authority's Mission.

BACKGROUND PAPERS

Report CFO/025/13 "MFRA Budget and Financial Plan 2013/2014-2017/2018" Authority 26th February 2013.

Report CFO/080/13 "Revenue Outturn 2012-2013" Authority 27 June 2013.

***Glossary of Terms**

RESERVES -Amounts set aside to meet future contingencies but whose use does not affect the Authority's net expenditure in a given year. Appropriations to and from reserves may not be made directly from the revenue account.

PPC - Prompt Payment Code

PWLB - Public Works Loans Board

APPENDIX A1

2013/14 REVENUE BUDGET MOVEMENT SUMMARY

Actual 2012/13	SERVICE REQUIREMENTS	Base Budget 2013/14	Reserve Draw- down	Vire- ments	Qtr 1 Budget 2013/14
£'000		£'000	£'000	£'000	£'000
65,284	Fire Service	68,541	340	0	68,881
548	Corporate Management	599	0	0	599
0	2012 - 13 B/fwd Dynamic Staff Saving	-550	0	0	-550
0	2013 - 14 New Dynamic Staff Saving	-647	0	0	-647
65,832		67,943	340	0	68,283
0	Contingency for Pay/Price Changes	792	0	0	792
65,832	TOTAL SERVICE EXPENDITURE	68,735	340	0	69,075
-255	Interest on Balances	-332	-35	0	-367
65,577	NET OPERATING EXPENDITURE	68,403	305	0	68,708
	<u>Contribution to /(from) reserves</u>				
	Spate / Other Emergency Related Reserves				
1,000	Catastrophe Reserve	0	0	0	0
	Modernisation Challenge				
3,454	Smoothing Reserve	0	-250	0	-250
-1,446	Severance Reserve	0	-150	0	-150
355	Ill Health Penalty Reserve	0	0	0	0
1,000	Recruitment Reserve	0	0	0	0
0	SMG Reserve	100	0	0	100
	Capital Investment Reserve				
30	FMIS Reserve	0	0	0	0
38	TDA Refurbishment Reserve	0	0	0	0
-64	PFI GAP Reserve	-1,818	-232	0	-2,050
-812	Capital Investment Reserve	0	0	0	0
1,420	PFI Annuity Reserve	0	259	0	259
510	Equality / DDA Investment Reserve	0	0	0	0
1,000	Firefighter Safety Investment Reserve	0	0	0	0
800	Facing the Future Challenge Reserve	0	0	0	0
	Specific Projects				
-230	Job Evaluation Reserve	0	0	0	0
98	Community Sponsorship Reserve	0	-94	0	-94
-100	Regional Reserve	0	0	0	0
-217	Equipment Reserve	0	0	0	0
-17	Contestable Research Fund Reseve	0	0	0	0
-285	Training Reserve	0	0	0	0
-196	Pre Retirement reserve	0	0	0	0
18	FSD Reserve	0	0	0	0
4	Healthy Living / Olympic Legacy	0	-54	0	-54
-38	Water Rescue Reserve	0	0	0	0
-500	Inflation Reserve	0	0	0	0
	Ringfenced Reserves				
2	F.R.E.E. Reserve	0	0	0	0
-40	Princes Trust Reserve	0	250	0	250
0	Community Youth Team Reserve	0	0	0	0
-43	Beacon Peer Project Reserve	0	-12	0	-12
12	Innovation Fund Reserve	0	0	0	0
-16	Regional Control Reserve	0	0	0	0
0	Energy Reseve	36	0	0	36
-18	St Helens District Reserve	0	-22	0	-22
237	New Dimensions Reserve	0	0	0	0
-1,790	Appropriation to / From Revenue Balances	0	0	0	0
4,166	Reserve Movement	-1,682	-305	0	-1,987
69,743	BUDGET REQUIREMENT	66,721	0	0	66,721
-41,162	Government Funding / NNDR Top Up	-39,963	0	0	-39,963
-105	Collection Fund Deficit	-55	0	0	-55
	Local NNDR	-4,084			-4,084
-28,476	Precept Income	-22,619	0	0	-22,619
-69,743		-66,721	0	0	-66,721

Budgeted Movement on Reserves 2013/14

	Opening Balance	Original Budget Planned Use	Further draw- down Qtr 1	Closing Balance
<u>Earmarked Reserves</u>	£'000	£'000	£'000	£'000
Spate / Other Emergency Related Reserves				
Bellwin Reserve	147		0	147
Insurance Reserve	620		0	620
Emergency planning Reserve	75		0	75
Catastrophe Reserve	1,000		0	1,000
Modernisation Challenge				
Smoothing Reserve	5,500		-250	5,250
Severance Reserve	902		-150	752
Ill Health Penalty Reserve	599		0	599
Recruitment Reserve	1,000		0	1,000
SMG Reserve	0	100	0	100
Capital Investment Reserve				
PFI Reserve	108		0	108
FMIS Reserve	129		0	129
TDA Refurbishment Reserve	88		0	88
PFI GAP Reserve	5,421	-1,818	-232	3,371
Capital Investment Reserve	90		0	90
PFI Annuity Reserve	2,010		259	2,269
Equality / DDA Investment Reserve	510		0	510
Firefighter Safety Investment Reserve	1,000		0	1,000
Facing the Future Challenge Reserve	800		0	800
Specific Projects				
Job Evaluation Reserve	0		0	0
Community Sponsorship Reserve	113		-94	19
Regional Reserve	0		0	0
Equipment Reserve	56		0	56
Contestable Research Fund Reserve	25		0	25
Training Reserve	0		0	0
Pre Retirement reserve	0		0	0
FSD Reserve	53		0	53
Healthy Living / Olympic Legacy	113		-54	59
Water Rescue Reserve	9		0	9
Inflation Reserve	1,500		0	1,500
Ringfenced Reserves				
F.R.E.E. Reserve	37		0	37
Princes Trust Reserve	144		250	394
Community Youth Team Reserve	54		0	54
Beacon Peer Project Reserve	65		-12	53
Innovation Fund Reserve	168		0	168
Concept Knowsley	0		0	0
Regional Control Reserve	18		0	18
Energy Reserve	0	36		36
St Helens District Reserve	22		-22	0
New Dimensions Reserve	706		0	706
Total Earmarked Reserves	23,082	-1,682	-305	21,095
General revenue Reserve	2,894		0	2,894
Total Reserves	25,976	-1,682	-305	23,989

APPENDIX A3**2013/14 FIRE SERVICE REVENUE BUDGET MOVEMENT SUMMARY**

Actual 2012/13	SERVICE REQUIREMENTS	Base Budget 2013/14	Reserve Draw- down	Vire- ments	Qtr 1 Budget 2013/14
£'000		£'000	£'000	£'000	£'000
	EMPLOYEES				
	Uniformed				
35,142	Firefighters	35,592		63	35,655
1,394	Control	1,220			1,220
2,242	Additional Hours	1,170	48	42	1,260
38,778	TOTAL UNIFORMED	37,982	48	105	38,135
	APT&C and Manual				
8,678	APT&C	8,366		17	8,383
364	Handymen/Cleaning	485			485
144	Catering	117		2	119
537	Transport Maintenance	558			558
57	Other Manual	92			92
222	Casuals	0		19	19
10,002	TOTAL APT&C/MANUAL	9,618	0	38	9,656
	Other Employee Expenses				
9	Rent & Lodging	3		-2	1
166	Allowances	967		-32	935
11	Removal Expenses	2		3	5
442	Training Expenses	600		-17	583
0	Interview Expenses	1		-1	0
910	Other Expenses	40	150	-4	186
4	Staff Advertising	30			30
29	Development Expenses	106		-9	97
424	Employee Insurance	131		3	134
796	MPF Pen Fixed Rate	833			833
241	Enhanced pensions	46			46
3	SSP & SMP Reimbursements	-16			-16
102	Catering Expenditure	113	4		117
-477	HFRA Capitalisation Payroll	0			0
2,660	TOTAL OTHER EMPLOYEE EXPEND	2,856	154	-59	2,951
	Pensions				
1,719	Injury Pension	1,694			1,694
353	Ill Health Ret charges	174			174
12	Injury Gratuity	0			0
2,084	TOTAL PENSIONS	1,868	0	0	1,868
53,524	TOTAL EMPLOYEES	52,324	202	84	52,610
	PREMISES				
364	Building Maintenance Repairs	393		-28	365
216	Site Maintenance Costs	157	1	24	182
693	Energy	653			653
121	Rent	946	-477	-20	449
963	Rates	946			946
221	Water	253		-5	248
50	Fixtures	74	1	-6	69
29	Contract Cleaning	28		8	36
47	Insurance	61		-13	48
2,704	TOTAL PREMISES	3,511	-475	-40	2,996
	TRANSPORT				
397	Direct Transport	331		-2	329
27	Tunnel Fees	29			29
100	Operating Lease	198		1	199
509	Other Transport Costs	589		1	590
231	Car Allowances	118		1	119
318	Insurance	344		10	354
1,582	TOTAL TRANSPORT	1,609	0	11	1,620

APPENDIX A3**2013/14 FIRE SERVICE REVENUE BUDGET MOVEMENT SUMMARY**

Actual 2012/13	SERVICE REQUIREMENTS	Base Budget 2013/14	Reserve Draw- down	Vire- ments	Qtr 1 Budget 2013/14
£'000		£'000	£'000	£'000	£'000
	SUPPLIES & SERVICES				
35	Administrative Supplies	40	1	1	42
319	Operational Supplies	274		5	279
14	Hydrants	20			20
65	Consumables	72		3	75
178	Training Supplies	147		16	163
92	Fire Prevention Supplies	133	4	20	157
37	Catering Supplies	30	1	9	40
344	Uniforms	418		5	423
123	Printing & Stationery	164	1		165
12	Operating Leases	2		9	11
714	Professional Fees/Service	860	122	90	1,072
595	Communications	680		1	681
27	Postage	38		-3	35
4	Command/Control	5			5
321	Computing	405		1	406
254	Medicals	288		16	304
73	Travel & Subsistence	79	3	33	115
63	Grants/Subscriptions	78		15	93
11	Advertising	15	7	10	32
19	Furniture	44		2	46
73	Laundry	81			81
33	Insurances	47		-1	46
8	Hospitality	16		2	18
3,414	TOTAL SUPPLIES & SERVICES	3,936	139	234	4,309
	AGENCY SERVICES				
76	Super Fund Admin	73			73
1,535	ICT Service Provider	1,434			1,434
197	Third Party Payments (FSN)	197			197
458	ICT Managed Suppliers	459			459
1,177	PFI Unitary Charges ((Int/Principal/Op Costs)	0	2,350		2,350
3,443	TOTAL AGENCY SERVICES	2,163	2,350	0	4,513
	CENTRAL EXPENSES				
227	Finance & Computing	241			241
0	Central Expenses	0			0
227	TOTAL CENTRAL EXPENSES	241	0	0	241
	CAPITAL FINANCING				
5,199	PWLB Debt Charges	5,722			5,722
83	MRB Debt Charges	76			76
22	Finance Lease Debt Charges	23			23
1,954	Revenue Contribution to Capital	1,868	232	10	2,110
7,258	TOTAL CAPITAL FINANCING	7,689	232	10	7,931
72,152	TOTAL EXPENDITURE	71,473	2,448	299	74,220
	INCOME				
3,722	Specific Grants	1,168	2,097	98	3,363
16	Sales	0			0
1,904	Fees & Charges	950	11	82	1,043
7	Reinforcing moves	5			5
3	Rents etc	2			2
879	Recharges Secondments	456		72	528
108	Contributions	105			105
106	Recharges Internal	114		1	115
123	Other Income	132		46	178
6,868	TOTAL INCOME	2,932	2,108	299	5,339
65,284	NET EXPENDITURE	68,541	340	0	68,881

APPENDIX A4**2013/14 CORPORATE SERVICES REVENUE BUDGET MOVEMENT****SUMMARY**

Actual 2012/13 £'000	SERVICE REQUIREMENTS	Base Budget 2013/14 £'000	Reserve Draw- down £'000	Vire- ments £'000	Qtr 1 Budget 2013/14 £'000
	EXPENDITURE				
	Finance & Legal costs				
79	Finance Officer	79			79
95	Legal Officer	82			82
	Democratic Rep (1020)				
26	- Travel & Subsistence	48			48
5	- Conference fees	15			15
249	- Members Allowances	240			240
0	- Telephones	2			2
2	- Training	1			1
0	- Hospitality	3			3
	Central Expenses (1030)				
18	Bank charges	18			18
39	District Audit Fees	68			68
35	Subscriptions	43			43
548	TOTAL EXPENDITURE	599	0	0	599

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Capital Programme 2012/13

EXPENDITURE	Approved Budget	2013/143 Re-phasing to 2012/13	2012/13 Re-phasing to 2013/14	Qtr 1 Re-Phasing of Schemes	QTR 1 Virements	QTR 1 Amend	Qtr 1 Current Budget	Actual to June 2013	
	£	£	£	£	£	£	£	£	
BUILDING & LAND PROGRAMME									
BLD001	Roofs & Canopy Replacements	90,000	43,000		-15,000		118,000	0	
BLD004	Concrete Yard Repairs	15,000	20,500				35,500	3,040	
BLD005	Tower Improvements	0	35,500		10,000		45,500	700	
BLD013	Appliance Room Floors	46,500	6,500				53,000	0	
BLD014	Boiler Replacements	50,000	4,000				54,000	1,687	
BLD016	Community Station Investment	66,000	13,000				79,000	0	
BLD017	F.S. Refurbishment Toxteth	0					0	-91,035	
BLD018	Conference Facilities H/Q	5,000	9,000				14,000	0	
BLD020	5 Year Electrical Test	89,000	23,000				112,000	0	
BLD026	Corporate Signage	0			5,000		5,000	0	
BLD030	Kensington C.F.S.	0	5,000				5,000	0	
BLD031	Diesel Tanks	0	150,000				150,000	0	
BLD032	Power Strategy (Generators)	0	1,500				1,500	0	
BLD033	Sanitary Accommodation Refurb	87,500	31,000				118,500	0	
BLD034	Office Accommodation	0	47,000				47,000	0	
BLD035	Accommodation Marine Fire 1	0	619,000				619,000	0	
BLD036	L.L.A.R. Accommodation Formby	0	533,000				533,000	219,351	
BLD040	F.S. Refurbishment Whiston	152,500					152,500	0	
BLD041	F.S. Refurbishment Aintree	250,000	30,000				280,000	0	
BLD042	St Helens Conversion	0	511,000				511,000	0	
BLD044	Asbestos Surveys	0	19,500				19,500	0	
BLD045	City Centre Community Facility	80,000					80,000	0	
BLD055	F.S. Refurbishment Bromborough	329,000					329,000	16,299	
BLD056	F.S. Refurbishment Eccleston	338,000					338,000	0	
BLD057	F.S. Refurbishment Crosby	375,000					375,000	0	
BLD058	H.V.A.C. Heating, Vent & Air Con	150,000	44,000				194,000	0	
BLD059	Liar Accomodation Eccleston	237,500					237,500	0	
BLD060	D.D.A. Compliance Work	0	89,000				89,000	0	
BLD061	Lighting Conductors Surge Protectors	55,000					55,000	0	
BLD062	Emergency Lighting	0	44,500				44,500	0	
BLD065	MACC Server Room Extension	0	4,000				4,000	0	
BLD067	Gym Equipment Replacement	125,000	90,000				215,000	95,085	
BLD068	SHQ Joint Control Room	7,570,000	250,000			815,000	8,635,000	1,542,168	
CON001	Energy Conservation Salix	0	8,500				8,500	0	
DSO001	D.S.O. Cleaning Equipment	6,000					6,000	0	
EQU002	Fridge/Freezer Rep Prog	16,500					16,500	0	
EQU003	Furniture Replacement Prog	10,500					10,500	7,229	
TDA001	Fire House Refurbishment	0	80,000				80,000	0	
TDA006	T.D.A. Server Room Expansion	0	1,500				1,500	0	
TDA008	Generator MACC	0	43,000				43,000	0	
Total		10,144,000	0	2,756,000	0	0	815,000	13,715,000	1,794,524
FIRE SAFETY									
FIR002	Smoke Alarms (H.F.R.A.)	500,000					500,000	77,620	
FIR005	Installation Costs (H.F.R.A.)	730,000					730,000	0	
FIR006	Deaf Alarms (H.F.R.A.)	49,000					49,000	0	
FIR007	Replacement Batteries (H.F.R.A.)	4,000					4,000	1,654	
Total		1,283,000	0	0	0	0	1,283,000	79,274	

Capital Programme 2012/13

EXPENDITURE	Approved Budget	2013/143 Re-phasing to 2012/13	2012/13 Re-phasing to 2013/14	Qtr 1 Re-Phasing of Schemes	QTR 1 Virements	QTR 1 Amend	Qtr 1 Current Budget	Actual to June 2013
	£	£	£	£	£	£	£	£
ICT								
FIN001 F.M.I.S. Replacement	225,000				225,000		450,000	30,232
IT046 Integrated HR System	225,000				-225,000		0	0
IT002 I.C.T. Software	2,000						2,000	1,165
IT003 I.C.T. Hardware	91,000		58,500		2,200		151,700	83,170
IT005 I.C.T. Servers	120,000		55,000				175,000	22,695
IT018 I.C.T. Network	104,000		79,500				183,500	34,993
IT026 I.C.T. Operational Equipment	14,000		14,000				28,000	0
IT028 System Development Portal	90,000	-4,000	19,500				105,500	0
IT030 I.C.T. Projects / Upgrades	5,000		5,000				10,000	2,740
IT034 E-Mail Retention	45,000						45,000	0
IT036 Portable Storage Media	27,000						27,000	0
IT037 Emerging Technologies	0		10,500				10,500	5,100
IT039 Estates Management System	20,000						20,000	0
IT040 Analytical Tool CFS Work	30,000						30,000	0
IT043 E Recruitment System	8,000		3,000		8,000		19,000	11,993
IT045 PFI ICT Equipment	0		47,500				47,500	5,998
IT047 Legl Case Management system	0		4,500				4,500	0
IT049 Wireless Rollout	0		15,000				15,000	5,850
IT050 Community Protection System	25,000		5,000				30,000	0
IT051 JCC IT Works (Airwave)	0		53,000		932,000		985,000	4,226
RC001 Vision F.X.	0		10,000				10,000	0
RC003 Corporate Gazateer	17,000		2,500				19,500	0
Total	1,048,000	-4,000	382,500	0	942,200	0	2,368,700	208,160
OPERATIONAL EQUIP. & HYDRANTS								
OPS001 Gas Tight Suits Other Ppe	0		10,000				10,000	0
OPS003 Hydraulic Rescue Equipment	75,000		68,500				143,500	700
OPS005 Resuscitation Equipment	0		55,500				55,500	16,880
OPS009 Pod Equipment	50,000						50,000	0
OPS011 Thermal Imaging Cameras	24,000						24,000	0
OPS019 Other Operational Equipment (Floodligh	40,000						40,000	0
OPS022 Improvements To Fleet	20,000						20,000	8,020
OPS023 Water Rescue Equipment	18,000		6,000				24,000	0
BA Cylinders	0	0	0	200,000			200,000	0
OPS024 BA equipment / Comms	150,000						150,000	0
OPS026 Rope Replacement	15,000						15,000	0
OPS027 Light Portable Pumps	20,000						20,000	0
OPS031 Cctv Equipment/Drone	11,000		21,000				32,000	0
OPS033 Marine Rescue Launch	0		5,000				5,000	0
OPS035 Operational Compressors	10,000		18,000				28,000	11,642
OPS038 Water Delivery System	66,000						66,000	0
OPS039 Water Delivery Hoses	50,000		34,000				84,000	0
OPS044 Acetylene Cylinders	14,000						14,000	0
OPS049 Bulk Foam Attack Equipment	48,000						48,000	0
OPS052 DEFRA FRNE Water Rescue Grant	19,000		1,000				20,000	0
HYD001 Hydrants (New Installations)	18,500						18,500	0
HYD002 Hydrants (Rep Installations)	18,500		4,500				23,000	2,776
Total	667,000	0	223,500	200,000	0	0	1,090,500	40,018
VEHICLES								
VEH002 Ancillary Vehicles	730,900		49,000				779,900	44,630
VEH004 Special Vehicles	956,000		36,500				992,500	5,000
VEH005 Vehicles water Strategy	29,000						29,000	0
VEH006 Motorcycle Response	44,000						44,000	0
WOR001 Workshop Equipment	24,000		12,500				36,500	4,325
Total	1,783,900	0	98,000	0	0	0	1,881,900	53,955
Grand Total	14,925,900	-4,000	3,460,000	200,000	942,200	815,000	20,339,100	2,175,932

Capital Programme 2012/13

EXPENDITURE	Approved Budget	2013/143 Re-phasing to 2012/13	2012/13 Re-phasing to 2013/14	Qtr 1 Re-Phasing of Schemes	QTR 1 Virements	QTR 1 Amend	Qtr 1 Current Budget	Actual to June 2013
	£	£	£	£	£	£	£	£
<u>FINANCING</u>								
Capital Receipts								
Sale of Toxteth FS	250,000	0	0		0		250,000	0
Sale of Formby LLAR House	350,000	0	0		0		350,000	0
Sale of Derby Road	700,000	0	0		0		700,000	0
R.C.C.O.								
Capitalisation of Sals HFRA	730,000	0	0		0		730,000	0
It Equipment (IT003)	0	0	0		2,200		2,200	2,200
E recruitment Systems (IT043)	0	0	0		8,000		8,000	8,000
Joint Control Room (BLD068)	1,768,000	0	0		0		1,768,000	1,768,000
Gym Equipment (BLD067)	50,000	0	0		0		50,000	50,000
JCC IT Works (IT052)	0	0	0		232,000		232,000	232,000
FSN Charge for Alarms (FIR002)	0	0	0		50,000		50,000	50,000
External Contributions								
Police contribution to JCC	4,002,000	0	0		815,000		4,817,000	670,109
Grant								
(Capital Grant) Fire Control Grant	1,100,000	0	0		700,000		1,800,000	0
Capital Grant CSR07	1,243,966	0	0		0		1,243,966	1,243,966
Total Non Borrowing	10,193,966	0	0	0	1,807,200	0	12,001,166	4,024,275
Borrowing Requirement								
Unsupported Borrowing	4,731,934	-4,000	3,460,000	200,000	-865,000	815,000	8,337,934	-1,848,343
Borrowing	4,731,934	-4,000	3,460,000	200,000	-865,000	815,000	8,337,934	-1,848,343
Total Funding	14,925,900	-4,000	3,460,000	200,000	942,200	815,000	20,339,100	2,175,932

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Authority Capital Programme for 2013/2014 - 2017/2018

Expenditure	Total Cost £	2013/14	2014/15	2015/16	2016/17	2017/18
		£	£	£	£	£
Building/Land	17,655,000	13,715,000	1,031,000	1,976,500	560,500	372,000
Fire Safety	6,403,000	1,283,000	1,281,000	1,281,000	1,279,000	1,279,000
ICT	4,458,700	2,368,700	396,000	637,000	516,000	541,000
Operational Equipment & Hydrants	1,708,500	1,090,500	142,000	57,000	352,000	67,000
Vehicles	6,472,100	1,881,900	204,100	1,380,300	1,793,800	1,212,000
TOTAL	36,697,300	20,339,100	3,054,100	5,331,800	4,501,300	3,471,000
2013/14 - 2017/18 Original Approved Programme	31,484,100	14,925,900	3,254,100	5,331,800	4,501,300	3,471,000
Current to Original Change	5,213,200	5,413,200	(200,000)			
Explained by:						
Scheme Re-Phasings:						
Re-Phasing from 2012/13	3,460,000					
Rephasing back to 2012/13	(4,000)	(4,000)				
Rephasing BA Equip from 14/15 to 13/14		200,000	(200,000)			
Approved Scheme Amendments:						
JCC - Merseyside Police Contribution/CFO/047&081/13	815,000	815,000				
JCC IT scheme (CLG Grant)	700,000	700,000				
JCC IT scheme (RCCO:Reserve)	232,000	232,000				
RCCO - IT Laptops/e-recruiting	10,200	10,200				
Quarter 1 Movement	5,213,200	5,413,200	(200,000)			
Financing Available:	Total	2013/14	2014/15	2015/16	2016/17	2017/18
Capital Receipts						
Toxteth Fire Station (Firefit Hub)	250,000	250,000				
Sale of 2 existing N-le-W LLAR properties	275,000			275,000		
Sale of LLAR house Cable Street, Formby	350,000	350,000				
Sale of Derby Road	700,000	700,000				
R.C.C.O.						
CFS alarm installation (salaries)	3,650,000	730,000	730,000	730,000	730,000	730,000
Capital Reserve to Gym Equipment	50,000	50,000				
Capital Reserve to JCC	1,768,000	1,768,000				
Capital Reserve - IT JCC Airwave	232,000	232,000				
IT Laptops/e-recruiting	10,200	10,200				
Grant						
CLG General Capital Grant Allocation	2,487,932	1,243,966	1,243,966			
CLG Fire Control Grant (£1.8m in total)	1,800,000	1,800,000				
Other						
BLD068 JCC Merseyside PA Contribution	4,817,000	4,817,000				
Total Non Borrowing	16,390,132	11,951,166	1,973,966	1,005,000	730,000	730,000
Unsupported Borrowing	20,307,168	8,387,934	1,080,134	4,326,800	3,771,300	2,741,000
Total Funding	36,697,300	20,339,100	3,054,100	5,331,800	4,501,300	3,471,000
Original Funding for 2013/14 - 2017/18 Programme	31,484,100	14,925,900	3,254,100	5,331,800	4,501,300	3,471,000
Current to Original Change	5,213,200	5,413,200	(200,000)			
Explained by:						
Borrowing:						
IT028 rephasing back to 2012/13	(4,000)	(4,000)				
2012/13 year-end re-phasing	3,460,000	3,460,000				
Rephasing BA Equip from 14/15 to 13/14		200,000	(200,000)			
	3,456,000	3,656,000	(200,000)			
R.C.C.O.						
IT JCC Project Cap Grant	700,000	700,000				
Capital Reserve to JCC	232,000	232,000				
IT Laptops/e-recruiting	10,200	10,200				
	942,200	942,200				
Other						
BLD JCC Merseyside PA Contribution	815,000	815,000				
Total Change in Funding in Qtr 1	5,213,200	5,413,200	(200,000)			

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Building / Land - Proposed Budget 2013/14 to 2017/18

Job Code	Type of Expenditure	Total Cost		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
		£	£					
	Site Refurbishment							
BLD016	Community Station Investment		255,500	79,000	65,500		66,000	45,000
BLD017	FS Refurbishment Toxteth							
BLD030	Kensington CFS		5,000	5,000				
BLD035	Accomodation MF1		619,000	619,000				
BLD039	FS Refurbishment Heswall		150,000			150,000		
BLD040	FS Refurbishment Whiston		152,500	152,500				
BLD041	FS Refurbishment Aintree		280,000	280,000				
BLD042	St Helens Conversion		511,000	511,000				
BLD055	FS Refurbishment Bromborough		329,000	329,000				
BLD056	FS Refurbishment Eccleston		338,000	338,000				
BLD057	FS Refurbishment Crosby		375,000	375,000				
BLD063	FS Refurbishment Kirkby		326,000		326,000			
BLD068	SHQ Joint Control Room		8,635,000	8,635,000				
BLD069	FS Refurbishment Allerton		341,000		341,000			
	FS Refurbishment Huyton		350,000			350,000		
	FS Refurbishment Upton		275,000			275,000		
	FS Refurbishment West Kirby		400,000			400,000		
		13,342,000						
	LLAR Accomodation							
BLD036	LLAR Accomodation Formby		533,000	533,000				
BLD045	City Centre Community Facility		80,000	80,000				
BLD059	LLAR Accomodation Eccleston		237,500	237,500				
	LLAR Accomodation Newton-le-Willows		375,000			375,000		
		1,225,500						
	General Station Upgrades							
BLD001	Roofs & Canopy Replacements		308,000	118,000	50,000	50,000	50,000	40,000
BLD004	Concrete Yard Repairs		115,500	35,500	20,000	20,000	20,000	20,000
BLD005	Tower Improvements		73,500	45,500			18,000	10,000
BLD011	Capital Refurbishment		57,000		57,000			
BLD013	Non Slip Coating to Appliance Room Floors		232,500	53,000	46,500	46,500	46,500	40,000
BLD014	Boiler Replacements		54,000	54,000				
BLD020	Electrical Testing		256,000	112,000	38,000	38,000	38,000	30,000
BLD031	Diesel Tanks		150,000	150,000				
BLD033	Sanitary Accomodation Refurbishment		208,500	118,500		30,000	30,000	30,000
BLD043	Firelink							
BLD044	Asbestos Surveys		144,500	19,500		50,000	50,000	25,000
BLD060	DDA Compliance		139,000	89,000			30,000	20,000
		1,738,500						
	Other							
BLD018	Conference Facilities SHQ		49,000	14,000	10,000	10,000	10,000	5,000
BLD026	Corporate Signage		20,000	5,000		5,000	5,000	5,000
BLD032	Power Strategy		31,500	1,500			20,000	10,000
BLD034	Office Accomodation		112,000	47,000		25,000	25,000	15,000
BLD053	Headquarters Lighting		150,000			75,000	75,000	
BLD054	Engineering Centre of Excellence							
BLD058	HVAC - Heating, Ventilation & Air Con		194,000	194,000				
BLD061	Lightening Conductors & Surge Protection		55,000	55,000				
BLD062	Emergency Lighting		44,500	44,500				
BLD065	MACC Server Room Extension		4,000	4,000				
BLD067	Gym Equipment Replacement		315,000	215,000	25,000	25,000	25,000	25,000
CON001	Energy Conservation Salix		108,500	8,500	25,000	25,000	25,000	25,000
DSO001	DSO Cleaning Equipment		6,000	6,000				
EQU002	Replacement programme for Fridge Freezers		82,500	16,500	16,500	16,500	16,500	16,500
EQU003	Bulk purchase of furniture for refurbished premises		52,500	10,500	10,500	10,500	10,500	10,500
		1,224,500						
	TDA							
TDA001	Fire house refurbishment		80,000	80,000				
TDA005	Hazardous Materials Training Rig							
TDA006	TDA Server Room Expansion		1,500	1,500				
TDA008	Generator install provision following MACC decant		43,000	43,000				
		124,500						
		17,655,000		13,715,000	1,031,000	1,976,500	560,500	372,000
	Original Budget	14,084,000		10,144,000	1,031,000	1,976,500	560,500	372,000
	Current Programme	17,655,000		13,715,000	1,031,000	1,976,500	560,500	372,000
	Changes	3,571,000		3,571,000				
	Q1 Movements/Adjustments	3,571,000		3,571,000				
	<u>Re-phasing from 2012/13</u>			2,756,000				
	<u>Virements</u>							
	BLD001 to BLD026			(5,000)				
	BLD026 from BLD001			5,000				
	BLD001 to BLD025			(10,000)				
	BLD005 from BLD001			10,000				
	<u>Grant</u>							
	BLD068 Merseyside PA Contribution			815,000.00				
		3,571,000		3,571,000				

Fire Safety - Proposed Budget Budget 2013/14 to 2017/18

Job Code	Type of Expenditure	Total Cost £	2013/14	2014/15	2015/16	2016/17	2017/18
			£	£	£	£	£
FIR002	Smoke Alarms (100,000 HFRA target)	2,500,000	500,000	500,000	500,000	500,000	500,000
FIR005	Installation costs (HFRA)	3,650,000	730,000	730,000	730,000	730,000	730,000
FIR006	Deaf Alarms (HFRA)	245,000	49,000	49,000	49,000	49,000	49,000
FIR007	Replacement Batteries (12,000)	8,000	4,000	2,000	2,000		
		6,403,000	1,283,000	1,281,000	1,281,000	1,279,000	1,279,000
	Original Budget	6,403,000	1,283,000	1,281,000	1,281,000	1,279,000	1,279,000
	Current Programme Changes	6,403,000	1,283,000	1,281,000	1,281,000	1,279,000	1,279,000

ICT including Regional Control - Proposed Budget 2013/14 to 2017/18

Job Code	Type of Expenditure	Total Cost £	2013/14	2014/15	2015/16	2016/17	2017/18
			£	£	£	£	£
<u>IT002</u>	<u>ICT Software</u>	395,000					
	SSI/Autocad for CAD Department		2,000	2,000	2,000	2,000	2,000
	3 Year Licences Antivirus & Filtering						155,000
	Microsoft EA Agreement (Servers & Security)				60,000	60,000	60,000
	Microsoft EA Agreement (Windows Desktop)						
	Microsoft EA Agreement (Office Desktop)						
	Microsoft SQL Upgrade				50,000		
<u>IT003</u>	<u>ICT Hardware</u>	665,700					
	PC, monitor and laptop replacement (target 20%)		140,700	80,000	80,000	80,000	80,000
	PC, monitor and laptop growth		5,000	5,000	5,000	5,000	5,000
	Peripherals replacement (target 20%)		6,000	6,000	6,000	6,000	6,000
	Appliance Toughbook Replacement				110,000		
	LFS Laptops					40,000	
<u>IT005</u>	<u>ICT Servers</u>	620,000					
	Server/storage replacement (target 20%)		160,000	190,000	65,000	65,000	65,000
	Server/storage growth		15,000	15,000	15,000	15,000	15,000
<u>IT018</u>	<u>ICT Network</u>	695,500					
	Local Area Network replacement (discrete)		4,000	4,000	4,000	4,000	4,000
	Network Switches/Routers replacement		169,500		141,000		100,000
	Network Switches/Router growth		5,000	5,000	5,000	5,000	5,000
	Vesty Road Network Link Refresh			40,000			
	IP Telephony		5,000	5,000	50,000	100,000	
	Wireless Network					40,000	
<u>IT026</u>	<u>ICT Operational Equipment</u>	132,000					
	Pagers/Alerters		14,000	7,000	7,000	7,000	7,000
	Station End Kit		10,000	5,000	5,000	5,000	5,000
	Remote access Security FOBS		4,000	2,000	2,000		2,000
	Incident Ground Management System					50,000	
<u>IT027</u>	<u>ICT Security</u>	2,000					
	Remote Access Security FOBS					2,000	
IT028	Portal Development	205,500	105,500	25,000	25,000	25,000	25,000
IT030	ICT Projects/Upgrades	30,000	10,000	5,000	5,000	5,000	5,000
IT033	Incident Ground Management System						
IT034	E-Mail retention (legal requirement)	45,000	45,000				
IT036	Portable Storage Media Security	27,000	27,000				
IT037	Emerging Technologies	10,500	10,500				
IT039	Estates Management System (RCCO)	20,000	20,000				
IT040	Analytical Tool CFS Work (IRMP 09-01-15)	30,000	30,000				
IT041	Fire Service Direct (NWIEP)						
IT042	Childrens IMS						
IT043	E-Recruitment System	19,000	19,000				
IT045	PFI ICT Transition	47,500	47,500				
IT049	Wireless Rollout	15,000	15,000				
IT051	JCC Airwave Solution	985,000	985,000				
	<u>Other</u>						
FIN001	FMIS Replacement (inc slippage)	450,000	450,000				
IT046	Computerised Integrated HR System						
IT047	Computerised Legal Case Management System	4,500	4,500				
IT048	Computerised Services Management System						
IT050	Community Protection IMS System	30,000	30,000				
RC001	ICT Security	10,000	10,000				
RC003	Corporate Gazetteer	19,500	19,500				
		4,458,700	2,368,700	396,000	637,000	516,000	541,000
	Original Budget	3,138,000	1,048,000	396,000	637,000	516,000	541,000
	Current Programme	4,458,700	2,368,700	396,000	637,000	516,000	541,000
	Changes	1,320,700	1,320,700				
	Q1 Movements/Adjustments	1,320,700	1,320,700				
	<u>Re-phasing from 2012/13</u>		382,500				
	<u>re-phasing back to 2012/13</u>						
	IT028 Portal Development		(4,000)				
	<u>Virements</u>						
	IT046 TO FIN001		(225,000)				
	FIN001 FROM IT046		225,000				
	<u>RCCO</u>						
	IT003 From 0127		200				
	IT003 From 0085		2,000				
	IT043 From 0111		8,000				
	IT052 Frm 0110		232,000				
	<u>Grant</u>						
	IT051 Merseyside PA Contribution		700,000				
		1,320,700	1,320,700				

Operational Equipment - Proposed Budget 2013/14 to 2017/18

Job Code	Type of Expenditure	Total Cost £						
			2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	
OPS001	Gas Tight Suits Other PPE	10,000	10,000					
<u>OPS003</u>	<u>Hydraulic Rescue Equipment</u>	208,500						
	Hydraulic Rescue Equipment - Replacement Programme		143,500					
	Air Lifting units - Replacement programme			65,000				
	Pneumatic Rescue Equipment - Air Bags							
OPS005	Resuscitation Equipment	55,500	55,500					
<u>OPS009</u>	<u>POD Equipment</u>							
	Demountable Unit (POD) Refurbishment - 2013/14 IRMP	50,000	50,000					
<u>OPS022</u>	<u>Improvements to Fleet</u>							
	Equipment to utilise new emergency response vehicles	110,000	20,000	20,000	20,000	20,000	30,000	
OPS011	Thermal imaging cameras	24,000	24,000					
<u>OPS019</u>	<u>Other Operational Equipment</u>							
	Battery Operated Floodlights	40,000	40,000					
OPS023	Water Rescue Equipment	274,000	24,000				250,000	
<u>OPS024</u>	<u>BA Equipment/Comms</u>	350,000						
	Breathing Apparatus Cylinder Replacement Programme		200,000					
	Replacement of hand held communication radios		150,000					
OPS026	Rope Replacement	35,000	15,000	20,000				
OPS027	Light portable Pumps	20,000	20,000					
OPS031	CCTV Equipment (IRMP2 CCTV Drone)	32,000	32,000					
OPS033	Marine Rescue Launch	5,000	5,000					
OPS035	Operational Compressors	28,000	28,000					
OPS036	Radiation Detection Equipment	45,000					45,000	
OPS038	Water Delivery System	66,000	66,000					
OPS039	Water Delivery Hoses	84,000	84,000					
OPS044	Other - Acetylene Cylinders Modernisation Procedures (IRMP)	14,000	14,000					
OPS046	Hovercraft							
OPS049	Bulk Foam Attack Equipment	48,000	48,000					
OPS052	DEFRA FRNE	20,000	20,000					
	<u>Hydrants</u>							
HYD001	Hydrants (New Installations)	92,500	18,500	18,500	18,500	18,500	18,500	
HYD002	Hydrants (Replacements)	97,000	23,000	18,500	18,500	18,500	18,500	
		1,708,500	1,090,500	142,000	57,000	352,000	67,000	

Original Budget	1,485,000	667,000	342,000	57,000	352,000	67,000
Current Programme	1,708,500	1,090,500	142,000	57,000	352,000	67,000
Changes	223,500	423,500	(200,000)			
<u>Q1 Movements/Adjustments</u>	223,500	423,500	(200,000)			
<u>Re-phasing from 2012/13</u>		223,500				
Re-phasing BA		200,000	(200,000)			
	223,500	423,500	(200,000)			

Vehicles - Proposed Budget 2013/14 to 2017/18

Job Code	Capital Scheme/Vehicle Type	Price Per Unit	Total for 5 years		2013/14		2014/15		2015/16		2016/17		2017/18	
			Units	Cost	Units	£	Unit	£	Units	£	Unit	£	Unit	£
VEH001	Fire Appliances	245,000	12	2,940,000					4	980,000	4	980,000	4	980,000
<u>VEH002</u>	<u>Ancillary Vehicles</u>													
	Water Training Vehicle (Mercedes Sprinter)	22,000	1	22,000	1	22,000								
	Cars (5 door - Fiesta/Corsa/Focus)	8,300	49	406,700	25	207,500	7	58,100	1	8,300	16	132,800		
	Small Vans (Fiesta/Corsa)	7,000	5	35,000	5	35,000								
	Renault Master Panel Vans	18,200	16	291,200	16	291,200								
<i>Invoiced</i>	Mini Buses (Princes Trust)	22,750	2	45,500	2	45,500								
	Panel Vans	18,500	6	111,000					4	74,000	2	37,000		
	Panel Vans	25,000	2	50,000									2	50,000
	Ford Connect Vans	9,500	8	76,000	4	38,000			2	19,000			2	19,000
	PCVs (Ford Transit)	18,000	4	72,000	4	72,000								
	4x4s (Ford Ranger/Toyota Hilux)	16,000	5	80,000	2	32,000	1	16,000					2	32,000
	4x4s (Ford Ranger/Toyota Hilux)	21,000	3	63,000					3	63,000				
	4x4s (Isuzu)	27,000	2	54,000									2	54,000
	Officer response Cars	22,000	2	44,000							2	44,000		
	Officer response Cars	26,000	2	52,000									2	52,000
	Officer response Cars- (With Blues & Twos)	18,350	2	36,700	2	36,700								
	Car -Automatc	25,000	1	25,000									1	25,000
<u>VEH004</u>	<u>Special Vehicles</u>													
	<u>CPL's</u>													
	Vehicle 2 (refurbished)	300,000	1	300,000	1	300,000								
	Vehicle 3 (refurbished)	300,000	1	300,000	1	300,000								
	Vehicle 4 (NEW)	600,000	1	600,000							1	600,000		
	<u>Other</u>													
	IMU - Prime Movers	98,000	4	392,000	2	196,000			2	196,000				
	contribution to price increase (Slippage)			36,500		36,500								
	BA Support Unit (POD)	75,000	1	75,000	1	75,000								
	SFU Vehicle	85,000	2	170,000	1	85,000	1	85,000						
	Water Rescue Unit	45,000	1	45,000			1	45,000						
VEH005	Water Strategy			29,000		29,000								
<u>VEH006</u>	<u>Motorcycle Response</u>													
	AFA/RTC Bikes	6,000	2	12,000	2	12,000								
	Firefighting bikes	16,000	2	32,000	2	32,000								
WOR001	<u>Workshop Equipment</u>													
	Equipment			36,500		36,500								
	Replace steam clean lift			40,000						40,000				
	Workshop MOT/LCC contract													
			6,472,100	1,881,900	1,881,900	204,100	1,380,300	1,793,800	1,212,000					
Original Budget			6,374,100	1,783,900	1,783,900	204,100	1,380,300	1,793,800	1,212,000					
Current Programme			6,472,100	1,881,900	1,881,900	204,100	1,380,300	1,793,800	1,212,000					
Changes			98,000	98,000	98,000									
<u>Q1 Movements/Adjustments</u>			98,000	98,000	98,000									
<u>Re-phasing from 2012/13</u>			98,000	98,000	98,000									
			98,000	98,000	98,000									

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AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY & RESOURCES COMMITTEE
DATE:	26th SEPTEMBER 2013
REPORT NO.	CFO/112/13
REPORTING OFFICER:	COLIN SCHOFIELD, REGIONAL PROJECT DIRECTOR, 0151 296 4203
CONTACT OFFICER:	KIERAN TIMMINS, DEPUTY CHIEF EXECUTIVE 0151 296 4202
OFFICERS CONSULTED:	ANDY GROOM, MERSEYSIDE LEAD OFFICER
SUBJECT:	PRIVATE FINANCE INITIATIVE PROJECT – PROGRESS REPORT FOR THE PERIOD MARCH – AUGUST 2013

THERE ARE APPENDICES TO THIS REPORT:

- APPENDIX: A MINUTES OF PROJECT EXECUTIVE BOARD 9TH MAY 2013**
B SALE OF BALFOUR BEATTY WORKPLACE – LETTER DATED 19TH AUGUST 2013

Purpose of Report

1. To provide Members with a review of progress on the North West Fire & Rescue Services Private Finance Initiative (PFI) Project in the period from March – August 2013 and to confirm the end of the construction phase of the Project.

Recommendation

2. That the progress on the North West Fire & Rescue Services PFI Project be noted.

Executive Summary

People and property in Merseyside will be even safer and benefit from new community resources because the biggest Private Finance Initiative (PFI) Project that the UK Fire Service has ever seen has resulted in seven new fire stations being built on Merseyside.

Southport, Belle Vale and Birkenhead community fire stations have now been handed over by the Contractor.

All seven Merseyside PFI stations are now fully operational.

The construction phase of the Project across all three Authorities is now complete and the Project has moved into its 25 year operational phase.

An audit of the Project has confirmed that appropriate controls are in place for payment of the monthly Unitary Charge.

The facilities management contractor involved in the Project, Balfour Beatty Workplace, is to be sold but this should have no noticeable impact on the Authority.

A number of Compensation Events lodged by the Contractor are still outstanding and remain under discussion.

Introduction & Background

3. Members will be aware that the Authority, in collaboration with Cumbria and Lancashire Fire and Rescue Authorities, was successful in its bid for PFI Credits to build 16 new Community Fire Stations across the three Authority areas. The contract to build the new stations was awarded to Balfour Beatty Fire & Rescue (BBFR). Mansell Construction was BBFR's main building contractor.
4. The scope of the Merseyside element of the Project was as follows:-
 - Belle Vale
 - Birkenhead
 - Bootle/Netherton
 - Formby
 - Kirkdale (with Operational Resource Centre (ORC) on same site)
 - Newton le Willows
 - Southport (combined Fire and Ambulance Station)
5. Construction work at all 16 sites in the Project has now been completed and this progress report marks the end of the building phase of the Project and the formal start of the 25 year maintenance period, at the end of which (4th July 2038) all stations will be handed back to the Authorities by BBFR in an "as new" condition.
6. As members will recall from previous reports, work at Bootle/Netherton, Formby, Kirkdale and Newton le Willows was completed in the first phase of the Project, together with four stations in Cumbria and two in Lancashire

Progress since the Last Report

7. A brief summary of work that has been completed in the period covered by this report is given below.

Southport

8. Service availability at Southport was achieved on 10th June 2013. This was the date set out in the contract and represents a significant achievement, bearing in mind the seven Compensation Events which were logged at this site, all involving time delays.
9. Staff received training on 11th June and the station went operational as a joint Fire & Ambulance Station on 12th June 2013. This received some publicity in the Southport Champion and Southport Visitor newspapers.
10. Following staff relocation, work was carried out to return the adjacent (former) Magistrates Courts to an acceptable standard and Mansell Construction carried out the necessary post-completion works on the overall site, principally to the area where the temporary appliance bays were housed, together with reinstatement of paving and kerbs. This work was signed off by the Independent Certifier on 19th July 2013.
11. Snagging work on the building was substantially completed on 24th July 2013.
12. The formal opening ceremony for Southport Community Fire & Ambulance Station is scheduled for 3rd October 2013.

Belle Vale

13. Services Availability was achieved at Belle Vale on 1st July 2013, three weeks later than had been planned under the contract. The issues faced at this site that contributed to the delay, as previously reported to members, included removing part of the temporary accommodation following complaints from neighbours, discovery of asbestos, deeper than anticipated foundations, ground contamination, problems with drainage connections to the LLAR house, discovery of a 24" gas pipe not marked on any drawings and severe weather conditions during early 2013.
14. Following a training day on 2nd July, the station went live on 3rd July 2013. This was the subject of a very brief article in the Liverpool Echo.
15. The land at the rear of the site, owned by Riverside Housing, which used to house the temporary accommodation and appliance bay, was cleared by Mansell Construction and handed back to Riverside Housing in early August.
16. Mansell Construction arranged for their landscaping contractor to make good any damage to the grass verges at the Lee Valley Millennium Centre car park, opposite the site following complaints via a local councillor that contractors had been parking their vehicles there during the construction works.
17. Snagging work on the building was substantially completed on 2nd August 2013.
18. The formal opening ceremony for Belle Vale Community Fire Station took place on 5th September 2013.

Birkenhead

19. Services Availability was achieved at Birkenhead on 22nd July 2013, five weeks later than set out under the contract. The reasons for the delay were the (abortive) proposal to move the temporary accommodation to another site (T.A. Barracks, Chetwynd – report CFO/052/12 refers) which had a knock-on effect on the start of works on site, the discovery of asbestos in two separate locations during demolition work, deeper than anticipated foundations to the old buildings and severe weather conditions during early 2013 which delayed the brickwork in particular.
20. Following a training day on 23rd July, the station went live on 24th July 2013. Mansell Construction subsequently carried out post-completion works which involved removing all temporary accommodation, including the appliance bay, demolishing a now redundant electrical substation and making good. This work was signed off by the Independent Certifier on 16th August.
21. All snagging work at this site is scheduled to be complete by 9th September.
22. Mansell have also fenced off part of the site which is now surplus to requirements and has been earmarked for a Youth Hub, to be built in partnership with Wirral Borough Council. Further reports will be presented to members on this proposal for their consideration.
23. As previously advised, NWAS are interested in sharing this station and it has been agreed that they will move in on 3rd September, subject to the lease agreement being signed.
24. The formal opening ceremony for Birkenhead Community Fire Station took place 12th September 2013.

Other Issues

25. Stations at Burnley and Chorley in Lancashire, and Workington in Cumbria, were also completed in this period.
26. Members may recall that they asked to see minutes from Project Executive Board meetings. There was one meeting in the period covered by this report, on 9th May 2013 and the minutes of that meeting are attached as Appendix A to this report.
27. Monthly Project Liaison Group meetings are held between the three Authorities and BBFR to discuss progress and articulate items of concern at a strategic level. These meetings will move to a quarterly basis in the future, although they can be called at any time with short notice.
28. Bi-monthly Merseyside Transition Board meetings have been held at which each of the PFI stations was represented. These meetings provided feedback on progress, discussed issues arising, identified any problems and provided a conduit to other members of staff at each station. Now all stations are live, the Transition Board has been wound up.

29. Monthly meetings are held with BBFR and Balfour Beatty Workplace (BBW), their facilities management providers, to go through all faults reported at stations and check they have been actioned within the specified period (if not, deductions are made from the monthly Unitary Charge due in respect of that station). These meetings also discuss pre-planned maintenance, utilities consumption, cleaning etc.
30. Regular site visits are held on each of the stations to inspect cleaning standards, facilities management, defect rectification etc. and discuss any items of concern with station personnel and managers. These visits will continue for the duration of the contract.
31. An audit of the Project was carried out in March 2013 to test the controls in place to ensure that the Project is effectively monitored, and that the invoice payment process in place for the Unitary Charge is adequate and effective. This resulted in the issue of an Internal Audit Memorandum dated 11th April which drew the following conclusion "From our work we can provide a high level of assurance that there are effective controls in place to manage the monitoring of the project and the payments made. Performance management arrangements are being developed and key performance indicators are to be introduced shortly which will only strengthen the control environment".
32. The Project Team was shortlisted for "Local Authority Project Team of the Year" at the PPP magazine awards ceremony held in London on 23rd May. Unfortunately they did not win the award.
33. Members may have heard the announcement that BBW are to be sold. A letter has been received from Balfour Beatty Investments which provides further details of the sale and the implications of this on the contract. This letter is attached as Appendix B to this report. It is not anticipated that there will be any significant issues for the Authorities arising from the sale as the contract is with BBFR (not BBW) but the Project Director will monitor the situation closely and report further if any issues do arise.

Compensation Events

34. As previously advised, there have been 21 Compensation Events logged by BBFR during the course of the building works. All but three of these were at Merseyside sites. The principal reason there were so many in Merseyside was that each site was occupied by an operational fire station and consequently BBFR were unable to carry out all the site investigations that they would have done had the site been a vacant brown or green field site. Full details of these claims were provided in the last progress report (CFO/35/13). A further five (four Merseyside) of these have been settled in the period but at time of writing 11 are still outstanding, although provisional agreements exist to settle seven of these with two due to be withdrawn by BBFR. The remaining two Compensation Events (one Merseyside) remain in dispute.

Risk Management, Health and Safety and Environmental Implications

35. BBFR have a “Zero Harm Vision” which is rolled out across all sites it is using. A copy of the “Zero Harm Vision” document is available on request to the Project Manager.
36. The Project Director and Lead Officer held a meeting with the FBU in the period covered by this report to keep them advised of progress and discuss any concerns they may have.

Equality and Diversity Implications

37. None arising directly from this report. Both initial and full Equality Impact Assessments (EIA) have been completed for the Project.

Staff Implications

38. Cleaning staff at the stations affected, where appropriate, have transferred to BBW under TUPE. Consultations took place with the individuals concerned and their representative bodies, prior to any transfers taking place. A final reconciliation of the financial implications of these transfers is currently under way.

Legal Implications

39. Legal advice, both internal and external, has been sought in respect of the Compensation Events and will continue to be sought, where necessary, as negotiations progress.
40. A lease has been drafted with NWAS for the sharing of premises at Birkenhead Community fire station. This is currently with NWAS legal representatives for comment.

Financial Implications and Value for Money

41. None arising directly from this report although with the final station coming on line, and all post completion works having been finished, the full Unitary Charge is now being paid to BBFR. Appropriate deductions are being made in respect of any failures to respond to defects or unavailability within the contractual periods.
42. The draft lease with NWAS at Birkenhead will provide lease rental income to the Authority together with a contribution towards rates and utilities costs at that site.

Contribution to Our Mission:

To Achieve Safer Stronger Communities – Safe Effective Firefighters”

43. The North West Fire & Rescue Services PFI Project has a range of objectives which link back to the Vision Statements of all three participating Authorities.

BACKGROUND PAPERS

CFO/098/11 "Private Finance Initiative Project – Effect of Compensation Events"

CFO/052/12 "Birkenhead PFI Decant Arrangements"

CFO/035/13 "Private Finance Initiative Project - Progress Report for the Period December 2012 – February 2013"

Letter from David Blanchard, Investments Director, Balfour Beatty Investments, dated 19th August 2013 entitle "Sale of Balfour Beatty Workplace".

Glossary of Terms

BBFR – Balfour Beatty Fire & Rescue North West Ltd

BBW – Balfour Beatty Workplace

EIA – Equality Impact Assessment

FBU – Fire Brigades Union

NWAS – North West Ambulance Service

ORC – Operational Resource Centre

PFI – Private Finance Initiative

TA – Territorial Army

TUPE – Transfer of Undertakings (Protection of Employment) Regulations

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MERSEYSIDE, LANCASHIRE AND CUMBRIA FIRE & RESCUE SERVICESMinutes of the Executive Board meeting (01/13) to discuss the North West Fire & Rescue Services
PFI Project held at Kendal Fire Station
on Thursday 9th May 2013Present:

Mr. D. Harrison	-	Cumbria
Mr. K. Mattinson	-	Lancashire
Mr. K. Timmins	-	Merseyside
Mr. C. Schofield	-	Project Manager
Mrs.J. Guy	-	Project Co-ordinator

ACTION**1 Apologies for Absence**

There were no apologies.

2 Minutes of the Meeting held on 13th August 2012

The minutes were agreed as a true and accurate record.

3 Matters Arising

There were no matters arising.

4 Progress Report

The Executive Board considered reports PFI/02/13 and PFI/03/13 covering progress in the periods August - December 2012 and January – April 2013. Appropriate issues were highlighted and discussed.

5 Performance & Unavailability Deductions

A breakdown of payments and deductions for 2012/13 was given to the Executive Board to consider for each Authority. Justine to re-circulate spreadsheet with correct totals.

JG**6 Audit Report**

The Executive Board considered an Audit Report produced by Liverpool City Council which tested contract management arrangements, including performance management, payment procedures and the collection of charges due from other Authorities by MFRS. The conclusion from the report was that a high level of assurance could be provided that there are effective controls in place to manage the monitoring of the project and the payments made.

7 North West FRS PFI Project Liaison Group

The Executive Board noted the minutes from the PFI Project Liaison Group meetings held on the following dates:

14th January 2013, 19th February 2013, 19th March 2013 and 16th April 2013.

		ACTION
8	<p><u>North West FRS PFI Project Progress Meetings</u></p> <p>The Executive Board noted the minutes from the Monthly Progress meetings held on the following dates:</p> <p>12th February 2013, 12th March 2013 and 9th April 2013.</p> <p>Particular items in respect of PLG and Progress meetings were highlighted and discussed including, Black testing, energy monitoring, snagging process, service standards at ROC, cleaning standards, BBW restructure changes, wall scratch protection and issues with nesting birds.</p>	
9	<p><u>Independent Certifier Report</u></p> <p>The Executive Board noted the Independent Certifier's report dated April 2013.</p>	
10	<p><u>Compensation Events</u></p> <p>The Executive Board were updated on the latest situation reference logged Compensation Events by Colin.</p>	
11	<p><u>Risk Log</u></p> <p>The latest schedule of new and high risks was noted. No further changes were proposed.</p>	
12	<p><u>Station Security Policy</u></p> <p>The Executive Board noted the station security policy produced by Lancashire FRS with advice from Willis. This can now be used on behalf of the three Authorities.</p>	
13	<p><u>Facility Agent Role</u></p> <p>Colin highlighted the change in bank lenders to BBFR for NWFRS Project contract and the subsequent change in Facility Agent. The Executive Board noted that there is no direct contractual relationship between the Authorities and the banks. Colin to provide schedule of lenders and their proportions.</p>	CS
14	<p><u>Appointment of Insurance Broker</u></p> <p>A letter was provided by BBFR reference their change of Insurance Broker from JLT to Willis. There should be no implication for the Authorities arising from this.</p>	
15	<p><u>Key Performance Indicators</u></p> <p>The Executive Board considered a schedule of possible KPI's to be arranged by BBW. Dominic highlighted that it would be more beneficial to receive outcome based KPI's. Colin and Justine to investigate and update the schedule of KPI's in liaison with BBW. Colin to ask Bob Nixon to check what KPI's CCC Property department produces.</p>	CS/JG CS
16	<p><u>Assurance Training</u></p> <p>The Executive Board considered report PFI/01/13. It was agreed that it would benefit the three Authorities if a joint assurance training course could be arranged, subject to final confirmation from Keith , Colin will arrange.</p>	KM CS

		ACTION
17	<p><u>Annual Service Report</u></p> <p>A draft annual service report was noted and once the report has been finalised it will be presented to the Executive Board.</p>	
18	<p><u>Aquamist</u></p> <p>The Executive Board considered a verbal report by the Project Director concerning allegations that had been made about the performance of the misting system provided on the new stations and the action being taken to check the systems. The Executive Board agreed that the Authorities require a letter from BBFR confirming that the misting systems have been verified. Colin to request from BBFR.</p>	CS
19	<p><u>Project Team of the Year</u></p> <p>The Executive Board were advised that NWFRS PFI Project have been shortlisted for the award for Project Team of the Year in the Partnerships Awards 2013. Colin Schofield and Andy Groom will be attending the Awards Ceremony on behalf of the Project on 23rd May 2013.</p>	
20	<p><u>Opening Ceremonies</u></p> <p>The Opening Ceremonies for Merseyside Phase 2 Fire Stations have been arranged for Belle Vale on 5th September, Birkenhead on 12th September and Southport will be the final Opening Ceremony on 3rd October which will include invitations to all involved in the project over the three Authorities. Keith to check whether Burnley will involve a Royal Opening Ceremony.</p>	KM
21	<p><u>Any Other Business</u></p> <p>No Other Business.</p>	
22	<p><u>Date of Next Meeting</u></p> <p>It was agreed that meeting arranged for 21st August will be cancelled and another meeting is to be arranged for 3rd October at Southport Fire Station before Opening Ceremony, time to be confirmed.</p>	CS/JG

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Balfour Beatty

Investments

Balfour Beatty Investments

Mr Colin Schofield
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 North West Fire & Rescue Services PFI Project
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 Merseyside
 L30 4YD

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Tel 020 7121 3700
 Fax 020 7121 3701

19th August 2013

Dear Colin

SALE OF BALFOUR BEATTY WORKPLACE

As you may be aware Balfour Beatty has recently announced its plan to sell WorkPlace to GDF Suez and we expect the sale to be completed before the end of the year.

GDF Suez is the world's number one supplier of energy efficiency and environmental services with a presence in 30 countries and 1,300 offices worldwide. It is a much bigger group of companies than Balfour Beatty. GDF's 'services' division itself (where Balfour Beatty WorkPlace will sit in future) has 78,200 employees and revenues of almost €15 billion. Going forward Balfour Beatty WorkPlace will be put together with GDF's Cofely brand in the UK. Cofely is one of Europe's leading providers of technical FM and energy services for the built environment. It has a smaller presence in the UK (hence the interest in buying BB WorkPlace), but is active in the PPP market where it already provides FM services on a number of smaller projects.

We believe that this is a positive development both from Balfour Beatty's perspective (as we become a major client of Cofely/BB WorkPlace once the transaction is completed) and from your perspective as an important client of Balfour Beatty going forward. The sale to GDF Suez removes the uncertainty that had surrounded BB WorkPlace's future. GDF Suez is a huge organisation with a strong financial position and covenant, a desire to invest and grow the WorkPlace/Cofely business in the UK and an organisation that shares many of Balfour Beatty's values including the importance of health and safety, sustainability, integrity and a commitment to excellence. Initial reaction to the sale amongst key BB WorkPlace staff has been very positive which will do much for ensuring stability in the operation of your FM services during this transition. All BB WorkPlace staff will transfer to the new organisation when the sale is complete.

On the ground I see no reason to expect any significant change in the way we work in the foreseeable future. BB WorkPlace/Cofely will continue to provide the services in accordance with the project requirements. The drivers for both Balfour Beatty and BB WorkPlace/Cofely remain the same: a desire to deliver the contractual requirements, respond to client and user needs, maintain effective client relationships and thereby safeguard the payments we receive from our clients that fund our respective businesses. There are no plans to change the FM management and staff providing services for your project.

Until the completion of the sale in the 4th quarter 2013 WorkPlace will remain part of the Balfour Beatty group and all staff will remain Balfour Beatty employees. As a result of the regulatory process between now and the completion of the sale I cannot be sure whether we will have the opportunity to introduce you to management from the new parent company. However, I will keep you informed of developments as they arise. We will advise you in due course of any notices/consents we are obliged to provide prior to the sale completion.



Balfour Beatty Investments Limited, registered in England & Wales
 No. 2423465, registered office: 350 Euston Road, London NW1 3AX,
 as agent of Balfour Beatty Group Limited, registered No. 101073,
 registered office: 130 Wilton Road, London SW1V 1LQ

Balfour Beatty

Investments

If you would like any other information in the meantime please feel free to give me a call.

Yours sincerely,



David Blanchard
Investments Director



Balfour Beatty Investments Limited, registered in England & Wales
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AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY & RESOURCES COMMITTEE
DATE:	26th SEPTEMBER 2013
REPORT NO.	CFO/100/13
REPORTING OFFICER:	COLIN SCHOFIELD, REGIONAL PROJECT DIRECTOR, 0151 296 4203
CONTACT OFFICER:	KIERAN TIMMINS, DEPUTY CHIEF EXECUTIVE 0151 296 4202
OFFICERS CONSULTED:	
SUBJECT:	CODE OF CONDUCT FOR OPERATIONAL PFI/PPP CONTRACTS

THERE ARE APPENDICES TO THIS REPORT:

APPENDIX A: “CODE OF CONDUCT FOR OPERATIONAL PFI/PPP CONTRACTS”

Purpose of Report

1. To seek approval from Members to sign up to the Code of Conduct for Operational PFI/PPP Contracts issued by H.M. Treasury.

Recommendation

2. That Members approve the Authority being a signatory to the Code of Conduct for Operational PFI/PPP Contracts

Executive Summary

The Authority is asked to sign up to a voluntary code of conduct which looks to identify savings and operational efficiencies in the NW FRS PFI contract.

Introduction & Background

3. H.M. Treasury has produced a document entitled ‘Code of Conduct for Operational PFI/PPP Projects’ in consultation with most of the major private sector investors, contractors and lenders in the Public Private Partnership (PPP) and Private Finance Initiative (PFI) markets. The Code is attached as appendix A to this report.

4. This is a voluntary code of conduct and sets out the basis on which public and private sector partners agree to work together to make savings in operational PPP contracts. The Code applies to all Public Private Partnerships that signatories are parties to, such as PFI contracts, PF2 and other variants of PPP contracts.
5. The code sets out commitments from both public and private sector parties on constructive engagement, flexibility and improving operational efficiency. H.M. Treasury feels that these commitments will support an overall improvement in contract management relationships and behaviours and the creation of a more effective working environment between customers and suppliers. They state that this will help the public and private sectors work together on existing contracts for schools, hospitals and many other public infrastructure projects.
6. The launch of the code in June 2013 forms part of the Government's wider work on reducing the cost of PFI deals under the Operational Savings programme, which has apparently already achieved savings of over £1.5 billion since it launched two years ago. It has been developed with the support and engagement of relevant trade bodies and a cross-section of lenders, investors, construction contractors and facilities management providers. H.M. Treasury considers that all parties to PPP contracts should be able to sign up to these commitments which reflect best practice in the sector.
7. As members are aware, this Authority, together with Cumbria County Council and Lancashire Combined Fire Authority, have entered into a PFI contract with Balfour Beatty Fire & Rescue NW Ltd to design, build, finance and operate 16 community fire stations and associated facilities across the three Authority areas. Balfour Beatty are already signatories to the Code, along with around 50 other bodies including government departments, local authorities, banks, investors and contractors.
8. Whilst the Code is voluntary, the Deputy Chief Executive considers that there would be benefits in becoming a signatory to the Code in that it will indicate a commitment and willingness to engage in constructive dialogue with Balfour Beatty Fire & Rescue NW Ltd to seek out savings and operational efficiencies in the PFI contract which, if achieved, will ultimately benefit the three Authorities. Cumbria County Council and Lancashire Combined Fire and Rescue Authority are also being recommended to sign up to the Code.

Equality & Diversity Implications

9. Equality Impact Assessment have already been completed for the PFI Project. There are no new Equality and Diversity implications arising from this Code of Conduct.

Staff Implications

10. There are no additional staffing implications arising from this report. The Authority already has the suggested single point of contact (the Regional Project Director) with responsibility for co-ordinating and collating the Authorities views and representing these views in discussions with private sector bodies.

Legal Implications

11. The Code of Conduct is not legally binding but only voluntary and does not overturn any existing contractual provisions in the contract between the three Authorities and Balfour Beatty Fire & Rescue NW Ltd.

Financial Implications & Value for Money

12. There are no direct financial implications in signing the Code of Conduct. However the whole ethos of the Code is to seek savings and operational efficiencies so it is hoped that this will lead to benefits to the Authorities in the longer term. Members will be kept advised of any savings and efficiencies achieved.

Risk Management, Health & Safety, and Environmental Implications

13. There are no risk management, health & safety or environmental implications arising from this report.

Contribution to Our Mission – To Achieve; Safer Stronger Communities – Safe Effective Firefighters”

14. The North West Fire & Rescue Services PFI Project has a range of objectives which link back to the Mission and Vision Statements of each of the three Authorities.

BACKGROUND PAPERS

“Making Savings in Operational PFI Contracts”, H.M. Treasury, July 2011

“Code of Conduct for Operational PFI/PPP Contracts”, H.M. Treasury, June 2013 (attached as appendix).

***Glossary of Terms**

- PF2 The government’s latest & preferred model of public private partnership which includes a public sector equity holding
- PFI Private Finance Initiative
- PPP Public Private Partnerships

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CODE OF CONDUCT FOR OPERATIONAL PFI/PPP CONTRACTS

Purpose

The Code sets out the basis on which public sector bodies and their PPP partners (investors, lenders, construction contractors and service providers) agree on a voluntary basis to identify and deliver efficiencies and savings in operational PFI and PPP contracts.

It supports a collaborative approach to working together and its intention is to enhance the long term partnership between parties through developing an improved and informed working relationship.

It is recognised that due to the multi party nature of PFI/PPP projects it may not be possible for individual signatories to deliver efficiencies and savings on behalf of their partners. The commitments set out below should therefore be interpreted and applied by each party in the context of the involvement and role of that party in each transaction. However, in signing up to this Code, parties commit to identifying and delivering those efficiencies and savings which they are directly able to do while at the same time proactively supporting the delivery of efficiencies and savings by others.

Details of signatories to the Code will be published on the HM Treasury website.

Applicability of Code

The Code applies to all operational PFI and PPP contracts across central and local government and the NHS. The Code is voluntary and is not intended to be legally binding. It does not seek to add to, amend or replace the existing project specific contractual agreements that are in place for each operational project.

Private sector commitments

Private sector parties to the Code commit to:

1. Provide, or agree, in conjunction with their PFI/PPP partners a single local point of contact for each project. The point of contact will have responsibility for co-ordinating the activities and collating the views of all the private sector parties on a project and will also represent the private sector's views in discussions with public sector bodies.
2. Engage constructively and in a timely manner when approached by public sector bodies to make savings on a specific PFI/PPP contract or across their portfolio of PFI/PPP contracts, including but not limited to exploring the potential cost savings measures set out in the July

2011 guidance entitled “Making savings in operational PFI contracts”. This approach should be flowed down from senior management to contract managers to support effective engagement.

3. Contract managers meeting with their relevant public sector body on a regular basis to discuss what savings and operational efficiencies have been made and to identify opportunities for improvement.

4. Work to identify operational improvements and engage pro-actively with the public sector to develop and support with the provision of information joint strategies to deliver efficiencies and savings including:

- Promoting measures that will deliver cost savings and value for money for the public sector over the short, medium and long term.
- Suggesting measures which will provide added value to public sector bodies and which will assist those bodies in meeting their work priorities.
- Incorporating measures to ensure operational flexibility and the identification of ways of working which public sector bodies could carry out in order to ensure greater efficiencies.
- Participating in the identification and implementation of measures to optimise asset management and use (including the promotion of more flexible use of assets, for example, minimising charges for and blockages to out of hours usage).

5. Engage responsively when considering the type and price of variations, waivers, changes or approvals. Not unreasonably refuse to consent to these or make unreasonable charges for such consents. Where reasonable, implement the March 2008 Operational Taskforce Note 3: Variations Protocol for Operational Projects to contracts which do not incorporate it or similar SOPC provisions.

6. Provide public sector bodies with clear and transparent information and evidence regarding a project’s consumables, energy and utility usage and unit costs. Provide appropriate assistance to encourage building users to reduce consumption and waste.

7. Where they are vendors or purchasers to inform the contracting public sector body, sponsoring department and HM Treasury or relevant devolved administration whenever ownership of project company risk capital (or economic interest) changes, providing details of the new ownership structure (investors, instruments and percentage held).

8. Ensure constructive engagement with their PFI/PPP partners, including the public sector, through the reasonable interpretation, taking account of professional responsibilities and obligations, of all existing rights and obligations set out in the project documents so as to facilitate a clear understanding by the public sector and its stakeholders of the costs and benefits of efficiency and savings opportunities.

Public sector commitments

Public sector parties to the Code commit to:

1. Provide a single point of contact who will have responsibility for co-ordinating the activities and collating the views of the public sector contracting party on a specific project and representing these views in discussions with private sector bodies.
2. Engage constructively and in a timely manner when dealing with private sector parties on specific PFI/PPP contracts.
3. Meet with their relevant private sector contract managers on a regular basis to discuss what savings and operational efficiencies have been made and to identify opportunities for improvement.
4. Work to identify options for operational improvements and engage pro-actively with the private sector to develop joint strategies to deliver efficiencies and savings.
5. Give reasonable and prompt consideration to measures and issues promoted by the private sector taking into account policy and practice requirements and commercial considerations.
6. Provide appropriate public sector resources and skills to ensure that any engagement with their PFI/PPP partners is as efficient and effective as possible.
7. Ensure that any engagements take into account the costs likely to be incurred by all parties and the economic benefit likely to be gained and act to minimise unnecessary expenditure.
8. Ensure constructive engagement with its PFI/PPP partners through the reasonable interpretation of all existing rights and obligations, taking into account statutory obligations and public service needs, set out in the project documents so as to help ensure that the private sector costs associated with realising efficiencies and savings are proportionate.

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AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY AND RESOURCES COMMITTEE
DATE:	26TH SEPTEMBER 13
REPORT NO.	CFO/114/13
REPORTING OFFICER:	DEPUTY CHIEF FIRE OFFICER
CONTACT OFFICER:	NICK MERNOCK - DIRECTOR OF PEOPLE AND ORGANISATIONAL DEVELOPMENT
OFFICERS CONSULTED:	
SUBJECT:	STATUTORY OFFICERS DISCIPLINE PROCEDURE

APPENDIX (A,B,C)	TITLE
	APPENDIX A-Statutory Officers Discipline Procedure
	APPENDIX B- Management Guidance on Statutory Officers Discipline Procedures
	APPENDIX C- Audit Sub Committee Terms of Reference

ATTACHED – ELECTRONIC / HARD COPY1. Purpose of Report

To seek Members approval of the revised discipline procedure for relevant officers holding statutory positions in Merseyside Fire and Rescue Service which is based on the Local Authorities (Standing Orders) England Regulations 2001.

2. Recommendation

- 2.1 That Members approve the introduction of the revised Discipline Procedure for relevant officers attached at appendix A .
- 2.2 That Members approve the changes to the terms of reference to the Audit Sub Committee (attached at Appendix C) which are required in order to put the revised Discipline Procedure into effect.

3. Introduction & Background

- 3.1 The Local Authorities (Standing Orders) England Regulations 2001 require a separate disciplinary procedure for statutory positions within a Local Authority. Although a Fire & Rescue Authority is not a relevant authority for the purposes of these regulations statutory officers may only be appointed or dismissed by the Authority and therefore a separate

disciplinary procedure is required. In April 2010 Merseyside Fire and Rescue Authority (MFRA) extended this provision to include ("the Relevant Officer"), namely the following Principal Officers:

- Chief Fire Officer
- Deputy Chief Fire Officer
- Monitoring Officer/Clerk to the Authority
- Deputy Chief Executive.

3.2 The procedure does not apply to:-

- (a) termination of a fixed-term contract of employment where the term of that contract expires without being renewed;
- (b) termination of temporary appointment where the reason for termination is that the need for the employee's service has expired, or is about to expire;
- (c) termination of employment by reason of redundancy;
- (d) resignation by the employee, or other termination by mutual consent

The Local Authorities Standing Orders (England) Regulations 2001 provide a degree of protection for Chief Executives against unwarranted political interference in their role as heads of paid service of Local Authorities. They require that a Designated Independent Person to investigate and make a recommendation in the event of disciplinary action being considered.

3.3. This procedure also references Standing Order 36 contained within the Merseyside Fire and Rescue Authority constitution and therefore means that no disciplinary action can be taken against a Relevant Officer other than in accordance with a recommendation in a report made by a Designated Independent Person

Where the Investigating and Disciplinary Committee (It is proposed the Audit Sub Committee is appointed as the Investigating and Disciplinary Committee) and the DIP proposes dismissal the Regulations require that opportunity has been given to Members of the Authority to object to the proposal to dismiss before notice of the dismissal is issued.

In order to allow the Audit Sub Committee to be the Investigating and Disciplinary Committee, and for the policy to be effective, changes to the Sub Audit Committee's terms of reference are required. These changes are set out at paragraph 15.3 and 15.5 of Appendix C.

4. Principles of the Scheme

4.1. The following principles form the basis of discipline procedure proposed:

- Relevant officers are expected to demonstrate the highest standards of behaviour in public life and demonstrate the personal qualities and attributes which are expected of the Fire and Rescue Services Code of Conduct; Service Standards and the Services

Core Values whilst engaged in their roles and in Service activities.

- The Authority ascribes to a set of core values and these should shape the relationship between the Relevant Officers, the Authority; and public perceptions of the Service and their roles within that Service.
- Individuals are entitled to expect fair and reasonable treatment in accordance with the Authorities Core Values and Service Aims.
- Individuals have a right to expect confidentiality in respect of issues concerning themselves;
- Individuals and the Authority also have an obligation to co-operate in concluding issues in a timely and efficient manner;
- Decisions as to conduct of, disciplinary procedures and legal proceedings should only be made by those Officers who have delegated powers to make such decisions, and whom have no direct interest in the case.

4.2. A discipline procedure for the Relevant Officers must also have full regard to the principles and standards as set out in the ACAS Code of Practice on Disciplinary and Capability Procedures.

5. Equality & Diversity Implications

There are no Equality and Diversity implications contained within this report.

6. Staff Implications

There are no direct staff implications associated with this report.

7. Legal Implications

The procedure complies with all legal obligations of an appropriate Discipline Procedure.

8. Financial Implications & Value for Money

There are no direct financial implications by adopting a separate policy for Relevant Officers. However, there may be future implications should a Relevant Officer be subject to an investigation or subsequent disciplinary proceedings and challenge the current operational procedure as unconstitutional. This will be met from existing budgets.

9. Risk Management, Health & Safety, and Environmental Implications

There are no risk management/health and safety/environment issues to consider.

10 Contribution to Our Mission – To Achieve; Safer Stronger Communities – Safe Effective Firefighters”

The proposed procedure ensures all employees are treated equally in relation to any proposed disciplinary action that may be pertinent in the organisation.

BACKGROUND PAPERS

None

***Glossary of Terms**

Please list any acronyms used within this Report and appendices, including their meaning.



**Merseyside Fire and Rescue Authority Constitution Disciplinary Procedures for
Relevant Officers
The Local Authorities (Standing Orders) England Regulations 2001**

Statutory Officers Disciplinary Procedure Service Instruction

1.0 INTRODUCTION

1.1 Disciplinary Procedure for Statutory Positions

1.1.1 Statutory posts within the Authority may only be appointed or terminated by the fire authority. In April 2010 Merseyside Fire and Rescue Authority has extended this provision to include ("the Relevant Officer"), namely the following Principal Officers:

- Chief Fire Officer
- Deputy Chief Fire Officer
- Monitoring Officer/ Clerk to the Authority
- Deputy Chief Executive

1.1.2 The JNC has issued a revised edition of the 'National Salary Framework and Conditions of Service Handbook' for Local Authority Chief Executives. The substantive additions to the handbook are new Model Disciplinary Procedures (England & Wales) [NB: also applies to S151 and Monitoring Officers]; new JNC Guidance for Designated Independent Persons (DIPs),

1.2 Disciplinary Action

1.2.1 The definition of disciplinary action in relation to this process includes any action occasioned by alleged misconduct or poor performance which if proven would be recorded on the Relevant Officer's personal file. This includes any proposal for dismissals of the Relevant Officer for any reason other than redundancy, permanent ill health or infirmity of mind or body where another more appropriate procedure may be invoked

1.2.2. Where an allegation is made in respect of a Relevant Officer which could constitute either misconduct or gross misconduct, then the Authority shall initiate this disciplinary procedure.

2.0 PROCEDURE

2.1 Preliminary Investigation

2.1.1 If an allegation is made against a Relevant Officer a preliminary investigation will be undertaken

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- 2.1.2 The Audit Sub Committee acting as the Investigating and Disciplinary Committee will appoint a Clerk to the Authority as the Investigatory Officer where the Clerk is not the Monitoring Officer and themselves subject to the allegation.
- 2.1.3 Notes should be taken throughout the process. Treated as confidential and will normally be provided by the Clerk to the Authority or Monitoring Officer unless he /she is the subject of the allegation. In this instance note taking at interviews may be undertaken by the Director of People and Organisational Development or a representative appointed by the Director of People and Organisational Development as appropriate.
- 2.1.4 Where the Clerk to the Authority may be implicated or associated with the allegation another appropriate substitute should be engaged as Investigatory Officer or acting as Clerk to the Authority by the Audit Sub Committee in consultation with the POD Director and implement the preliminary investigation process.
- 2.1.5 The Clerk to the Authority or Acting Clerk role is to initially assess if a potential question of discipline exists, and if it does, whether it could not be resolved informally (e.g. through an unrecorded informal warning) or referred to another body, for example a complaint directed at the CFO but about general service provision may be passed to Professional Standards) or whether it requires detailed investigation by an appointed Designated Independent Person (DIP)
- 2.1.6 The Relevant Officer will be informed of the allegation by the Clerk to the Authority (or Acting Clerk) and the possible potential implications of the investigation process.
- 2.1.7 The Relevant Officer will be given the opportunity to and encouraged to comply, and fully cooperate with the preliminary assessment. This may include attending investigatory interviews, making a statement and providing any relevant documentation or evidence for the purpose of the investigation process and to assist in a speedy resolution.
- 2.1.8 Where a preliminary investigation determines that there is a potential case to answer, a DIP will be appointed by Clerk to the Authority (or acting Clerk) in consultation with the Chair of the Sub Audit Committee to fully investigate the matter, to determine if there is a case to answer.

The threshold test for the Clerk to appoint a DIP is:

- a) If the allegation were to be proven it could lead to dismissal or other formal action which would be recorded on the Relevant Officer's file
- b) There is evidence in support of the allegation which may be sufficient to require further investigation

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2.1.9 The Clerk (or Acting Clerk) to the Authority will write to the Relevant Officer confirming to him/her that a DIP will be appointed and providing the Relevant Officer with the name of the DIP they propose to formally investigate the case. It is important that all the parties agree on a DIP before being appointed.

2.1.10 The Relevant Officer will have an opportunity (within seven calendar days) to raise any issues or concerns regarding the DIP's appointment with the Chairperson of the Audit Sub Committee regarding the proposal. If an agreement cannot be reached regarding the appointment of an appropriate DIP, further considerations and consultation will take place with the POD Director and an appointment made after taking into consideration the objections which have been raised. A list of previous DIP nominees who have exhibited the appropriate skills or who have previous experience in a similar role may be sought from the Authority however this list is neither exclusive or exhaustive

2.1.11 It is impossible to predict the full range of circumstances that could arise in disciplinary cases and in some cases it may be appropriate in exceptional circumstances to suspend the Relevant Officer from the workplace while an investigation or preparation for a disciplinary hearing takes place

3.0 FORMAL INVESTIGATION

3.1 Once appointed, the DIP should carry out a thorough investigation to establish the facts promptly, ensuring a written record is made for later reference.

3.2 Where the employee is to be interviewed by the DIP as part of an Investigation they must be advised of the purpose of the meeting in advance and that they may be accompanied by a Trade Union Representative or a Merseyside Fire and Rescue work colleague. When making these arrangements this should not frustrate or delay the investigation.

3.3 Recorded Interviews and any notes taken as part of the investigation process should be treated as confidential and treated with discretion. However those taking part in the process should be advised that any records, notes and statements or interviews taken as part of the process may be shared as appropriate if considered as relevant information to be considered within the context of this policy and procedure

3.4 As a general rule, the DIP shall:

- Notify the Relevant Officer in writing immediately of the formal investigation into the allegations, the nature and details of the case.
- Keep a record.
- Conduct an appropriate investigation;
- Ensure the investigation is completed in good time.

3.5 The Relevant Officer and/or his Representative will be given the opportunity to present their case and any relevant evidence to the DIP any Technical expertise or witnesses relevant to the case will also be made available where necessary.

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- 3.6. Having investigated and established the facts, the DIP will refer the completed investigation record and report including any recommendations as to the way forward to the Clerk to the Authority and the Audit Sub Committee
- 3.7 The most appropriate recommendations or actions in accordance with the procedure may include:
 - No case to answer;
 - Reference back to an informal stage;
 - Proceed with a Hearing.
 - Make Recommendations for any subsequent Sanctions once the case has been heard

4.0 SUSPENSION

- 4.1 Suspension of a Relevant Officer can only be sanctioned by an authorised officer normally this is the Chair/Vice Chair of the Authority in consultation with the Clerk to the Authority and or the Designated Independent Person.
- 4.2 If a Relevant Officer is suspended they should be informed of the reasons for the suspension, and that suspension is not disciplinary action. They should be offered the opportunity to make statement and informed that they will be asked to return to work as soon as reasonably possible, for an investigative meeting and before any disciplinary hearing is considered or takes place.
- 4.3 It is also appropriate at this stage to discuss any conditions, which will apply during the period of suspension, for example, communication channels, availability to attend meetings, facilities to meet with their representative, etc.

5.0 HEARING and RECOMENDATIONS

- 5.1 If after investigation the DIP considers that there is a case to answer, they can recommend a hearing takes place and make recommendations with regards to any action or any range of actions which are deemed to appear to be appropriate to take against the Relevant Officer once the case has been heard. Appropriate course(s) of disciplinary action may be drawn from the following list once the case has been heard by the appropriate committee:
 - written warning (which may be a first written warning valid for 12 months from the date of issue or a final written warning valid for 18 months from the date of issue)
 - demotion (in rank and salary to a lesser role within the organisation)
 - dismissal with notice (or pay in lieu of notice may be made at the Authority's discretion)
 - if the case is one of gross misconduct summary dismissal without notice or payments in lieu, without payment for accrued for annual leave in excess of statutory requirements.
- 5.2 The relevant Officer will be provided with the opportunity to make representations or provide mitigating circumstances at the hearing and be represented by a Trade Union Representative or a Mersey fire and Rescue colleague.

- 5.3 In the case of a DIPs recommendation to Dismiss - the Audit Sub Committee and the Clerk to the Authority will be informed by the DIP of the recommendation to dismiss via the DIPs report.

6.0 DISMISSAL

- 6.1 In accordance with the Local Authorities' (Standing Orders) (England) Regulations 2001 Statutory Instrument No. 3384, the following arrangement shall apply.
- 6.2 The Chair of the Audit Sub Committee will initially arrange to inform the Relevant Officer of the DIPs recommendation to dismiss and their decision to put the proposal to dismiss to the Fire Authority along with any necessary material e.g., the report of the Designated Independent Person for their consideration.
- 6.3 The Chair of the Audit Sub Committee will make arrangements to inform the Chair of the Authority and Director of People and Organisational Development of the DIPs recommendation to dismiss and their intention to put the proposal to dismiss the relevant officer to the Fire Authority.
- 6.4 The Audit Sub Committee Chair will inform The Clerk of the Authority of the intension to dismiss the relevant officer. The Clerk of the Authority will make the necessary arrangements to advise the Authority Chair and to convene a Special meeting of the full Authority alternatively make the arrangements to include the proposal to dismiss in the agenda of any scheduled meeting of the full Authority within the given time frame and allowing for the DIP report and accompanying information to be provided to members in accordance with statutory requirements.
- 6.5 The Clerk of the Authority would make the necessary arrangements to contact and advise the Relevant Officer of the date of the meeting. The Clerk of the Authority would also request confirmation of the Relevant Officer attendance, advise the Relevant Officer of their right to be accompanied by a Trade Union representative or a Merseyside Fire and Rescue work colleague and request that any representations or provisions for any mitigating circumstances are provided at least 7 days before the meeting is convened so allowing sufficient time for the Authority members time to consider the information prior to the meeting in line with statutory requirements.
- 6.6 All the members of the Fire Authority will be given the opportunity to consider the relevant information and raise any objections via the Chair of the Authority to the proposal that the Relevant Officer should be dismissed prior to the meeting.
- 6.7 The Relevant Officer will be able to present and make representations during the meeting.

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- 6.8 No notice of dismissal in respect of the Relevant Officer shall be given until:
- (i) The Director of People and Organisational Development has been notified of the name of the person who is proposed to be dismissed and of any other particulars which are relevant to the proposed dismissal.
 - (ii) The Clerk of the Authority has made arrangements to notify every Member of the Authority of the proposed/intended dismissal and has provided to them all the relevant information contained in the DIP report.
 - (iii) A date has been agreed by which the Chair of the Authority may, on behalf of the Authority Members, object to the Audit Sub Committee; about the proposed dismissal.
 - (iv) A date is agreed to convene a meeting when the Relevant Officer will have the opportunity to be able to make representations or present their case, to the Authority as their appeal to the intended dismissal.
 - (v) The Chair of the Authority has, within the timescales agreed notified the Audit Sub Committee and the Director of People and Organisational Development that neither he nor any Member of the Authority has any objection to the dismissal being made or no objection has been received by the Director of People and Organisational Development within the objection period; or
 - (vi) The Audit Sub Committee is satisfied that any objection which has been raised and received by the Chair of the Authority or Director of People and Organisational Development within the objection period is not material or is not well founded.
 - (vii) The Relevant Officer has been provided with a reasonable opportunity to make representations or be able to present his or her case at the meeting in which allows the process a form of appeal to the Fire Authority before any decision to dismiss has been taken.

7.0 RIGHT OF APPEAL

7.1. Against – LESSER SANCTIONS

7.1.1 The Relevant Officer must appeal within 7 calendar days of receiving the notice of the sanction and the outcome of the Hearing. The notice of any appeal must be in writing and should clearly specify one or more of the grounds of appeal such as:

- There was a defect in the procedure
- Either the investigatory report or the DIP report being inaccurate or incomplete.
- The issue is not proven on the balance of probabilities
- The disciplinary sanction was too severe
- New evidence has come to light since the hearing which will have an impact on the decision.

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7.1.2 The appeal will be made to the Clerk to the Authority who will, in consultation with the Chair of the Authority arrange an appeal hearing with Members of the Appeal Committees should be convened in the case of an appeal against sanctions.

7.1.3 The Relevant Officer shall be given not less than 21 days notice of the appeal hearing.

7.1.4 The decision of the Appeal Committee will be final and there will be no further right of appeal.

7.2 Against – DISMISSAL

7.2.1 ACAS code of practice 1 Disciplinary and Grievance Procedures requires that an employee who has been dismissed is provided with the right of appeal against the decision.

7.2.2 As Standing Orders Regulation require that the whole Authority approves a dismissal before notice of dismissal is issued, there may be some concerns about the ability to offer a fair appeal if the whole of the Authority is familiar with the issues and already taken the provisional decision to dismiss.

7.2.3 The model procedure envisages that the appeals process has been met by the DIP report and relevant information being disclosed to all Fire Authority Members in line with statutory requirements providing an opportunity for members to raise objections and convening a meeting of the whole Authority.

7.2.4 Any additional information or any address to the Authority from the Relevant Officer would need to be provided to The Clerk of the Authority at least 7 days before the meeting.

7.2.5 The Relevant Officer will then be able to make any representations or presentations during the convened meeting on all the information which has been provided in advance by The Clerk of the Authority to the Authority Members

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**Merseyside Fire and Rescue Authority Constitution Disciplinary Procedures
for Relevant Officers**

The Local Authorities (Standing Orders) England Regulations 2001

DISCIPLINE PROCEDURES for STATUTORY OFFICERS

Management Guidance

1 GENERAL

Where an allegation is made in respect of a Relevant Officer which could constitute either misconduct or gross misconduct, then the Authority shall initiate its disciplinary procedure.

2 PROCEDURE

2.1 Preliminary Assessment of the Complaint or Allegation

2.1.1 The Audit Sub Committee will act as the Investigating and Disciplinary Committee and will initially appoint a Clerk or Acting Clerk to the Authority. The Clerk of the Authority role would normally be undertaken by the Monitoring Officer where the Clerk is not the Monitoring Officer and themselves subject to the allegation if in the case of a Clerk to the Authority finds themselves subject to the allegation or implicated, The Director of People and Organisational Development in consultation with the Audit Sub Committee should then appoint another appropriate substitute to act as the Clerk to the Authority for this purpose This may be a monitoring officer from another Authority

2.1.2 The Clerk (or acting Clerk) of the Authority would then undertake a preliminary assessment of the complaint or allegation(s) and given the information available and in consultation with the Audit Sub Committee take the decision if the complaint or allegation should be escalated to a formal investigation.

2.1.3 Notes should be taken throughout the process and treated as confidential administration would normally be provided by the Clerk to the Authority. Note taking whilst gathering information may also be undertaken by the Director of People and Organisational Development or a representative appointed by the Director of People and Organisational Development as appropriate.

2.1.4 The Clerk (or acting Clerk) to the Authority and in consultation with the Audit Sub Committees will undertake an initial assessment of the

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complaint /allegation and determine if a potential question of discipline exists, and if it does, whether it could not be resolved informally (e.g. through an unrecorded informal warning) or referred to another body, for example a complaint directed at the CFO but about general service provision may be passed to Professional Standards) or whether it requires a detailed investigation by an appointed designated independent person

- 2.1.5 The Relevant Officer will be informed of the complaint or allegation by the Clerk (or acting Clerk) to the Authority and the possible potential implications of the investigation process.
- 2.1.6 The Relevant Officer will be given the opportunity to and encouraged to comply, and fully cooperate with the preliminary process and assessment, to assist the process and a speedy resolution.
- 2.1.7 Where a preliminary assessment determines that there is a potential case to answer, a Designated Independent Person (DIP) will be appointed by Clerk (or acting Clerk) to the Authority in consultation with the Chair of the Audit Sub Committee to fully investigate the matter, to determine if there is a case to answer. The threshold test for the Audit Sub Committee and Clerk (or acting Clerk) of the Authority to appoint a DIP is:
 - If the allegation were to be proven it could lead to dismissal or other formal action which would be recorded on the Relevant Officer's file
 - There is evidence in support of the allegation which may be sufficient to require further investigation
- 2.1.8 The Clerk (or acting Clerk) to the Authority in consultation with the Chair of the Audit Sub Committee will write to the Relevant Officer confirming to him/her that a DIP will be appointed and providing the Relevant Officer with the name of the DIP they propose to appoint to formally investigate the case. It is important that the parties agree on a DIP before the DIP is appointed.
- 2.1.9 The Relevant Officer will have an opportunity (within seven calendar days) to raise any issues or concerns regarding the DIP with the Chair of the Audit Sub Committee
- 2.1.10 A list of previous DIP nominees who have exhibited the appropriate skills or who have previous experience in a similar role may be sought from the Authority however this list is nor exclusive or exhaustive. The Clerk or Acting Clerk may choose to appoint a DIP from another Authority if he/she feels this is appropriate. However if an agreement cannot be reached regarding the appointment of the DIP, further considerations and consultation with the POD Director will take place and an appointment made after taking into consideration the objections which have been raised

2.2 Formal Investigation

- 2.2.1 Once appointed, the DIP should then carry out a thorough investigation to promptly establish the facts, ensuring a written record is made throughout the process for reference later.

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2.2.2 The Relevant Officer and/or his representative will be contacted by the DIP and provided with opportunity to present their case and any evidence to the DIP. Any Technical expertise or witnesses relevant to the case will also be made available where necessary.

2.2.3 Where the Relevant Officer is to be interviewed by the DIP as part of the investigation process, the Relevant Officer must be advised of the purpose of the meeting in advance and advised that they can be accompanied by a Trade Union Representative or a Merseyside Fire and Rescue Work Colleague if they so wish. When making arrangements to meet every effort should be made by the parties concerned to cooperate and be flexible, not to frustrate or delay the investigation process. The Interview(s) will be recorded.

2.2.4 As a general rule, the DIP shall:

- Notify the employee in writing immediately of the formal investigation and state the nature and details of the case.
- Keep a record.
- Conduct an appropriate investigation;
- Ensure the investigation is completed in good time.

2.2.5 Having established the facts, the DIP will refer the then complete an investigation record which will include any recommendations as to the way forward to the Clerk or acting Clerk of the Authority and Audit Sub Committee in the form of a report.

The most appropriate action recommended in accordance with the procedure may include:

- No case to answer
- Reference back to an informal stage
- Proceed with a Sub Audit Committee Hearing
- Make Recommendations for any subsequent Sanctions once the case has been heard

2.2.6 It is impossible to predict the full range of circumstances that could arise in disciplinary cases and in some cases it may be appropriate in exceptional circumstances to suspend The Relevant Officer from the workplace while an investigation or preparation for a disciplinary hearing takes place.

2.3 Recommendations

2.3.1 When the DIP considers if any disciplinary action or range of actions may be deemed appropriate to take against the Relevant Officer. The appropriate course of action may be drawn from the following list:

- First recorded warning (valid for 12 months from the date of issue)

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- Final written warning (a final written warning valid for 18 months from the date of issue)
- Demotion (in rank and salary to a lesser role within the organisation) Dismissal with notice
- Summary dismissal if the case is considered as one of gross misconduct dismissal without notice or payments in lieu of notice, or payment for accrued annual leave in excess of statutory requirements.

2.4 Gross Misconduct

2.4.1 Gross Misconduct is conduct by the employee of such a nature that the Authority can no longer tolerate the presence at the place of work of the employee. Examples of offences of gross misconduct which may lead to dismissal include:-

- Serious bullying or harassment based on sex, race, disability, sexuality, marital status, age, creed, colour, nationality or national origin;
- Major infringement of the Authority's Code of Conduct;
- Theft, fraud, bribery;
- Action endangering life and limb;
- Assault or physical violence;
- Deliberate damage to Authority property;
- Serious unauthorised disclosure of information or breach of confidentiality;
- Deliberate falsification of records;
- Serious incapability for work through alcohol or illegal drugs;
- Offences of a sexual nature or sexual/race discrimination within the workplace;
- Serious negligence which causes or might cause unacceptable loss or injury;
- Failure to comply with a significant or reasonable order, instruction or contractual requirement;
- Unauthorised absence from work;
- Serious insubordination;
- Commission of criminal offences outside work, which have a substantial impact upon the employee's ability to perform their duties or are relevant to the employees employment;
- Serious infringement of health and safety rules.

2.4.2 The list of examples of offences which may be considered as gross misconduct shown above is neither exclusive nor exhaustive, and there may be other offences of a similar gravity, which would also constitute gross misconduct.

2.4.3 If the decision is made that a Relevant Officer is dismissed summarily due to Gross Misconduct at the discretion of the Authority they will forfeit

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payment in lieu of notice and forfeit any payment in lieu of any outstanding contractual holiday entitlement over and above the current statutory minimum. (5.6weeks)

- 2.4.4 In relation to the decision to take disciplinary action which is short of dismissal any appeal to this process will result in a hearing being convened by the Appeals Committee and a review of the decision will take place as soon as reasonably possible. During the review The Appeals Committee will give careful consideration to these matters and if necessary conduct any further investigation it considers necessary to reach an informed decision. The decision of the Appeals Committee is final.

2.5 Suspension

- 2.5.1 Any suspension of the Relevant Officer must not last longer than a maximum 2 months unless the DIP recommends that the suspension should continue beyond that point.

- 2.5.2 If a Relevant Officer is suspended they should be informed of the reasons for the suspension, and that the act of suspension is a holding measure and not a sanction. They will be asked to return to work for an investigative meetings or a disciplinary hearing as soon as reasonably possible. They should be offered the opportunity to make statement.

- 2.5.3 It may be appropriate at this stage to discuss any conditions, which will apply during the period of suspension, for example, communication channels, access to information, availability to attend meetings, facilities to meet with their representative, etc.

- 2.5.4 Suspension can only be sanctioned by an authorised officer normally this is the Chair/Vice Chair of the Authority in consultation with the Clerk or Acting Clerk to the Authority or the DIP

- 2.5.5 As best practice or procedure authorised contact with the Relevant Officer should be maintained whilst they are suspended and the Relevant Officer updated as to the timescales of the process being undertaken and when the investigation will be likely to be concluded. The DIP or the Director of People and Organisational Development should attempt to maintain contact with the Relevant Officer throughout the process on behalf of the Authority.

2.6 Absence Due to Ill Health

- 2.6.1 If the Relevant Officer provides or presents a Certificate from their GP which authorises their absence from the work place due to ill health, either prior or during the process taking place or on reaching a conclusion, under these circumstances the Authority's Absence and Sickness policy

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and procedure should be implemented with the appropriate payments made in line with the Absence and Sickness policy and procedure.

- 2.6.2 The Absence and Sickness process includes the Authority requesting and expecting the Relevant Officer attends a medical examination and any other health appointments the Authority deems is necessary.

2.7 Hearing

- 2.7.1 If after investigation the DIP confirms that there is a case to answer, then the Clerk or Acting Clerk to the Authority in consultation with the Chair will constitute a meeting in the form of a hearing before the Sub Audit Committee

- 2.7.2 Having carefully considered the findings and recommendations of the DIP there should be no undue delay in the Clerk or Acting Clerk of the Authority making the necessary arrangements to arrange a hearing in accordance with Statutory procedures.

- 2.7.3 The Clerk or Acting Clerk to the Authority is responsible for ensuring that the relevant documentation is prepared and provided to those involved in the process within the appropriate timescales, and in accordance with statutory requirements.

- 2.7.4 The Clerk or Acting Clerk to the Authority is responsible for ensuring that the Relevant Officer receives the necessary documentation and in turn any representations from the Relevant Officer are distributed to the authority members in good time, in line with statutory process, so that they have chance to consider the information before the hearing.

- 2.7.5 If the Dips” recommends Dismissal, this recommendation must initially be agreed as a suitable sanction by the Sub Audit Committee as a potential outcome to the hearing if the allegation is proven.

- 2.7.6 In the eventuality of a recommendation of Dismissal the Clerk or Acting Clerk to the Authority will make arrangements to inform all Authority members and provide them with the relevant information an documentation regarding the potential outcome of the hearing being a dismissal before the hearing with the Sub Audit Committee.

- 2.7.7 Any Authority Member who objects to the recommendation or feels that dismissal is an inappropriate recommendation should raise their objections or concerns as soon as possible before the hearing in writing to the Chair of the Authority. They will have a limited time period to challenge the sanction before any Hearing takes place.

- 2.7.8 In the event of absence of agreement or a Member challenging the recommendation of dismissal, The Chair shall consider any issues raised and take a view on maintaining the DIPs recommendations and the potential of dismissal being included as a recommendation or if a lesser sanction i.e. a final written warning /demotion is considered as appropriate. The Chairs decision is final.

- 2.7.9 The Clerk or Acting Clerk to the Authority must ensure that the Relevant Officer is given a minimum of 21 days notice of a hearing. The letter

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should contain enough information for the employee to fully understand the case against them with all relevant details and the reasons why if proven this is unacceptable. The notification should also include copies of the DIP report and recommendations, all the evidence/information relevant to the hearing. The employee will be advised of their right to representation

2.7.10 The Relevant Officer is entitled to representation at any of the formal stages of the process either by a Trades Union Representative or a Merseyside Fire and Rescue colleague

2.7.11 The Disciplinary Hearing will be conducted as follows:

- The Chair of the Audit Sub Committee shall first explain the process;
- The management case against the employee will be presented, normally by the Designated Independent Person (in some cases this may be presented by the Clerk or Acting Clerk to the Authority);
- The Relevant Officer and/or their Representative will present their case;
- The Audit Sub Committee shall consider the Relevant Officers case in full;

2.7.12 At the conclusion of the hearing the Audit Sub Committee must consider the evidence presented and determine, either:

the case is proved; or

the case is not proved.

2.7.13 In the circumstances of (a) above, the Audit Sub Committee must consider the recommendations as an appropriate sanction and, prior to coming to that decision must allow the employee to describe any mitigating circumstances and take evidence of character.

2.7.14 The only Sanctions which can be considered by the Audit Sub Committee are those contained within the boundaries of the DIP report and the recommendations by the DIP therein. It is always open to the Committee to impose a lesser sanction than that recommended but it cannot impose a greater sanction.

2.7.13 Sanctions may range or combine a written warning, final written warning through to demotion or dismissal with or without notice.

2.7.14 In conduct cases any written warning may be issued which may remain "live" for 12/18 months on the employee's record. No reference will be made to any expired written warnings during subsequent disciplinary investigations or hearings.

2.7.15 In the circumstances of (b) the case is not proved, no further action will be taken. This decision will be confirmed to the Relevant Officer in writing within seven days of the decision being made by the Clerk or Acting Clerk of the Authority.

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- 2.7.16 In cases which prove to be more a question of capability issues, alternative options such as early retirement, secondment, training programmes or redeployment should be considered.
- 2.7.17 At the conclusion of the Hearing the Chair of the Audit Sub Committee shall advise the Relevant Officer of their decision and that the decision will be confirmed in writing. It shall be the responsibility of the Clerk or Acting Clerk to the Authority, to ensure that the Relevant Officer receives the decision of the hearing in writing as soon as possible after the conclusion of the hearing and this will normally be within 7 calendar days of the decision being made.
- 2.7.18 If any sanction is awarded, the Relevant Officer will also be advised of the appeal process. If the potential outcome of the hearing is an intention to dismiss, any dismissal must not take place or be confirmed until the Director of People and Organisational Development has been informed, opportunity to consider the relevant information and to object to the proposal a meeting has been convened for the full Authority, the relevant officer an opportunity to make representations. See below.

2.8 Appeal against Dismissal

- 2.8.1 ACAS code of practice 1 Disciplinary and Grievance Procedures requires that an employee who has been dismissed is provided with the right of appeal against the decision.
- 2.8.2 In accordance with the Local Authorities' (Standing Orders) (England) Regulations 2001 Statutory Instrument No. 3384, the following arrangement shall apply.
- 2.8.3 The Chair of the Audit Sub Committee will initially arrange to inform the Relevant Officer of the DIPs recommendation to dismiss and their decision to put the proposal to dismiss to the Fire Authority along with any necessary material e.g., the report of the Designated Independent Person for their consideration.
- 2.8.4 The Chair of the Audit Sub Committee will make arrangements to inform the Chair of the Authority and Director of People and Organisational Development of the DIPs recommendation to dismiss and their intention to put the proposal to dismiss the relevant officer to the Fire Authority.
- 2.8.5 The Audit Sub Committee Chair will inform The Clerk or Acting Clerk of the Authority of the intention to dismiss the relevant officer. The Clerk or Acting Clerk of the Authority will make the necessary arrangements to advise the Authority Chair and to convene a Special meeting of the full Authority alternatively make the arrangements to include the proposal to dismiss in the agenda of any scheduled meeting of the full Authority within the given time frame and allowing for the DIP report and accompanying information to be provided to members in accordance with statutory requirements.
- 2.8.5 The Clerk or Acting Clerk of the Authority would make the necessary arrangements to contact and advise the Relevant Officer of the date of the meeting. The Clerk or Acting Clerk of the Authority would also request

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confirmation of the Relevant Officer attendance, advise the Relevant Officer of their right to be accompanied by a Trade Union representative or a Merseyside Fire and Rescue work colleague and request that any representations or provisions for any mitigating circumstances are provided at least 7 days before the meeting is convened so allowing sufficient time for the Authority members time to consider the information prior to the meeting in line with statutory requirements.

2.8.6 All the members of the Fire Authority will be given the opportunity to consider the relevant information and raise any objections via the Chair of the Authority to the proposal that the Relevant Officer should be dismissed prior to the meeting.

2.8.7 The Relevant Officer will be able to present and make representations during the meeting.

2.8.8 No notice of dismissal in respect of the Relevant Officer shall be given until:

(i) The Director of People and Organisational Development has been notified of the name of the person who is proposed to be dismissed and of any other particulars which are relevant to the proposed dismissal.

(ii) The Clerk or Acting Clerk of the Authority has made arrangements to notify every Member of the Authority of the proposed/intended dismissal and has provided to them all the relevant information contained in the DIP report.

(iii) A date has been agreed by which the Chair of the Authority may, on behalf of the Authority Members, object to the Audit Sub Committee; about the proposed dismissal.

(iv) A date is agreed to convene a meeting when the Relevant Officer will have the opportunity to be able to make representations or present their case, to the Authority as their appeal to the intended dismissal.

(v) The Chair of the Authority has, within the timescales agreed notified the Audit Sub Committee and the Director of People and Organisational Development that neither he nor any Member of the Authority has any objection to the dismissal being made or no objection has been received by the Director of People and Organisational Development within the objection period; or

(vi) The Audit Sub Committee is satisfied that any objection which has been raised and received by the Chair of the Authority or Director of People and Organisational Development within the objection period is not material or is not well founded.

(vii) The Relevant Officer has been provided with a reasonable opportunity to make representations or be able to present his or her case at the meeting in which allows the process a form of appeal to the Fire Authority before any decision to dismiss has been taken.

2.9 Appeal against lesser sanctions

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2.9.1 The Relevant Officer must inform the Clerk or Acting Clerk of the Authority of their intention to appeal within 7 calendar days of receiving the notice of the outcome of the Hearing the sanction proposed. The notice of any appeal must be in writing and should clearly specify one or more of the grounds of appeal such as.

- There was a defect in the procedure
- Either the investigatory report or the DIP report being inaccurate or incomplete.
- The issue is not proven on the balance of probabilities
- The disciplinary sanction was too severe
- New evidence has come to light since the hearing which will have an impact on the decision

2.9.2 The appeal will be made to the Clerk or Acting Clerk to the Authority who will, in consultation with the Chair of the Authority arrange a meeting or appeal hearing the Appeals Committee to hear the appeal.

2.9.3 The Relevant Officer shall be given not less than 21 days notice of the appeal hearing with the Appeals committee.

2.9.4 The decision of the Appeals Committee will be final and there will be no further right of appeal

3.0 Note taking

3.1 Note taking throughout the process is confidential and arrangements for note taking provided by the Monitoring Officer unless he /she is the subject of the allegation

3.2 In this instance note taking at interviews may be undertaken or arranged by the Director of People and Organisational Development or their representative as appropriate

4.0 Grievances raised by a Relevant Officer during Disciplinary Proceedings

4.1 Where a Relevant Officer is in the process of a Disciplinary/Capability Investigation and raises a grievance relating to the case, the Audit Sub Committee members will decide how to deal with the grievance.

4.2 This will depend on the facts of the case, the stage of the procedure reached and nature of the grievance raised.

4.3 In some cases it may be appropriate to hear the grievance before continuing with the disciplinary investigation.

4.4 In other cases it will be appropriate to deal with the issues raised in the grievance as part of the wider disciplinary/capability investigation

5.0 References to Disciplinary Roles Specifications and Composition of Committees

5.1 Conflicts of interest:

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- 5.1.1 The procedure envisages, and it is strongly recommended that the authority take steps to establish, a standing Investigating and Disciplinary Committee. The procedure envisages the role of the Investigating and Disciplinary Committee would be that of the Audit Sub Committee.
- 5.1.2 The basic statutory rules concerning the membership of the Committees provides a structure to manage the procedure. However, because any standing committee will comprise of named councillors there may be occasions when this presents a problem of conflict of interest, for example where a member of the committee is a witness to an alleged event, or is the person who makes the original complaint or allegation. Councillors in this position should take no part in the role of the Investigation/Disciplinary Committee, although they will of course be able to give evidence, if required.
- 5.1.3 The Authority should attempt to construct its Committees, and establish quorums, by which the relevant political parties are represented, a minimal number of officers and members of a committee or organisation, usually a majority, who must be present for valid transaction of business. Establish substitution rules in order to minimise the likelihood of an individual conflict of interest delaying the procedure. Where a number of members find themselves in a prejudiced position, there may be no alternative but for the Authority to establish a new Committee to perform the function of the Investigating and Disciplinary Committee.
- 5.1.4 Decisions made by the Authority acting in quasi judicial capacity and its Committees and Sub-Committees, Members or Officers when acting in a quasi judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations of any person, will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights

The Designated Independent Person (DIP)
Terms of Reference
<p>The Designated Independent Person must be agreed between the Clerk or Acting Clerk of the Authority, the Audit Sub Committee (Investigating & Disciplinary Committee) and the Relevant Officer, If there is a failure to agree on a suitable Designated Independent Person then further considerations in consultation with the Director of People and Organisational Development will take place and an appointment made based on the skills required and any previous experience gained in a similar role or depending on the circumstances the DIP may be chosen from another Authority</p> <p>Once a Designated Independent Person has been appointed, the Clerk or Acting Clerk of the Authority in consultation with the Audit Sub Committee (Investigating & Disciplinary Committee), will be responsible for providing the necessary administration, facilities, agreeing remuneration if necessary and providing all available information regarding the allegations.</p> <p>The Designated Independent Person will fully investigate the allegation and propose recommendations which will be appropriate given the circumstances and be able to be implemented if the allegation is subsequently proven.</p> <p>The Designated Independent Person has the authority to extend any suspension longer than two months if necessary.</p>
Person Specifications
<p>A Designated Independent Person is an individual who is not compromised, has the necessary experience and skills to undertake a comprehensive investigation on behalf of the Authority. It is likely that this may be a senior officer from another Fire and Rescue Authority, or a suitable senior member of the audit team. The Authority may have a list of previously appointed DIPs which may also be consulted for appropriate nominees for the role.</p>

The Investigation and Disciplinary Committee - The Audit Sub Committee
<p>Where an allegation is made relating to a Relevant Officer, or there is some other substantial issue that requires investigation, the matter will initially be considered by the Clerk or Acting Clerk to the Authority appointed by Audit Sub Committee.</p> <p>This Committee will be a standing committee appointed by the Fire Authority consisting of a minimum of 5 members. Arrangements for Flexibility and a Quorum already being established by the Authority by which the relevant political parties are represented, are recommended in the event that a member of the standing committee has a conflict of interest and to ensure the process is not unduly delayed.</p>
Terms of Reference - for the Audit Sub Committee
<p>Authority to appoint the Clerk or Acting Clerk to the Authority to initially investigate the allegation To consider and determine if a Designated Independent Person needs to be appointed. To propose and where appropriate appoint a Designated Independent Person to formally investigate the allegation To consider the DIP investigation report and the evidence therein and make a decision based on the recommendations from the DIP In the case of objections raised by the relevant officer against the nominated DIP Chair of Audit Sub Committee will consider the objections raised and if the objections are without substance appoint the DIP or defer the authority to make the DIP appointment to the Director of People and Organisational Development</p>
Membership – minimum of 5 members
<p>Where ever possible the committee should have an established quorum which includes either the Chair of the Audit Sub Committee or at least the Vice Chair and by which by which the relevant political parties are represented, the minimal number of officers and members of a committee or organisation, usually a majority, who must be present for valid transaction of business. Establish substitution rules in order to minimise the likelihood of an individual conflict of interest delaying the procedure.</p>

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THE APPEALS COMMITTEE – Appeal against Disciplinary Sanctions
Terms of Reference
To consider and determine the Appeal of the Relevant Officer against the outcome or in respect of lesser sanctions than that of dismissal.
The Appeals Committee will have a limited role. Its purpose will be to hear appeals against action taken short of dismissal and to take a decision either to confirm the action or to award no sanction or a lesser sanction
Membership – minimum of 5 members
Authority Chair, Vice Chairs and any Party Group Leaders who were not involved in the Audit Sub Committees Disciplinary Hearing and decision making
These officers have delegated powers to make such decisions, and whom have not direct interest in the case
Where ever possible the committee should have an established quorum in place which includes either the Chair of the Audit Sub Committee or at least the Vice Chair and by which by which the relevant political parties are represented, the minimal number of officers and members of a committee or organisation, usually a majority, who must be present for valid transaction of business. Establish substitution rules in order to minimise the likelihood of an individual conflict of interest delaying the procedure.

THE AUTHORITY - Appeal against Dismissal

ACAS code of practice 1 Disciplinary and Grievance Procedures requires that an employee who has been dismissed is provided with the right of appeal against the decision.
As Standing Orders Regulation require that the whole Authority is notified of the DIP/Sub Sub Audit Committees recommendation to dismiss and its members have an opportunity to raise any objections to the dismissal before notice of dismissal is issued, there may be some concerns about the ability to offer a fair appeal if the whole of the Authority is familiar with the issues and already taken the provisional decision to dismiss.
However the process provides the Relevant officer with the opportunity to make further representations to the whole of the Authority and the Authority has the power to uphold the relevant officers appeal
The appeal will be made to the Clerk or Acting Clerk to the Authority who will, in consultation with the Chair of the Authority ensure all the Authority is notified of the decision to dismiss and the appeal process. Then make the necessary arrangements for the Authority to meet and for the relevant officer to have the opportunity to make their representations to the Authority.
The Authority should establish substitution rules in order to avoid delaying the Appeal procedure by establishing and having in place wherever possible an established quorum which includes the Authority Chair or Vice Chair and by which by which the relevant political parties are represented, the minimal number of members, usually a majority, who must be present for valid transaction of business and before a decision can be made regarding the appeal..

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Article 15 – Audit Sub-Committee

15.1 Terms of Reference

Audit Activity

1. To consider the internal audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Authority's corporate governance arrangements.
2. To consider and approve summaries of specific internal audit reports as requested.
3. To consider reports dealing with the management and performance of the providers of internal audit services.
4. To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
5. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
6. To consider specific reports as agreed with the external auditor.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted
9. To commission work from internal and external audit.
10. To approve the Treasury Management (Year End) Report.

Regulatory Framework

1. To maintain an overview of the Authority's constitution in respect of contract procedure rules, financial regulations and codes of employee conduct and behaviour.
2. To review any issue referred to by the Chief Fire Officer, Deputy Chief Fire Officer or Deputy Chief Executive or member of Authority's Strategic Management Group.
3. To monitor the effective development and operation of risk management and corporate governance in the Authority.

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4. To monitor Authority policies on Whistleblowing and the anti-fraud and anti-corruption strategy and the Authority's complaints process.
5. To consider the Authority's arrangements for corporate governance agreeing necessary actions to ensure compliance with best practice.
6. To approve the Authority's Annual Governance Statement.
7. To consider the Authority's compliance with its own and other published standards and controls.

Accounts

1. To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
2. To consider the external auditor's report to those charged with governance on issues arising from the audit of accounts.
3. Approve the audited Statement of Accounts and approve publication of the same (n.b. this can also be approved by the Policy and Resources Committee if necessary)

15.2 Members' Code of Conduct

To determine allegations made under the Member Code of Conduct Procedure and refer sanctions proposed and any complaint allegation requiring further investigation to the Authority's Appeals Committee.

15.3 Discipline Procedures for Statutory Officers

To act as Investigating and Disciplinary Committee where an allegation which could constitute misconduct or gross misconduct is made against the Chief Fire Officer, Deputy Chief Fire Officer, Monitoring Officer or Deputy Chief Executive in line with the Authority's policy for Discipline Procedures for Statutory officers. Specifically to:

1. Where an allegation is received against an officer to which the Authority's policy for Discipline Procedures for Statutory officers applies to appoint the Clerk or Acting Clerk to undertake a preliminary investigation into the allegation.
2. Following an investigation into the allegation by a Designated Independent Person (appointed in accordance with the Statutory Officers Disciplinary Procedure and to be distinguished from the Independent Person appointed under the Localism Act 2011) to consider a report of the Designated Independent Person and representations from the officer against whom the allegation is made and to make a decision with regards to whether the

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allegation is substantiated and, except in the case of a recommendation by the Designated Independent Person to dismiss the relevant officer, to impose a sanction

3. Where the recommended sanction of the Designated Independent Person is dismissal the Audit Sub Committee may recommend dismissal to the full Fire Authority. The Audit Sub Committee may make a decision to dismiss only where the matter has been considered by the full Authority and it is satisfied that there is no objection to dismissal (in accordance with the Authority's policy for Discipline Procedures for Statutory Officers) or the Sub Audit Committee is satisfied that any objection raised in accordance with the Authority's policy for Discipline Procedures for Statutory Officers is not material or is not well founded.

15.4 Membership

5 voting Members of the Authority according to political proportionality.

15.5 Quorum

2 voting Members except where the Sub Audit Committee is acting as Investigating and Disciplinary Committee when the quorum shall be 5 voting Members

