

BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY
BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE

Director of Legal & Governance, Graham Britten
Buckinghamshire Fire & Rescue Service
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Chief Fire Officer and Chief Executive
Jason Thelwell

To: The Members of the Executive Committee

7 September 2015

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY** to be held in Meeting Room 1, Fire and Rescue Headquarters, Stocklake, Aylesbury, Bucks, HP20 1BD on **WEDNESDAY 16 SEPTEMBER 2015 at 10.00 am** when the business set out overleaf will be transacted.

Yours faithfully

A handwritten signature in black ink that reads 'Graham Britten'.

Graham Britten
Director of Legal and Governance

Chairman: Councillor Busby
Councillors: Dransfield, Gomm, Lambert, Marland, Morris, Reed and Schofield



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EXECUTIVE COMMITTEE

TERMS OF REFERENCE

1. To make all decisions on behalf of the Authority, except in so far as reserved to the full Authority by law or by these Terms of Reference.
2. To assess performance of the Authority against agreed organisational targets.
3. To determine matters relating to pay and remuneration where required by collective agreements or legislation.
4. To select on behalf of the Authority–the Chief Fire Officer and Chief Executive, and deputy to the Chief Fire Officer and Chief Executive, or equivalent , taking advice from suitable advisers and to make recommendations to the Authority as to the terms of appointment or dismissal.
5. To consider and make decisions on behalf of the Authority in respect of the appointment of a statutory finance officer ; a statutory monitoring officer; and any post to be contracted to “Gold Book” terms and conditions in whole or in part taking advice from the Chief Fire Officer and suitable advisers.
6. To act as the Employers’ Side of a negotiating and consultation forum for all matters relating to the employment contracts of the Chief Fire Officer and Chief Executive, deputy to the Chief Fire Officer and Chief Executive, or equivalent; and where relevant, employees contracted to “Gold Book” terms and conditions in whole or in part.
7. To hear appeals if required to do so in accordance with the Authority’s Policies.
8. To determine any human resources issues arising from the Authority’s budget process and improvement programme.
9. To determine policies, codes or guidance:
 - (a) after considering recommendations from the Overview and Audit Committee in respect of:
 - (i) regulating working relationships between members and co-opted members of the Authority and the employees of the Authority; and
 - (ii) governing the conduct of employees of the Authority
 - (b) relating to grievance, disciplinary, conduct, capability, dismissals and appeals relating to employees contracted to “Gold Book” terms and conditions in whole or in part.
10. To form a Human Resources Sub-Committee as it deems appropriate.

AGENDA

Item No:

1. Apologies

2. Minutes

To approve, and the Chairman to sign as a correct record, the Minutes of the meeting of the Executive Committee held on 29 July 2015 **(Pages 5 - 12)**

3. Disclosure of Interests

Members to declare any disclosable pecuniary interests they may have in any matter being considered which are not entered onto the Authority's Register, and officers to disclose any interests they may have in any contract to be considered.

4. Questions

To receive questions in accordance with Standing Order S0A7.

5. Quarter One Budget Monitoring Performance and Debt Management April - June 2015

To consider Item 5 **(Pages 13 - 26)**

6. Treasury Management Performance 2015/16 Quarter 1

To consider Item 6 **(Pages 27 - 34)**

7. Trade Union Bill - Response to Consultation Under Delegated Powers

To consider Item 7 **(Pages 35 - 54)**

8. Exclusion of Press and Public

Recommendation:

To resolve that under Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, the public be excluded from the meeting for the following agenda item on the grounds that the Appendix contains information relating to an individual; and on this ground it is considered the need to keep information exempt outweighs the public interest in disclosing the information, so that the meeting may consider the following matter:

Chief Finance Officer Arrangements

9. Chief Finance Officer Arrangements

To consider Item 9 **(Pages 55 - 64)**

10. Date of Next Meeting

To note that the next meeting of the Committee will be held on Wednesday 18 November 2015 at 10.00am.

If you have any enquiries about this agenda please contact: Katie Nellist (Democratic Services Officer) – Tel: (01296) 744633 email: knellist@bucksfire.gov.uk

Minutes of the meeting of the EXECUTIVE COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 29 July 2015 at 10.00 am at The Safety Centre, Milton Keynes.

Present: Councillors Busby (Chairman) Dransfield, Gomm, Lambert (part), Marland (part), Morris, Reed and Schofield

Officers: M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), L Swift (Director of People and Organisational Development), D Sutherland (Acting Director of Finance and Assets), M Hemming (Deputy Finance Director), J Parsons (Head of Service Development), P Holland (Head of Projects and Transformation), D Melia (HR Project Manager), E Andrews (Executive Assistant to Chief Fire Officer) and K Nellist (Democratic Services Officer)

Apologies: None.

EX01 ELECTION OF CHAIRMAN

(Councillor Andy Dransfield presiding)

It was moved and seconded that Councillor Busby be elected Chairman of the Committee for 2015/16.

RESOLVED –

That Councillor Busby be elected as Chairman of the Committee for 2015/16.

EX02 APPOINTMENT OF VICE-CHAIRMAN

It was moved and seconded that Councillor Dransfield be appointed as Vice-Chairman of the Committee for 2015/16.

RESOLVED –

That Councillor Dransfield be appointed as Vice-Chairman of the Committee for 2015/16.

EX03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Executive Committee held on 18 March 2015, be approved and signed by the Chairman as a correct record.

EX04 RECOMMENDATIONS FROM COMMITTEES

Overview and Audit Committee – 15 July 2015 (a) Revised Code of Conduct

The Committee considered the Revised Code of Conduct and heard from the Director of People and Organisational

Development that it had been very well scrutinised at the Overview and Audit Committee meeting.

RESOLVED –

That the Revised Code of Conduct be approved.

EX05 BUDGET MONITORING PERFORMANCE AND DEBT MANAGEMENT APRIL 2015 – MARCH 2015 (PROVISIONAL OUTTURN)

The Committee considered an update of the provisional revenue and capital outturn position and debt management performance to 31 March 2015.

The Lead Member for Finance, IT, Property and Procurement advised Members this was a good news story with a £1.8m underspend. The outturn variance in service delivery was predominantly due to the industrial action which had inadvertently resulted in significant savings.

The Chairman advised the Committee that the Chief Fire Officer had written to all local MPs requesting a longer term financial settlement. The Chief Fire Officer had received a positive response back from DCLG.

(Cllr Lambert joined the meeting)

RESOLVED –

1. That the provisional outturn forecast for the Fire Authority as at 31 March 2015 be noted.
2. That the transfers to reserves ([a] to [c] in the Executive Summary) are approved and that the residual balance of the underspend (£122k) is transferred to the vehicle reserve once the final outturn figures have been confirmed.
3. That the slippage of £2,981k on the capital programme is approved to be carried forward into 2015/16.
4. That delegated authority be given to the Chief Finance Officer in consultation with the Lead Member for Finance to authorise any late changes to the movements in reserves and capital slippage amounts resulting from accounting adjustments needing to be made during the year-end closedown process.
5. That should any changes to the amounts referred to above be required, then the Chief Finance officer will report these to Members at the next available meeting.

EX06 PARTNERSHIP GOVERNANCE UPDATE

The Lead Member for Resource Management advised the Committee that this was a yearly update of Member and Officer

participation in external partnership arrangements and also suggested recommended additions to the Partnership Register.

The Acting Director of Finance and Assets advised Members that Appendix 3 showed a list of joint working groups where the Authority had an interest rather than partnerships.

As the groups and partnerships change regularly, the Acting Director of Finance and Assets and Members felt it was prudent to review the register yearly.

RESOLVED –

1. That Members approve the revised Partnership Register, including suggested additions, set out in Appendix 2.
2. That Members approve the separate list of joint working groups where the Authority has an interest, including suggested additions, set out in Appendix 3.

An additional recommendation having been moved and seconded it was:

RESOLVED –

3. That Members receive an Annual Report on Partnerships.

EX07

**TREASURY MANAGEMENT PERFORMANCE 2014/15
QUARTER 4**

The Committee considered the treasury management performance 2014/15 Quarter 4. The accrued interest earned for 2014/15 was £137k, which was £67k higher than the budget for the year and £11k higher than the total interest earned in 2013/14.

The Lead Member for Finance, IT, Property and Procurement asked Members to note that making investments in the Authority's own name rather than through Buckinghamshire County Council as previously, means that the Authority bears the risk of any counterparty failure. It was perceived that the current counterparty list was safe and the Authority would earn more in terms of interest.

The Acting Director of Finance and Assets asked Members to note the good performance was also due to more active management by the Deputy Finance Director and his team which had helped to secure these good results.

RESOLVED –

That the Treasury Management Performance 2014/15– Quarter 4 report be noted.

EX08**PROPERTY STRATEGY 2015-18**

The Chairman requested that in future this strategy would come under the Lead Member for Resource Management, as part of the Resources portfolio.

The Lead Member for Resource Management advised Members that the report looked at different ways the Authority's assets were managed. With increasing financial pressures being faced by all public bodies over the next few years, it was more important than ever to ensure the investment in property and facilities was targeted and coherently planned.

The Acting Director of Finance and Assets explained to Members that the aim of the Property Strategy was to set a clear framework for the management of property assets within the Authority and more detailed individual reports would be brought to Members attention in the future.

The strategy supports the development of a longer term vision on how property can help deliver the Authority's aims and outcomes while working within a value for money framework in order to achieve efficiency savings.

RESOLVED –

That the Property Strategy 2015-18 as drafted be agreed.

EX09**PROPERTY SHARING AND CO-LOCATION OF POLICE AND FIRE AND RESCUE SERVICES IN THE THAMES VALLEY**

The Lead Member for Resource Management introduced this report and advised Members that the purpose of the report was to apprise Members of the principles of property sharing and co-location which had been agreed by the Chief Officers and obtain approval for the Chairman to sign the Memorandum of Understanding in commitment to those principles.

The Lead Member for Resources also felt this was an area that could be of financial benefit to the Authority and also good for community partnerships by opening up fire stations to be used in different ways.

The Deputy Chief Fire Officer advised Members that this also linked in with the Property Strategy and that the Authority was looking at all joint co-location opportunities including ones with community groups and charities. The Authority already had a joint location at Broughton Fire Station where the community police team were located. There were sometimes challenges working with Thames Valley Police purely due to the size of the organisation.

The Acting Director of Finance and Assets advised Members that over the past 18 months he had regular contact with the property management team from Thames Valley Police looking at joint opportunities where the Authority can co-locate. The Chairman advised Members that the Chief Fire Officer had recently met with his counterparts from the Royal Berkshire Fire Authority and Oxfordshire County Council as well as the new Chief Constable of Thames Valley Police. Mr Francis Habgood.

The Head of Projects and Transformation updated Members on recent conversations with South Central Ambulance Service (SCAS) and Milton Keynes Hospital regarding the Milton Keynes Review and the possibility of funding from Milton Keynes Hospital for SCAS to join the new site.

RESOLVED –

That the principles within the property sharing and co-location of Police and Fire and Rescue Services in the Thames Valley MoU be approved for signature by the Chairman.

EX10

ANNUAL PUBLIC SAFETY PLAN & CORPORATE PLAN 2012-15 PERFORMANCE MONITORING REPORT

The Lead Member for Community Protection advised Members that this was another good news story. The report addressed the Authority's key strategic aims and focused on Prevention, Protection and Response.

The Chairman advised Members that there was a great deal of information in this very comprehensive report, and a lot of the background information had been discussed at the recent Members' Workshop. Those Members who had attended the workshop had already had the opportunity to examine this information in detail.

RESOLVED –

That the performance against the objectives and targets set out in the Corporate Plan 2012-15 be noted.

EX11

SYSTEMS INTEGRATION BUSINESS CASE

The Lead Member for Finance, IT, Property and Procurement introduced the report and advised Members that the report wasn't about integrating various systems into one monolithic system, but about finding systems that were more appropriate to the fire service, that work well and were compatible and would allow the Authority to operate more efficiently in the future.

It would also give the Authority the chance to move away from the current finance system and find a much simpler financial system more suited to its size.

The Head of Service Development advised Members that as the Authority looked to reduce its workforce as part of the public safety plan one aspect of the integration was that it enabled this to be done. It would be very empowering for the future and would open up new avenues for potential collaboration with other fire and rescue services and the opportunity to share costs.

The Director of People and Organisational Development asked Members to note that whilst this was a systems project it would touch on every single department and every person within the organisation and would give the Authority a fantastic opportunity to change the way it worked and to get people thinking differently.

The Chairman asked officers to ensure that everyone within the organisation was kept up to date with progress.

RESOLVED –

1. that the final solution should include two enterprise level systems, Enterprise Resource Planning (ERP) and finance, as currently there is no singular ERP solution available that would meet all the unique requirements of the fire service and cover all functions of the organisation.
2. that the solution should be implemented in four phases over two years to maximise benefits early on and to reduce overall risk to the service.
3. that resources should be dedicated to the project and their day-to-day work reassigned in order to meet the two year target.

EX12 APPRENTICESHIP SCHEME

The Lead Member for Human Resources and Equality and Diversity advised Members that there were two main strands contained within this report. The first strand was asking Members to adopt an apprenticeship scheme for various support services and service delivery roles including that of firefighter, the second was the creation of an apprenticeship sponsorship scheme to support the service with its on call duty system.

The apprentices would be employed by an apprentice training agency partner rather than the Authority which was important to bear in mind from a risk management perspective.

Anyone on the Authority's apprenticeship scheme would have achieved a qualification at the end of it, which would improve their opportunities for future employment, either with or outside the Authority.

The Director of People and Organisation Development advised Members that the apprenticeship scheme linked back to the Authority's medium term workforce plan. The Authority had an ageing workforce and would need to replenish those skills and would also need new skills if it was going to diversify.

The HR Project Manager advised Members that the Authority had a high retirement profile in the operational workforce over the next five years. The Authority can predict those that are due to retire and go into their normal pension arrangements, but what is more difficult to predict is staff leaving the service prior to their predicted retirement dates and the apprenticeship scheme would help mitigate this.

(Councillor Marland joined the meeting)

The Committee was informed that the Enterprise Minister had made a statement on 14 June 2015 to reinforce the government's ambition to create 3 million apprenticeships by 2020. As part of this, all public authorities would be set targets for recruiting apprentices within their workforces. These targets would be set in the autumn and the Authority would not know its targets until then.

The Committee was informed that it was envisaged that the Authority would be taking on 10 fire apprentices a year for the next 3 financial years and a number of support service apprentices and it was hoped that the Authority should be able to address the targets once known; and that the procurement team was already looking at various training providers around the country as part of the procurement process. Proximity to the Authority area was something that would be taken into account. It was planned to hold a supplier day in September for all short listed training providers and the preferred provider would be chosen then.

It was explained that an apprenticeship does not automatically guarantee employment with the Authority. If at the end of the apprenticeship an individual was offered a contract, it would not be a traditional contract, but one that had been drawn up over the period of the apprenticeship scheme; and that another option for the Authority was that if someone was good and an attractive prospect long term (but there was not a place on the establishment for them at that time) they could be offered up for secondment for a number of years to another fire and rescue service. At that point they would be employed by the Authority but they would go and work for the other fire and rescue service and then bring back their valuable experience to the Authority when needed.

With regard to collaboration, Members were told that Royal Berkshire Fire and Rescue Service had expressed interest in this scheme, but they need to recruit firefighters much quicker than

this process would allow and were recruiting wholetime firefighters in the next few weeks.

A Member asked if the Authority was using an Apprentice Training Agency would the Authority get the credit from the government for the apprentices, or would the training agency. Officers undertook to seek clarity on that point. The Director of People and Organisational Development and the HR Project Manager would look at a range of different contracts (beyond the grey book terms and conditions) for the new apprentices.

RESOLVED –

1. That an organisational wide apprenticeship scheme which forms part of the resourcing process linking to the workforce plan is approved.
2. That the pursuit of partnership arrangements with external training providers is approved.
3. That the Authority creates and promotes an Apprentice Sponsorship Scheme to support the on-call duty system, local businesses and young people in the community who are not in education, employment or training (NEETS).

EX13

DATE OF NEXT MEETING

The Committee noted that the date of the next Executive Committee would be held on Wednesday 16 September 2015 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.05AM.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	16 September 2015
OFFICER	David Sutherland, Acting Director of Finance & Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Quarter One Budget Monitoring Performance and Debt Management April–June 2015
EXECUTIVE SUMMARY	<p>To present the revenue and capital budget monitoring and debt management performance report for the three months to 30 June 2015.</p> <p>The report at Appendix A sets out the Authority's revenue and capital spending position as at 30 June 2015, together with the projected outturn position for the financial year.</p> <p>Managers have positively and proactively controlled spend and forecast an under-spend of £1.922m, against a revenue budget of £28.7m.</p> <p>Excluding the Statutory Accounting & Contingency items totaling £1.506m, the overall forecast underspend on operational budgets reduces down to £416k.</p> <p>Appendix B details the virements that require approval.</p>
ACTION	Decision/Information.
RECOMMENDATIONS	<p>That Members approve the recommendations below:</p> <ol style="list-style-type: none"> 1. That the budget virements as detailed in Appendix B are authorised. 2. That the Committee note the latest projected outturn forecast for the Authority as at 30 June 2015.
RISK MANAGEMENT	Management of our financial resources is a key risk to the Authority and the performance reports to Committee inform Members of the main financial risks facing the Authority in year.
FINANCIAL IMPLICATIONS	As set out in the main body of the report.

LEGAL IMPLICATIONS	None.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	None.
HEALTH AND SAFETY	None.
EQUALITY AND DIVERSITY	None.
USE OF RESOURCES	The paper sets out how work has been progressing for achieving greater financial ownership and accountability for resources attached to the delivery of specific aims and objectives of the Authority.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Background</p> <p>Medium Term Financial Plan 2015/16 to 2018/19, CFA Meeting 18 February 2015.</p> <p>http://bucksfire.gov.uk/files/1714/2347/1301/ITEM_8_c_Medium_Term_Financial_Plan_MTFP_2015-16_to_2019-20_ExecAddendum.pdf</p>
APPENDICES	<p>Appendix A – Budget Monitoring Performance and Debt Management April–June 2015.</p> <p>Appendix B – Virements requiring approval.</p>
TIME REQUIRED	10 Minutes.
REPORT ORIGINATOR AND CONTACT	<p>Jayshree Takodara</p> <p>jtakodara@bucksfire.gov.uk</p> <p>01296 744429</p>

Appendix A

1. Revenue Forecasts by Service Area

Table 1 The table below shows the budget and actual expenditure for each directorate as at the end of June 2015. The budget of £28.7m is compared to the forecast outturn to give a forecast year end underspend of £1.922m. If you take out the Statutory Accounting & Contingency items totaling £1.506m, we are forecasting a £416k overall underspend.

Directorate	Area Manager	Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance
Corporate Core	Corporate Core	871,280	327,017	897,717	26,437
	Legal & Governance	107,320	15,954	84,190	-23,130
Corporate Core Total		978,600	342,971	981,907	3,307
Finance & Assets	Finance & Procurement	965,910	474,451	953,862	-12,048
	Resource Management	2,278,820	485,074	2,049,070	-229,750
Finance & Assets Total		3,244,730	959,525	3,002,932	-241,798
People & Organisation Development	Training & Development	1,371,870	211,779	1,257,648	-114,222
	Operations & Services	654,030	195,571	714,477	60,447
People & Organisation Development Total		2,025,900	407,350	1,972,125	-53,775
Delivery, Corporate Development & Planning	Service Delivery	14,274,170	3,178,959	13,486,800	-787,370
	Service Development	2,090,940	986,092	2,730,392	639,452
	Service Transformation	217,730	65,117	210,910	-6,820
	IT and Communication	1,343,890	420,137	1,449,585	105,695
Delivery, Corporate Development & Planning Total		17,926,730	4,650,305	17,877,686	-49,044
Statutory Accounting & Contingency	Capital Charges	678,000	76,992	690,796	12,796
	Direct Revenue Financing	2,153,000		2,153,000	0
	Contingency	1,520,920	2,495	0	-1,520,920
	Non Distributed Costs	212,410	50,149	214,409	1,999
Statutory Accounting & Contingency Total		4,564,330	129,636	3,058,205	-1,506,125
Total Expenditure		28,740,290	6,489,787	26,892,856	-1,847,434
Total Funding		-28,740,290	-6,300,267	-28,815,325	-75,035
Net Position		0	189,520	-1,922,469	-1,922,469

The key variations in directorate budgets projected year-end outturn shown in Table 1 above are:

Finance & Assets £242k under – The variance is predominantly due to the Resource Manager and a Workshop Technician vacant posts. Fuel and lease cost underspends contribute to this and are reduced by additional cleaning contract costs.

People & Organisation Development £54k under – The variance is associated with staffing costs. Some personnel are on a lower than budgeted scale and some posts will be part year vacant. In year virements between the training and operational service areas address the variance against the original budget shown in the table above.

Delivery, Corporate Development & Planning £49k under –

Service Delivery: The service delivery underspend is due to below budgeted levels of participation in the pension schemes and on - call posts vacancies.

Service Development: The budget virement for the Resource Management Team staffing (see Appendix B), reduces the pressure shown from £639k to £291k. This is attributable to the Response support service, where a bank system is being piloted; the Control room, where the late cutover and minor teething issues are anticipated to take expenditure over budget and the Service Development management interim arrangements. Managers are working to address the pressure.

Statutory Accounting & Contingency £1,506k under - The contingency fund makes provision for any pay award and pay protection arrangements as well as exceptional items for which no budget has been approved during the budget setting process. The current level of funding is being reviewed as part of the Medium Term Financial Plan for 2016/17. There has been a drawdown of £92k for the first quarter (see Appendix B), to cover immunisations; support staff increment of 1% backdated to July 2014; intranet upgrade; salary impact of post grade reviews and organisation formal ceremonies.

2. Direct Employee Costs

Table 2 shows the budget and forecast out-turn for each sub-heading within the direct employees subjective as at the end of June 2015.

Staffing	Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance
Members of the Brigade	12,654,860	3,133,219	12,376,447	-278,413
Retained Duty System	1,620,620	231,726	1,295,488	-325,132
Administrative Staff	3,386,660	809,513	3,416,428	29,768
Control Room Staff	0	163,849	252,302	252,302
Casual Employees	63,450	8,938	133,225	69,775
Cleaners	36,300	-114	0	-36,300
Technicians	266,390	61,274	248,473	-17,917
Members Allowances	72,080	16,057	72,780	700
Allowances	737,720	187,911	744,385	6,665
Agency Staff	142,930	52,214	198,275	55,345
Grand Total	18,981,010	4,664,588	18,737,802	-243,208

Members of the Brigade – This relates to below budgeted levels of participation in pension schemes and overtime variance less the projected costs of the Bank system pilot of £75k.

Retained Duty System – on-call firefighter employment is currently significantly under budgeted establishment levels.

Administrative Staff – The overspend is predominantly overtime expenditure projected for the ICT, Resource Management Team and Health and Safety teams.

Casual Employees – casual staff are being used in operational training, co-responder and fire prevention safety teams, leading to the overspend in this area. The overspend is more than covered by the underspend in Members of the Brigade in these areas.

Technicians – the underspend relates to part year vacant posts projected within vehicle workshops.

Agency Staff – agency staff are to be used to cover interim vacancies in the Finance team as well as supporting property projects.

3. Major Risk Areas

The monitoring process will focus more attention on areas identified by management as high risk. An initial assessment of the main financial risks faced has been undertaken by Finance against the following categories:

- High value budgets
- Historically volatile budgets
- Demand led income and expenditure budgets

		Total Budget	Actual Year to Date	Forecast Outturn	Projected Year End Variance
A.	Employee Direct Costs	18,981,010	4,664,588	18,737,802	-243,208
B.	Knowledge & Information Services	1,261,830	377,354	1,270,289	8,459
C.	Fuel Charges	294,500	65,303	265,000	-29,500
D.	Energy/Utilities	267,920	32,888	269,322	1,402
E.	Employment Agencies/Consultants	142,930	52,214	198,275	55,345

The variances for A. and E. are as noted in Section 2 above.

4. Funding

The table below details the budget and forecast outturn for each category of funding.

	Govt Funding £000	Business Rates £000	Council Tax Freeze Grant £000	Specific Grants £000	Council Tax Receipts (incl. 14/15 surplus) £000	Total Funding £000
Budget 2015/16	-5,170	-5,158	-182	-1,099	-17,131	-28,740
Budget Year to Date	-2,350	-1,250	-55	-335	-3,845	-7,835
Actual to Date	-2,037	-782	-37	-335	-3,110	-6,300
Variance Year to Date	313	468	18	-0	736	1,535
Forecast Outturn	-5,170	-5,158	-182	-1,174	-17,131	-28,815
Projected Year End Variance	0	0	0	-75	0	-75

The variance to date is a timing difference from processing. The payments have been received and funding is on track against the budget.

The final determination of the specific grants is £75k higher than budgeted for, which represents the payment of amounts due from previous years.

5. Savings and efficiencies

Of the £1,096k savings offered up in the 2015/16 Medium Term Financial Plan £896k is from Operations, £170k from Finance & Assets and £30k from Corporate Core.

Directorate	Target Saving £000	Forecast Actual Saving £000	Under/ (Over) Recovery £000
Delivery, Corporate Development and Planning	896	896	0
Corporate Core	30	30	0
Finance & Assets	170	170	0
Total Savings	1,096	1,096	0

Delivery, Corporate Development and Planning – The team restructures have been completed and associated savings achieved. The workforce remodelling savings are associated with the retirement profile. The budgeted reduction in staffing levels is projected to be achieved. However, the Milton Keynes review project is not expected to be completed in year, therefore staffing allocation across the organisation will be managed to deliver the operational activities.

Corporate Core – This represents interest to be earned and has been achieved through effective treasury management.

Finance and Assets – The Resources team restructure saving of 100k is on target. The Finance team restructure is in progress and the interim structure is on target to deliver the budgeted savings of £70k.

6. Capital Forecasts

The capital programme for 2015/16 is £6.128m, which together with a number of carry-forward schemes and in year approvals totals £9.109m.

Project Name	Original Budget 2015-16	Agreed 14-15 Carry Forwards Executive	Revised Budget 2015-16	Actual Year to Date	Commitments 2015/16	Forecast Outturn	Year End Variance
Property	5,048,000	204,496	5,252,496	65,798	6,574	5,205,666	-46,830
Property Review	0	940,000	940,000	0	0	940,000	0
Sub Total	5,048,000	1,144,496	6,192,496	65,798	6,574	6,145,666	-46,830
BA Set Telemetry	122,000	174,000	296,000	0	296,000	307,000	11,000
Environmental Protection Unit	0	48,000	48,000	0	44,250	44,250	-3,750
Operational Equipment	85,000	34,200	119,200	0	0	119,200	0
CCTV Cameras	50,000	0	50,000	0	0	50,000	0
Water Tankers	80,000		80,000	0	0	80,000	0
Operational Vehicles	396,000	455,000	851,000	87,472	78,472	929,642	78,642
Sub Total	733,000	711,200	1,444,200	87,472	418,722	1,530,092	85,892
ICT	346,780	272,560	619,340	73,102	90,783	608,340	-11,000
Support Vehicles	0	52,900	52,900	52,308	0	52,308	-592
Sub Total	346,780	325,460	672,240	125,410	90,783	660,648	-11,592
Control Room	0	800,000	800,000	800,000	0	800,000	0
Sub Total	0	800,000	800,000	800,000	0	800,000	0
Total	6,127,780	2,981,156	9,108,936	1,078,680	516,079	9,136,406	27,470

Capital Funding

The capital program will be funded as follows:

Funding Source	£
Capital Grant 2015/16	2,840,000
Control Room Grant	800,000
In Year Contributions	400,000
Capital Receipts	93,000
Unapplied/Unused Capital Grants and Contributions	110,000
Transfer from RCCO Reserve	4,893,406
Total Funding	9,136,406

Property Portfolio

Property team have been allocated £5,048m for 2015/16, of which £600k relates to priority 2 repairs as identified on the condition survey carried out. The remaining budget relates to various property reviews being carried out within the organisation and is partly funded by the Transformation fund, Capital Grant of £2,840k. Costs to date relate to Princes Risborough phase one which was an internal refurbishment. The projected underspend is based on quotations for works due to commence in Q2 for completion in Q3.

Fire Appliances & Equipment

Operational vehicles budget of £851k relates to the purchase of a number of appliances, one of which is the ICU, which was delivered in June. The remaining four appliances are currently in the tender process stage and a decision on purchase will be made in Q2. Initial costings show expenditure may exceed the budget but further negotiations are likely to take place before a decision on purchase is made. The delivery of the EPU chassis has been delayed and it is anticipated that it will be delivered in Q2. The remaining budget of £50k and £80k relate to the CCTV cameras and water carriers. The tender process is yet to begin and likely to take place in Q2 with purchases to take place later in the year.

Support

The budget for support vehicles relates to two hydrant vehicles and one fleet vehicle. The vehicles were delivered to the authority in Q1 and no further expenditure due against this budget.

Control Room

The funds of £800k for the control room have been transferred to the TVFCS, post cutover in April.

7. Reserves

The table below shows the projected movement in reserves during the year.

	Balance at start of year £000	Projected Additions £000	Projected Use of £000	Projected year-end balance £000
General Fund	-3,700	-1,922		-5,622
Earmarked Reserves (Revenue)	-7,155		1,641	-5,514
Earmarked Reserves (Capital)	-5,031	-5,398	9,112	-1,317

8. Performance Indicators

The table below shows the performance targets and actuals (rolling averages) for the year to date.

Description	2014/15 Actual	2015/16 Target	2015/16 Actual (rolling average)
Budget Monitoring Training	100.0%	100.0%	100.0%
Managers accessing SAP Cost Centre Report	74.3%	100.0%	100.0%
% invoices paid within 30 days	99.9%	97.7%	100.0%
Budget Mon. Report turn-around (working days)	7 days	8 days	7 days

Budget monitoring training is provided to managers assuming responsibility for budget management and control. A risk based approach is applied to budget monitoring with resources allocated to high risk areas. This supports a proactive challenge role for Finance and budget holder engagement. Compliance in the first quarter has been at 100%.

Invoices paid within 30 days has maintained a rolling average of 100% for the first quarter.

9. Debt Management

The table below shows the key debtor performance figures for the first three quarters of the year:

DEBTOR KEY PERFORMANCE INDICATORS 2015/16	Q1
Debts over 60 days overdue	£89,923
Total Debt outstanding	£147,860
Debts over 60 days overdue as a % of total debt outstanding	64.3%
Debts over 60 days overdue as a % of total income to date	4.2%
Average time from raising invoices to receipt of income	21

The above figures show the quarterly average, which for quarter 1 is £89,923. The actual value of debts over 60 days overdue as at the end of June 2015 was £92,106. Total debt outstanding as at the end of June 2015 was £130,487.

Almost all of the debts over 60 days overdue at the end of the quarter relate to two main areas:

- Income due for equipment provided to third parties during industrial action
- Lease car mileage rebates due

The dispute regarding recovery of income relating to equipment loaned out during industrial action is still ongoing. As for lease car mileage rebates, the Authority has received credit notes covering 90% of the rebate due. The credit notes do not match the invoice raised, which means this is currently in dispute between the Authority and customer.

Table 1 below shows the movement on revenue budget. There is a net increase in the expenditure budget of £15k as at 30 June, which is funded by the increase in fire specific grant and covers the cost of participation in the Global Corporate Challenge.

Table 1 Movement in revenue budget

Directorate	Area Manager	Total Original Budget	Virement	Total Budget at Qtr1
Corporate Core	Corporate Core	871,280	31,170	902,450
	Legal & Governance	107,320	-23,130	84,190
Corporate Core Total		978,600	8,040	986,640
Finance & Assets	Finance & Procurement	965,910	9,350	975,260
	Resource Management	2,278,820	-147,450	2,131,370
Finance & Assets Total		3,244,730	-138,100	3,106,630
People & Organisation Development	Training & Development	1,371,870	-48,451	1,323,419
	Operations & Services	654,030	58,036	712,066
People & Organisation Development Total		2,025,900	9,585	2,035,485
Delivery, Corporate Development & Planning	Service Delivery	14,274,170	-121,210	14,152,960
	Service Development	2,090,940	307,510	2,398,450
	Service Transformation	217,730	3,240	220,970
	IT and Communication	1,343,890	37,780	1,381,670
Delivery, Corporate Development & Planning Total		17,926,730	227,320	18,154,050
Statutory Accounting & Contingency	Capital Charges	678,000	0	678,000
	Direct Revenue Financing	2,153,000	0	2,153,000
	Contingency	1,520,920	-92,270	1,428,650
	Non Distributed Costs	212,410	0	212,410
Statutory Accounting & Contingency Total		4,564,330	-92,270	4,472,060
Total Expenditure		28,740,290	14,575	28,754,865
Total Funding		-28,740,290	-14,575	-28,754,865

Within the budget adjustments completed, the following require authorisation.

Permanent revenue virements requiring authorisation:

Virement	Cost Centre	Subjective	DR/CR	£	£	SMB	Executive
1	Operational Training	Fire Service College	DR	96,000		Y	Y
	Operational Training	Fire House Training	CR		82,750		
	Operational Training	Water Awareness Training	CR		13,250		
	<i>To consolidate Training Budgets in 2015/16</i>						
2	Resource Management Team	Direct Employees	DR	330,220		Y	Y
	Response Support	Direct Employees	CR		57,200		
	Service Development Management	Direct Employees	CR		136,740		
	Public Safety - Savings	Direct Employees	DR	18,570			
	Beaconsfield Fire Station	Direct Employees	CR		154,850		
	<i>To create budgets for the RMT initiative from 2015/16 onwards</i>						

1. This is to realign the operational training budgets to reflect the training partnership proposal agreed by the Executive Committee on 18 March 2015.
2. This is a realignment of established posts to facilitate the implementation of the Resources Management Team



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	16 September 2015
OFFICER	David Sutherland, Acting Director of Finance & Assets
LEAD MEMBER	Councillor Andy Dransfield
SUBJECT OF THE REPORT	Treasury Management Performance 2015/16 - Quarter 1
EXECUTIVE SUMMARY	<p>This report is being presented as Members resolved at the meeting of Buckinghamshire and Milton Keynes Fire Authority on 13 February 2013 that a quarterly Treasury Management report would be submitted to the Executive Committee and it is best practice to review on a regular basis how Treasury Management activity is performing.</p> <p>The accrued interest earned for the first quarter of 2015/16 is £38k, which is £13k higher than the budget for the quarter.</p>
ACTION	Information.
RECOMMENDATIONS	That the Treasury Management Performance 2015/16 – Quarter 1 report be noted.
RISK MANAGEMENT	<p>Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk is managed in accordance with the strategy and with advice from external treasury management advisors.</p> <p>The Director of Finance and Assets, will act in accordance with the Authority's policy statement; Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.</p> <p>There are no direct staffing implications.</p>
FINANCIAL IMPLICATIONS	The budget for 2015/16 relating to interest earned on balances invested is £100k (increased from £70k in 2014/15). Performance against the budget is included within Appendix A.
LEGAL IMPLICATIONS	The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Communities and Local Government Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI

	3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	No direct impact.
HEALTH AND SAFETY	No direct impact.
EQUALITY AND DIVERSITY	No direct impact.
USE OF RESOURCES	See Financial Implications.
PROVENANCE SECTION & BACKGROUND PAPERS	<p>Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy</p> <p>http://bucksfire.gov.uk/files/2514/2719/3915/Treasury_Management_Strategy_2015-16.pdf</p> <p>Treasury Management Practices</p> <p>http://www.bucksfire.gov.uk/NR/rdonlyres/FDA454EA-1735-4569-BE96-C1E3D0079A75/0/ITEM6TreasuryManagementPracticeSandASep13andAnnexA.pdf</p>
APPENDICES	Appendix A – Treasury Management Performance 2015/16 – Quarter 1
TIME REQUIRED	5 minutes.
REPORT ORIGINATOR AND CONTACT	<p>Linda Blunt</p> <p>lblunt@bucksfire.gov.uk</p> <p>(01296) 744404</p>

Appendix A – Treasury Management Performance 2015/16 – Quarter 1

Background

Up until 31 March 2013, the Authority's cash balances were managed by Buckinghamshire County Council (BCC) under a Service Level Agreement (SLA). From 2013/14 the Authority began investing in its own name. This report highlights the performance of the in-house treasury management function for its third year 2015/16.

Security of Investments

The primary investment priority as set out in the Treasury Management Policy Statement is the security of capital. The Authority applies the creditworthiness service provided by Capita (formerly known as Sector). This determines whether or not a counterparty is suitable to invest with and if so, the maximum duration an investment could be placed with them. In the Annual Investment Strategy (AIS), the Authority resolved that the balances invested with any single counterparty at any point in time would be 30% of the total investment portfolio to a maximum of £5m (with the exception of Lloyds Bank, who as our banking provider have a limit of £7.5m, of which at least £2.5m must be instant access). The amount invested with each counterparty on the approved lending list as at 30 June 2015 is detailed below:

Counterparty	Amount (£000)
Lloyds Bank plc	5,000
Santander	5,000
Nationwide Building Society	5,000
Barclays Bank	3,000
Coventry Building Society	1,000
Yorkshire Building Society	1,000
Lloyds Bank plc (current accounts)	473
Ignis Sterling MMF*	1,000
Total	21,473

*MMF denotes a Money Market Fund

No counterparty limits were breached during Quarter 1.

The above investments include an amount of £1m invested in a money market fund (MMF). A MMF employs credit analysts who first assess who is a suitable counterparty and then continue to monitor those counterparties over time. By investing with a range of counterparties, risk is able to be diversified to a greater extent than investing directly in single counterparties.

In its AIS the Authority also resolved that all credit ratings will be monitored weekly, by means of the Capita creditworthiness service. During Quarter 1 Capita downgraded one counterparty, Clydesdale Bank, with whom the Authority had no funds deposited.

Also in Quarter 1, Capita upgraded four counterparties, these being Leeds Building Society, Citibank International, Goldman Sachs International and Morgan Stanley & Co International plc. Therefore in line with the AIS, the Authority's lending list has been updated to reflect these changes as detailed in the table below:

<u>Country</u>	<u>Counterparty</u>	<u>Maximum Duration as at 31/03/2015</u>	<u>Maximum Duration as at 30/06/2015</u>
UK	Citibank International PLC	Green - 100 days	Red - 6 mths
UK	Clydesdale Bank	Green - 100 days	No Colour
UK	Goldman Sachs International	Green - 100 days	Red - 6 mths
UK	Morgan Stanley & Co International plc	Green - 100 days	Red - 6 mths
UK	Leeds Building Society	Green - 100 days	Red - 6 mths

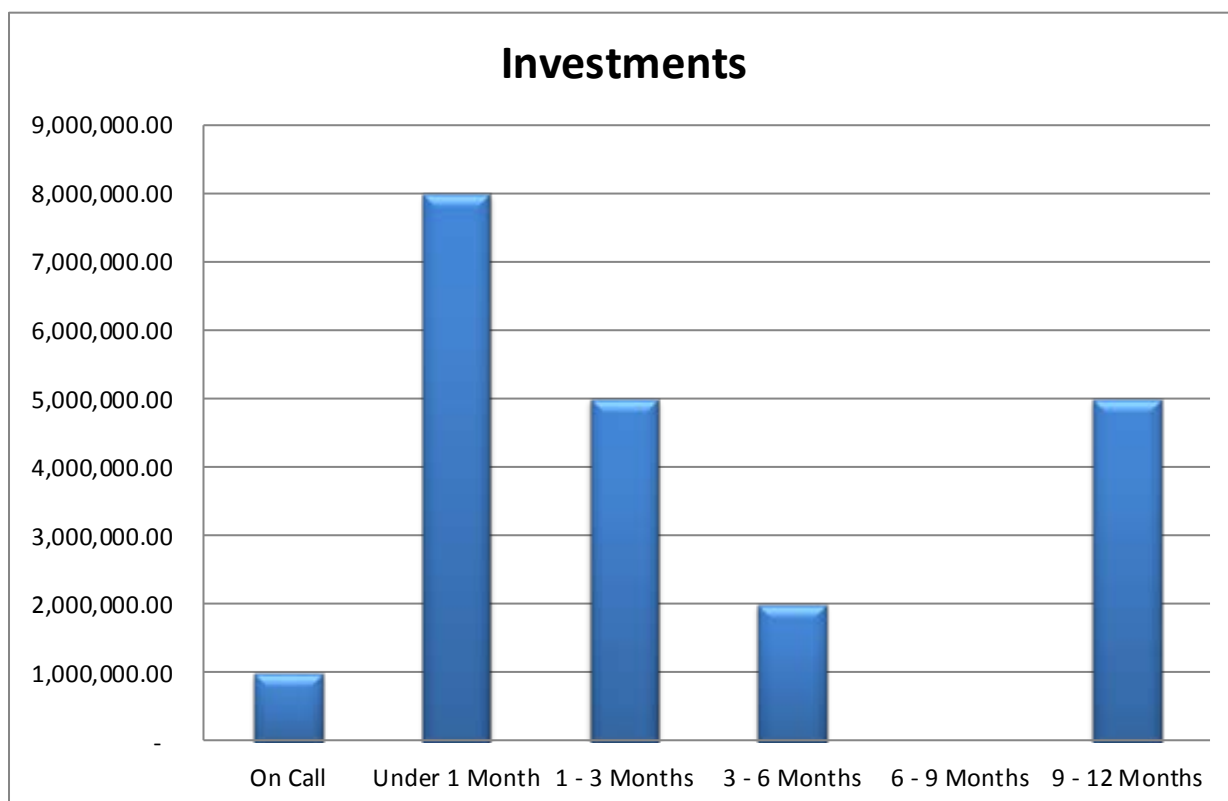
Key:

Orange - 12 mths	Approved for investments up to 12 months in duration
Red - 6 mths	Approved for investments up to 6 months in duration
Green - 100 days	Approved for investments up to 100 days in duration
No Colour	Counterparty no approved for investments of any duration

Liquidity

Investments

The second objective set out within the Treasury Management Policy Statement is the liquidity of investments (i.e. keeping the money readily available for expenditure when needed). Investments have been placed at a range of maturities, including having money on-call in order to maintain adequate liquidity. The current investment allocation by remaining duration can be seen on the chart below:



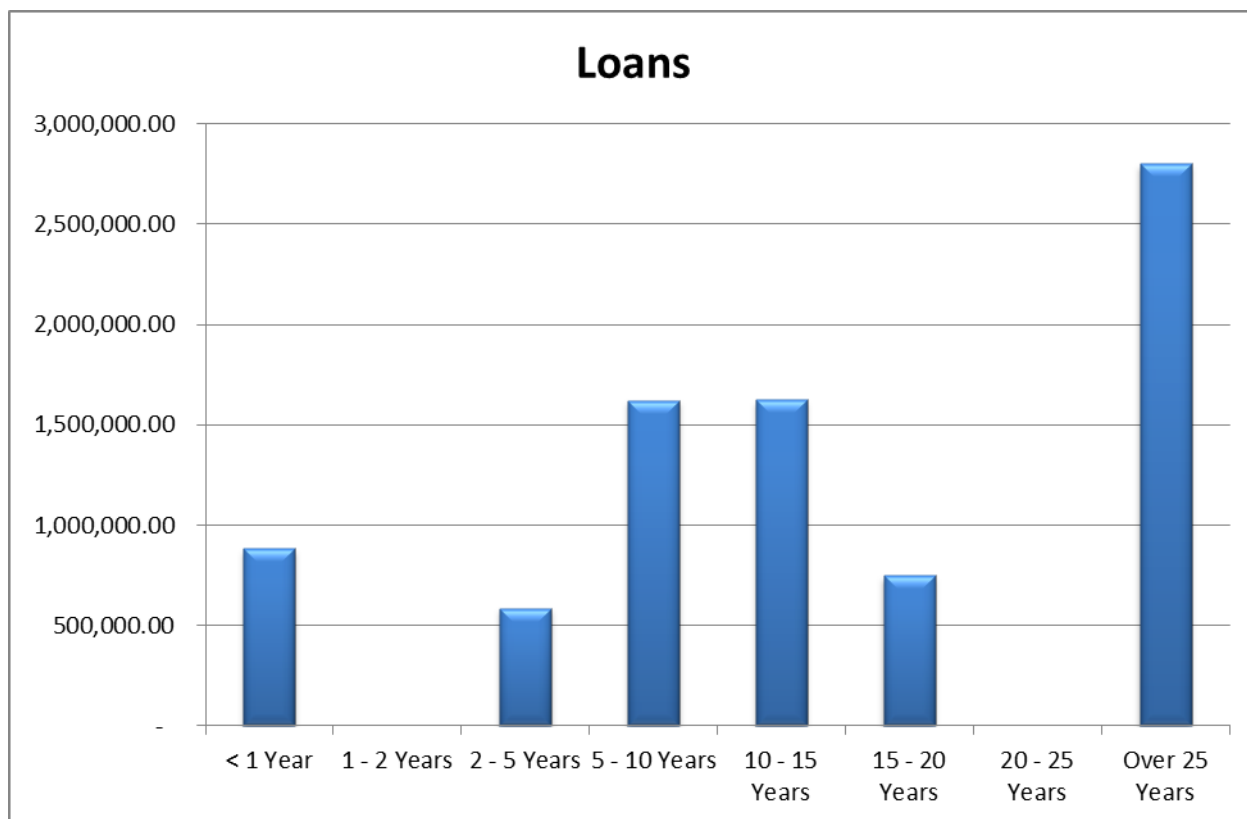
By reviewing the Balance Sheet position, level of reserves and cash requirements, the Authority determined that it was able to re-invest £5m for one year (which matures on 4 April 2016). In order to cover expenditure such as salaries, pensions, creditor payments, and potential liabilities for which we have made provisions within the Statement of Accounts, a greater proportion of the balances are invested as short fixed-term deposits. Any unforeseen circumstances and potential major incidents that could occur are covered by holding a smaller proportion of the investment balances on call (i.e. it is available for use on the day it is required).

The investments under one month duration consist of two investments, one of £5m to Santander and the other of £3m to Nationwide, which were both originally made for 6 months. The investment of £5m that is 3-6 months in duration was originally made for six months. These all mature in July 2015 when they will be reinvested for a further 3-9 months in order to maintain liquidity.

Balances on call include the investments in the MMF. A MMF helps improve the liquidity of the Authority's balances. By investing collectively, the Authority benefits from liquidity contributed by others and from the knowledge they are all unlikely to need to call on that money at the same time.

Borrowing

As part of managing the liquidity of investments, it is important to have regard to the maturity structure of outstanding borrowing. This can be seen in the following chart:



The total borrowing outstanding as at 30 June 2015 is £8.265m. The earliest date for repayment of borrowing is March 2016, when £0.515m is due to be repaid. A further £0.368m is also due to be repaid in May 2016. These repayments do not directly affect the revenue budget, as they simply reflect the use of cash (accumulated by setting aside the appropriate minimum revenue provision (MRP) year on year) to settle the outstanding liability.

The MRP does have a direct impact on the revenue account and therefore the General Fund. If the Authority repays borrowing and does not take out additional borrowing, the annual MRP charge will gradually reduce over time.

Investment Yield

Having determined proper levels of security and liquidity, it is reasonable to consider the level of yield that could be obtained that is consistent with those priorities.

Performance Against Budget – Quarter 1

The budget for future years was reviewed as part of the Medium Term Financial Plan process and the income target was increased to £100k. This increase is due to the continuing over-achievement against the previous year's budget.

The accrued interest earned as at 30 June 2015 is £38k, which is an over achievement of £13k for the first quarter.

Performance Against the Benchmark – Quarter 1

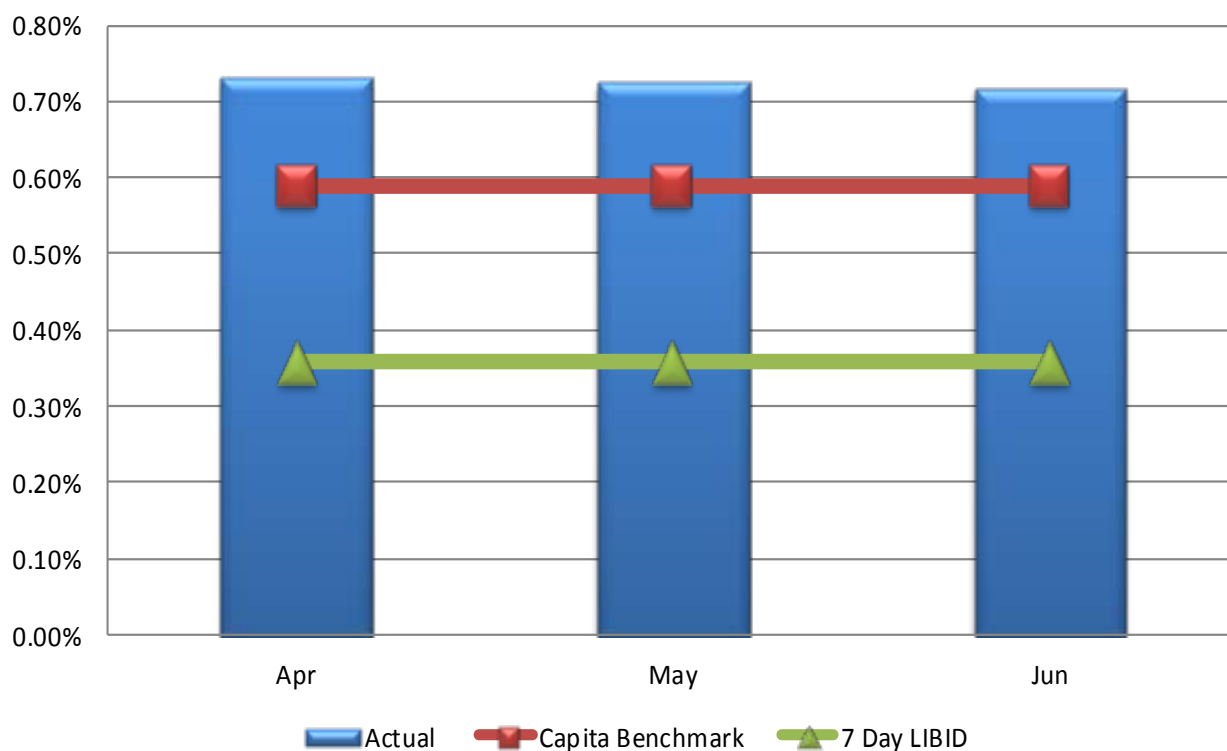
The relative performance of the investments is measured against two benchmark figures:

- 7 day LIBID – this is the rate the Authority would have earned on all balances had the SLA with BCC continued into future years
- Capita benchmark – this is the indicative rate that Capita advised we should be looking to achieve for 2015/16 at the start of the year

The weighted average rate (%) is compared to the two benchmark figures in the following table for each month:

□

Interest Rates



The Authority has out-performed both benchmark figures for the first quarter. The use of certificates of deposit agreed in the 2015/16 strategy has provided access to preferable rates not previously available to the Authority. Rates are also starting to gradually rise by a few basis points as the market starts to price in a base rate rise.



Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	16 September 2015
OFFICER	Jason Thelwell, Chief Fire Officer
LEAD MEMBER	Councillor Adrian Busby
SUBJECT OF THE REPORT	Trade Union Bill - Response to Consultation Under Delegated Powers
EXECUTIVE SUMMARY	<p>The purpose of this report is to bring to the Committee's attention the response of the Chief Fire Officer to consultation documents issued on 15 July 2015 by the Department for Business Innovation & Skills (BIS) in relation to the proposals in a) the Trade Union Bill and; b) the draft Conduct of Employment Agencies and Employment Businesses (Amendment) Regulations 2015.</p> <p>The deadline for response was 9 September 2015. The response (Appendix) was submitted on 4 September 2015 after consultation with the Chairman.</p>
ACTION	Information.
RECOMMENDATIONS	It is recommended that the response of the Chief Fire Officer be noted.
RISK MANAGEMENT	The recommendation has no impact on service delivery.
FINANCIAL IMPLICATIONS	None arising from the recommendation.
LEGAL IMPLICATIONS	The Chief Fire Officer is authorised under the Authority's Scheme of Delegation to Officers to make a formal response on behalf of the Authority to any Government Consultation with prior consultation with the Chairman of the Authority.
CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION	The content of the final response has been shared with the Chief Fire Officers of the Thames Valley FRAs.
HEALTH AND SAFETY	None arising from the recommendation.
EQUALITY AND DIVERSITY	None arising from the recommendation.

<p>USE OF RESOURCES</p>	<p>The content of the response has been shared Mr Neil O'Connor, Director of Fire, Resilience and Emergencies at DCLG at his invitation.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p><u>Ballot thresholds</u></p> <p>The Trade Union Bill would introduce a 40% ballot threshold in support of taking industrial action in 'important public services' from those entitled to vote.</p> <p>The definition of 'important public services' will be left to be specified in future regulations, but the Bill states that it will include services within the "fire services"(sic) sector.</p> <p>The Bill also includes clauses that would require a trade union to provide an employer with 14 days' notice of industrial action after it has secured a ballot mandate and before any such action is taken (extended from the current 7 days); would remove the current requirement that there must be some industrial action within a period of 4 to 8 weeks following a ballot in order for the mandate to remain valid, and replaces it with a provision that the members' agreement to a union's proposed industrial action will automatically expire four months after the date of the ballot; and would require a trade union to specify in the ballot paper the type or types of industrial action that amount to action short of a strike and to provide an indication of the time period during which it is proposed that those specific types of action are to take place. <i>None of these elements are the subject of the consultation. The Bill also affects other areas of union activity outside of industrial action.</i></p> <p><u>Tackling Intimidation</u></p> <p>Lawful picketing as part of trade dispute is allowed under current legislation where persons attend at or near their own place of work, to peacefully obtain or communicate information to another, or peacefully persuade another person not to work. A trade union official may also attend at or near the place of work of a member they represent. In addition to these statutory limitations, a revised Code of Practice on Picketing was brought into force on 1 May 1992 by the Employment Code of Practice (Picketing) Order 1992 [1992/476] which, whilst not binding in law, is admissible in evidence and may be used in any court proceedings as providing the appropriate guidelines for behaviour on the picket line.</p> <p>The Bill would insert further legislation such that trade unions must comply with additional requirements whereupon picketing would only be lawful when those requirements are met.</p> <p>The consultation indicates that the Government would</p>

	<p>consider creating a new criminal offence of "intimidation on the picket line".</p> <p><u>The Employment Businesses (Amendment) Regulations 2015</u></p> <p>The proposed regulations would revoke Regulation 7 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003. Currently Regulation 7 prohibits employment businesses from providing agency workers to a) cover the duties normally performed by an employee of an organisation who is taking part in a strike or other industrial action; or b) cover the work of an employee covering the duties of an employee taking part in a strike or other industrial action.</p> <p>Scheme of Delegation to Officers, June 2013 http://bucksfire.gov.uk/files/1514/0439/0309/SCHEME-OF-DELEGATION.pdf</p> <p><i>Ballot thresholds in important public services</i>, Consultation Documents, BIS, 15 July 2015 https://www.gov.uk/government/consultations/ballot-thresholds-in-important-public-services</p> <p><i>Tackling intimidation of non-striking workers</i>, Consultation Documents, BIS, 15 July 2015 https://www.gov.uk/government/consultations/tackling-intimidation-of-non-striking-workers</p> <p><i>Hiring agency staff during strike action: reforming regulation</i>, Consultation Documents, BIS, 15 July 2015 https://www.gov.uk/government/consultations/hiring-agency-staff-during-strike-action-reforming-regulation</p> <p><i>Code of Practice: picketing (revised in May 1992)</i>, BIS https://www.gov.uk/government/publications/code-of-practice-picketing</p> <p>Regulation 7 of the Conduct of Employment Agencies and Employment Businesses Regulations 2003 http://www.legislation.gov.uk/uksi/2003/3319/regulation/7/made</p>
APPENDICES	Trade Union Bill - Response to Consultation from the Chief Fire Officer.
TIME REQUIRED	15 minutes.
REPORT ORIGINATOR AND CONTACT	<p>Graham Britten gbritten@bucksfire.gov.uk 01296 744441</p>

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Ballot thresholds in important public services

Questions for consultation

1. Do you agree these¹ are the key impacts industrial action would have in these sectors? Why/why not?

This response is in respect of fire and rescue services only. The consultation sets out what it describes as “key functions” and it is noted that these are the ‘traditional’ type of emergency response. “Response” is however only one facet of fire and rescue authorities’ service to the public.

Buckinghamshire & Milton Keynes Fire Authority (BMKFA) undertook analysis to support the adoption of its current Public Safety Plan 2015 -2020². The analysis showed that BMKFA’s busiest full-time and on-call fire appliances (fire engines) are typically used for responding to incidents for less than 3.5 hours and 1.5 hours respectively in any 24-hour period.

With the reduction in the number of incidents (reflected nationally³) it would be easy to overstate the key impacts of industrial action on the fire and rescue service at the expense of ignoring the effect of industrial action on other statutory functions undertaken by fire and rescue authorities. The consultation appears to have done this.

In line with its statutory obligation to promote fire safety and give advice about the prevention of fire and the prevention of death or injury from fire, BMKFA has capacity to deliver around 8,000 home fire risk checks (HFRCs) to households across Buckinghamshire and Milton Keynes, to offer home fire safety advice and fit smoke alarms if needed. A key impact of industrial action would be, and has been, to thwart such activity and therefore make the public less safe.

Furthermore, BMKFA, along with other innovative fire and rescue authorities intends to take on a wider agenda of activities to help to make people safer in their homes – particularly elderly people and vulnerable adults - not restricted to keeping the public safe from the risk of fires. Industrial action, including action short of strike, would prevent such activity.

The proposals in the Trade Union Bill do not differentiate between the balloting thresholds and notification periods for industrial action comprising strike action and those for industrial action short of strike. Currently, once a ballot has been successful, action short of strike can be used by unions to have an impact on the fire and rescue service just as detrimental to public safety as a strike.

¹ i.e those set out at paragraphs 3 and 4 of “Consultation on ballot thresholds in important public services, July 2015” in respect of “fire services”(sic).

² 17 December 2014 date for adoption and hyperlink to PSP - [BMKFA Public Safety Plan 2015-2020](#)

³ Link to Knight Review - [Facing the future - Publications - GOV.UK](#)

Industrial action need not comprise strike action for it to stop making the public as safe as possible. For example, BMKFA has been working closely with its partners in the South East Counter Terrorism Unit which covers the police services for Thames Valley, Hampshire, Sussex, Surrey and Kent and has an officer seconded to it representing the eight fire and rescue authorities of the South East region.

BMKFA is therefore acutely aware that under the extant ballot the Fire Brigades Union (FBU) in furtherance of its dispute over pensions, has maintained its action short of strike to include "not participating in duties associated with Marauding Terrorism and Firearm Attacks (MTFA) incidents".

The menu of options available under the current ballot requirements for action short of strike enabled the FBU to call upon its members working in BMKFA's neighbouring authorities to not cross their employers' borders into Buckinghamshire and Milton Keynes to support statutory mutual aid arrangements to save and protect lives and property.

BMKFA developed with its fire-fighters a 'staff bank' system, outside of the NJC national terms and conditions, to enable greater live-saving response capability. It also developed, again outside of the NJC national terms and conditions, a response capability to medical emergencies so that its fire-fighters can attend faster than the nearest available NHS ambulance to save people's lives. Due to the reliance on goodwill of employees both these elements of service delivery become immediately precarious when a ballot includes innominate industrial action short of strike.

2. What other impacts are there of strike action in

a) Fire services,

b) Health services,

c) Education services,

d) Transport services,

e) Border Force, or

f) Nuclear decommissioning?

If relevant, please include specific examples of your experience of strike action taken in these sectors.

This response is in respect of fire and rescue services only. Periods of strike action have had impacts in all areas of BMKFA, both operational and support services. Support staff were used to support planning for the strikes and to support resource management during the strikes. Despite being stretched for resources, non-striking employees continued to deliver business as usual and

progress significant service improvement projects with limited impact on key implementation milestones. However, prolonged and enduring strikes would inevitably take their toll longer term.

Strike action had a considerable effect on BMKFA's payroll services due to the requirement to write to all staff and calculate and implement the deductions to staff following the strike action, and facilitate the ability of striking workers to "buy back" periods during which they took strike action to be reckoned as pensionable service.

BMKFA had to cancel training courses planned to be delivered on dates which were affected by strikes. As this was mandatory training (driving courses and breathing apparatus refreshers) it had to be re-programmed before the end of the year. This had a subsequent knock on effect on to development training programmes which needed to be amended to compensate.

In the lead up to every period of industrial action considerable effort and resources need to be deployed in reminding employees of BMKFA's expectations as to acceptable behaviours. Regrettably when employees fall short of these expectations this has a further impact in the need to divert resources into the disciplinary processes that must inevitably follow allegations of misconduct.

Furthermore, other internal resources had to be diverted both in respect of response planning during periods of industrial action and in relation to the actual management of response activities during these periods. This had the effect of taking away many individuals from their core roles which ultimately had an impact upon quality.

In respect of the foregoing paragraph, episodes of discontinuous strike action can be particularly draining due to the need for renewed and dynamic contingency planning in advance of each and every strike period.

Whilst it has not featured in the consultation, there would be a strong argument for the minimum period of notice for industrial action to be longer than the fourteen days proposed. 4 weeks from notification to taking action would alleviate the intense pressure of making adequate and cost effective provision, including seeking support from BMKFA's employees not to participate in the industrial action, to try to ensure that public safety is not compromised. The proposals would assist, however, even with the proposed increase to 14 days, the planning timetable is in effect less than 10 working days.

Strike action also had the effect of some partner agencies perceiving the fire and rescue service as unreliable. This could lead to both short and longer term assumptions being made around partnerships in general and indeed current and future initiatives around joint working as well as other areas such as co-responding. This could be damaging especially where fire and rescue services

are looking to broaden their range of safety services to the public and have detrimental impact upon 'the brand'.

3. What factors do you think are important in defining 'important public services'?

Protection against loss of life/ serious injury

Maintenance of public safety and national security

Enabling economic activity across a significant area of the economy

Enabling significant numbers of people to get to their place of work

Others (please specify)*

*Enabling local economic activity

*Prevention of damage to property and the environment

From the perspective of a fire and rescue service primacy would be placed on protection against loss of life/serious injury and the vital role in meeting this aim that its employees undertake in attending road traffic collisions; fires; medical emergencies and other emergencies.

However fires can have a devastating effect on a local economy⁴. It has been stated by the Chief Fire Officers' Association that, *"In private companies it is estimated that 60% of businesses that suffer a fire never recover and eventually go out of business. If a company ceases trading jobs are lost, the local area suffers commercial disruption due to the economic loss within that community and ultimately families may break up due to the strain placed upon them."*⁵

According to research published in 2004 by the Centre for Economics and Business Research ('CEBR')⁶ *'The British economy has lost £1 billion in GDP and 5,000 full-time jobs through preventable fires in commercial warehouses over the last five years'*.

In light of the potential effects of fires in business premises BMKFA has maintained its policy of attending all automatic fire alarms which typically might

⁴ 'The economic cost of fire: estimates for 2008 Fire research report 3/2011' DCLG
<http://webarchive.nationalarchives.gov.uk/20121108165934/http://www.communities.gov.uk/documents/corporate/pdf/1838338.pdf>

⁵ 'A guide to automatic water suppression systems (AWSS) and their practical application.' CFA, 2008
https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=1&cad=rja&uact=8&ved=0CCEQFjAAahUKEwiV4eb_i7XHAhXFItSKHYZJCCM&url=https%3A%2F%2Fwww.cfoa.org.uk%2Fdownload%2F13371&ei=WG_UVZXVBMWt7gaGk6GYAg&usq=AFQjCNEQWAZled7umd3bBw-y42K9l-Q7lg

⁶ 'Economic Impact of Warehouse Fires' CEBR 2004
<http://www.cebr.com/reports/economic-impact-of-warehouse-fires/>

be activated when premises are unoccupied and with no direct risk to life or risk of injury to the public. BMKFA is in fact the only fire and rescue authority in England and Wales that does so.

In this regard BMKFA provides an 'important public service' in enabling economic activity within its area rather than "*across a significant area of the economy*". Defining *important public services* should reflect what's important to a) the local taxpayers and local businesses that collectively pay for the public service; and b) the local electorate who mandate the scope of the public service through BMKFA's Public Safety Plan.

The fire and rescue service also has a role in protecting the environment from damage. See for example the damaging effects on flora and fauna in the Swinley Forest fire in 2011.⁷

It is not clear from the consultation if it is intended to give these factors legislative effect alongside the job descriptions of fire-fighter and control room personnel.

Employees of fire and rescue authorities in the roles of fire-fighters and fire control staff are for historic reasons employed on terms and conditions agreed without the direct influence of the employer; and recent industrial action has therefore been on national issues and with national effect.

However, if industrial action were to be taken locally, unless the potential impact on the local economy, property, or the environment is included in any statutory definition, it would be possible for BMKFA employees balloted for industrial action to be in scope of the regulations by virtue of their job description; but remain outside of the regulations by virtue of not providing "an important public service" where a ballot is for action short of strike.

4. Do you agree these are occupations and functions in

a) Fire services,

b) Health services,

c) Education services,

d) Transport services,

e) Border security, or

f) Nuclear decommissioning

⁷ <http://www.bbc.co.uk/news/uk-england-berkshire-13292400>

the Government should consider when defining those subject to the 40% important public services threshold? When answering, please consider those key in avoiding the adverse impacts discussed above.

Yes. In respect of the fire and rescue services, 'fire-fighters' and 'fire control personnel' are the appropriate occupations and the regulations should be drafted with the effect that anyone employed in those roles should be automatically deemed to be undertaking 'important public services' without further qualification or criteria or interpretation through regulations.

The sequence of the wording of the consultation: "What are 'important public services' in these sectors? [i.e in the "fire service" sector]; followed by "Which occupations and functions should be subject to the 40% important public services threshold?" suggests a possibility that regulations might provide that fire-fighters and fire control personnel are not at all times under their contracts of employment providing *de facto* important public services (as yet to be defined).

5. What other occupations and functions should the Government consider within these six sectors?

In respect of the fire and rescue services, none.

6. (If relevant) Please explain why the additional occupation or function should be covered.

N/A.

7. Do you agree with the Government's proposed approach to ancillary workers? Why/ why not?

Yes.

Industrial action at BMKFA with the greatest impact on public safety has related to trade disputes beyond its direct control. This is because periods of industrial action have concerned either a) pay and conditions of fire-fighters currently employed by BMKFA on terms and conditions agreed nationally through the NJC, or b) pension entitlements of fire-fighters.

The vast majority of BMKFA employees (covering full-time and part-time) by a ratio of 4:1 are employed as fire-fighters. However as indicated in the consultation⁸ the role of support staff in ancillary roles is vital and was proven to be invaluable in BMKFA being able to maintain a service and to support neighbouring fire and rescue authorities during periods of strike.

⁸ paragraphs 19 and 20 "Consultation on ballot thresholds in important public services, July 2015"

However the fundamental issue of public safety being undermined by industrial action will not be addressed by the approach.

First, the proposals relate solely to the level of participation in a ballot of union members eligible to vote in the ballot and neither the 50% nor the 40% are expressed as a percentage against the level of fire-fighters employed by BMKFA and eligible to be, but are not, members of the union calling a ballot.

In 2014 BMKFA ceased to deduct the payment of union subscriptions via "check off" from its employees' salaries. However, it does have a historical analysis of union membership amongst its fire-fighters and fire control personnel to illustrate the point that membership is far from universal.

Secondly, any member of the vital ancillary staff could choose to withdraw their labour during a lawfully balloted strike under the current law and under the proposed changes. Under current legislation the legal remedies available to an employer in such a scenario are ineffectual as any protection from dismissal extends not only to members of a union calling the strike, but to employees who are not a member of any union (typically ancillary staff).

A key change to address the issue would be for a legal responsibility to be placed on trade unions to ensure that some form of skeleton staff arrangement is kept available, which will ensure that vital systems and equipment are maintained, as well as being able to respond to emergencies which threaten public safety.

In recent periods of discontinuous strike action, BMKFA and its senior officers were incessantly accused of endangering the lives and property of the residents of Buckinghamshire and Milton Keynes by representatives of the very union which had induced its members to go on strike and thereby reduce response capability.

It is worth noting that it has been a criminal offence since 1875⁹, and most recently under section 240 of the Trade Union and Labour Relations (Consolidation) Act 1992, for an employee to deliberately breach an employment contract 'knowing or having reasonable cause to believe that the probable consequences of his so doing, either alone or in combination with others, will be (a) to endanger human life or cause serious bodily injury, or (b) to expose valuable property, whether real or personal, to destruction or serious injury'.

National arrangements under the NJC and collective agreements have proven to be inadequate in ensuring the safety of the public and property in this regard. It would seem logical therefore for some legislative incentive to be introduced for unions to be made to ensure a base level of public protection during industrial action. This would have the fortuitous effect of also providing a defence to

⁹ Conspiracy and Protection of Property Act 1875

personal criminal liability to which the union exposes each of their members, when they induce them to breach their contracts by striking.

8. Please give examples of ancillary workers in the six sectors discussed that you think should be subject to the 40% important public services threshold.

As mentioned above in respect of **Q7** historical evidence is also of low union membership in respect of ancillary staff. Under the proposed regulations the effect of either the 50% or the 40% thresholds is likely to be neutral. The greatest effect will remain the protections afforded under section 238A of the Trade Union and Labour Relations (Consolidation) Act 1992 which makes no distinction between union members and non-union members.

In BMKFA all ancillary staff are on terms and conditions determined locally with the employer and it runs "lean" in terms of ancillary staff. In terms of making and keeping the public safe, all of BMKFA's ancillary staff are integral to the delivery of a fire and rescue service, and even more so during periods of industrial action. By implication all of its ancillary workers should be in scope of the proposals.

9. (If relevant) Please explain why the ancillary worker(s) you have cited should be covered.

As explained in the second paragraph under **Q8** above.

10. Do you agree with the Government's proposed approach to private sector workers? Why / why not?

Yes.

When BMKFA consulted on its draft Public Safety Plan, BMKFA asked the public whether it wished it to "consider alternative delivery models for some or all of [its] services. This will embrace consideration of opportunities to deliver services more effectively and efficiently through private sector or employee models of ownership."¹⁰

BMKFA cited as examples the privatisation of the UK Helicopter Search and Rescue Services previously operated by the military¹¹; and that emergency services in Denmark have been successfully delivered via private contractual arrangements for many years.¹²

¹⁰ Consultation version of the Public Safety Plan 2015-20
<http://bucksfire.gov.uk/news/five-year-blueprint-approved-fire-authority/>

¹¹ <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05861>

¹² <https://www.falck.com/en/press/news/2011/fire-service-is-cheap-in-denmark>

In light of feedback BMKFA resolved not to pursue those options for the lifetime of its current Public Safety Plan. That said, if a fire and rescue authority chooses to deliver fire and rescue services via a private sector provider, it would be inappropriate for a distinction to be drawn in the balloting requirements for the staff employed by the service provider.

The duty to provide statutory fire and rescue services rests with a fire and rescue authority which precepts for that purpose. If it chooses to buy in the service from a contractor the public should not be prejudiced by being exposed to lesser legal protection.

11. How common are disputes involving some workers who would fall within the scope of the 40% important public services threshold, and others who would not?

- **Frequent?**
- **Infrequent?**
- **Never?**
- **Not sure?"**

As stated in response to **Q7** Industrial action at BMKFA with the greatest impact on public safety has related to trade disputes beyond its direct control. This is because periods of industrial action have concerned either a) pay and conditions of fire-fighters currently employed by BMKFA on terms and conditions agreed nationally through the NJC, or b) pension entitlements of fire-fighters.

BMKFA's experience the answer would be **Frequent** (unless the question is premised on ancillary workers already being excluded) as it relies on ancillary staff to maintain its important public service and they have therefore been drawn into, and inextricably involved in, the disputes.

However in terms "*trade disputes*" as defined under the Trade Union and Labour Relations (Consolidation) Act 1992 to which BMKFA employees have *directly* been involved and balloted by their unions, for the reasons set out above, these have been in relation to employees employed as fire-fighters. In which case the answer would be **Infrequent/Never** if fire-fighters will be wholly in scope of the definitions in the proposed regulations.

12. Please give examples of a dispute that has or could include only a small proportion of workers undertaking "important public services" (using the definition used in this consultation).

In the definition used in this consultation "important public services" is ambiguous in its application to "fire services" (sic). If it is intended to qualify the occupations of fire-fighters and fire control personnel by the application of the factors listed in **Q3** it appears that industrial action that would result in danger

or risk to property or the environment and consequential economic loss locally would not be subject to the constraints of the proposed regulations.

That would leave it possible for fire-fighters to be balloted, without the proposed constraints, for industrial action short of strike comprised of refusing to attend any fires irrespective of size where there was no imminent corporeal risk.

13. Do you agree that the Government should require a ballot to be run under the 40% important public services threshold if a majority of workers involved in the dispute are subject to the 40% threshold? Why/why not?

Yes.

However for the reasons stated in the preceding responses, it is hoped that fire-fighters and fire control personnel working in the fire and rescue service will automatically be deemed to be undertaking "important public services" in the subsequent regulations, without the need for the latter to be refined by reference to further criteria.

14. What are the practical and administrative considerations a trade union would have to make to calculate whether a ballot ought to be conducted under the 40% important public services threshold?

If the regulations are drafted so that the occupations of fire-fighter and fire control personnel employed by, or on behalf, of a statutory fire and rescue authority equate to 'services' and those services for the purposes of the regulations are automatically deemed 'important public services', there would be no additional considerations for a trade union.

Tackling intimidation of non-striking workers

Questions for consultation

Question 1:

Most of this consultation focuses on specific proposals. Before turning to this detail, do you have any other evidence of intimidatory behaviour, directed either at non-striking or striking workers, that you believe should be considered as part of this consultation? If so, do you have any estimate of the economic impact of this?

All of the evidence that BMKFA has relates to intimidatory behaviour directed at *non-striking workers*. It is "other evidence" insofar as the examples cited¹³ all relate to direct physical actions whereas BMKFA's evidence is of acts undertaken

¹³ i.e. those set out in paragraph 6 of "Consultation on tackling intimidation of non-striking workers, July 2015"

through social media. BMKFA submitted an abundance of evidence to the Carr Review¹⁴ and also to Thames Valley Police.

BMKFA would be agreeable to submitting this evidence direct to the Department for Business Innovation & Skills. BMKFA does not have an estimate of the economic impact and it would be difficult to determine a causative effect.

Question 2:

The Government is interested in whether there are any further gaps in the legal framework (see Box 1 below) in relation to intimidation of non-striking workers and third parties. How could the framework be strengthened - for example, should there be new criminal sanctions such as an offence of intimidation on the picket line?

There is already an array of potential criminal offences. The addition of a specific criminal offence of "intimidation on the picket line" to the general existing public order legislation is unlikely to assist.

The consultation documents refer to evidence supplied by the Metropolitan Police Service of behaviours during the 2012 London Fire Brigades strike. All of these behaviours are already criminal offences.

There are even specific criminal offences under the Emergency Workers (Obstruction) Act 2006 (not cited in the consultation) that, although not contemplated by Parliament when it was introduced¹⁵, could assist in protecting non-striking fire-fighters in the scenarios cited.

The issue does not appear to be a lack of legal powers rather than the use of discretion of the enforcing authorities. This cannot be addressed in legislation.

No data is included in the consultation that illustrates, where incidents for which the police have evidence that offences may have been committed, a breakdown of where these have resulted in arrests, offences charged, pleas, or convictions.

It is accepted that the enforcing authorities have to balance competing interests and then prioritise the effective deployment of resources. For example, on 9 December 2014 a national FBU march comprised of up to 3,000 people, although escorted by the police, became an unlawful picket of BMKFA's Aylesbury fire station and brigade headquarters with impunity.¹⁶

¹⁴ Link to Carr Report - [Carr Review Report.pdf](#)

¹⁵ 'Memorandum to the Justice Committee Post-legislative assessment of the Emergency Workers(Obstruction) Act 2006' MoJ, 2012
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/238213/8296.pdf

¹⁶ <http://www.fbu.org.uk/news/2014/12/firefighters-complete-24-hours-strike-march-thousands-support-sacked-colleague-ricky-matthews/>
see FBU report and its FBU video evidence at 2' 54"; and from 3'11" to 3'34"

BMKFA makes no distinction between bullying or intimidatory behaviour by employees against other employees advance of, and during, periods of industrial action and how it deals with that behaviour at any other time. BMKFA has dealt with these as disciplinary issues under the current employment law framework and any other fire and rescue authority can sanction its employees including dismissal for gross misconduct even if in these unacceptable behaviours relate to periods of protected industrial action.

The choice of employers to apply such sanctions to employees exhibiting the types of behaviour cited in the consultation is likely to be more effective in tackling intimidation of non-striking workers than the creation of further criminal offences which create reliance on police discretion, CPS discretion and evidentially a higher burden of proof.

Question 3:

The Government is legislating to make a number of key aspects of the Code legally enforceable, such as the appointment of a picketing supervisor. Are there other practices that should be directly legally enforceable - for example, training or a requirement for all pickets to be properly identifiable in the same way as the supervisor? Please explain your views

No.

The right to picket is set out with parameters in section 220 of the Trade Union and Labour Relations (Consolidation) Act, in that it is lawful for a person in contemplation or furtherance of a trade dispute to attend (a) at or near his own place of work, or (b) if he is an official of a trade union, at or near the place of work of a member of the union whom he is accompanying and whom he represents, for the purpose only of obtaining or communicating information, or peacefully persuading any person to work or abstain from working."

If its employees were to stray beyond those parameters BMKFA would deal with issues under its own misconduct and disciplinary procedures. As stated in its response to **Ballot thresholds in important public services: Q2** as a responsible employer BMKFA reminds its employees of expectations as to conduct in anticipation of industrial action. As stated at **Q10** the issues that have caused greatest concern are actions by third parties and for which existing sanctions apply, but for which BMKFA is reliant on the action of external agencies.

Question 4:

Do you have any figures that would enable us to estimate any costs to unions generated by making aspects of the Code legally enforceable?

No.

Question 5:

What are your views on the Government's proposal to require unions to publish their plans? What information should unions be required to provide? Please set out the reasons for your answer

One of the aims is expressed to be to allow better policing with the requirement for the police to be notified. Although not expressed within the consultation, presumably the requirements will be similar to those in respect of notification of marches under the Public Order Act 1986 and therefore should not be onerous on the organisers of pickets.

The police already have powers to intervene in a public assembly under section 14 of the Public Order Act 1986 if they reasonably believe the purpose of the persons organising a public assembly is the intimidation of others with a view to compelling them not to do an act they have a right to do. A 'public assembly' is defined as an assembly of two or more persons in a public place which is wholly or partly open to the air and therefore would already encompass a picket.

As the current law is dependent on police enforcement and criminal sanction the proposals to create a regulatory and enforcement role for the Certification Officer with civil powers would be more likely to be effective.

Question 6:

Do you have any figures that would enable us to improve the estimates in the Impact Assessment of the cost to unions of publishing their plans?

No.

Question 7:

What are your views on the Government's proposal to strengthen accountability?

No view.

Question 8:

Do you have any other suggestions how union accountability and/or transparency could be improved?

Where union officials set up 'hardship funds' and encourage donations to accounts it would not seem onerous to require the relevant union to ensure that these are properly accounted in the annual return form (AR21) to the Certification Officer. This would be in the interests of the donors and the intended beneficiaries.

Question 9:

Do you have any figures that would enable us to improve the estimates in the Impact Assessment of the cost to unions to report on industrial action in their annual reports?

No.

Question 10:

How should the Code be updated to be more useful for parties affected by industrial disputes? Please explain your answer.

The proposals to include reference to the use of social media in the Code of Practice would be a useful reminder given that the current Code predates the ubiquity of social media. However, as social media can be used with virtual anonymity to publish messages intended to intimidate and threaten non-striking employees, strengthening the Code itself in that respect would likely be ineffectual for the employer and its non-striking employees.

During periods of strike action BMKFA has arranged for its fire engines to be removed from fire stations and located in premises owned by third parties so as to avoid any potential conflict with pickets and non-striking fire-fighters crewing the fire engines. This method of operation is preferred by BMKFA's fire-fighters who choose not to strike and upon whom BMKFA relies to provide a front line response during strikes.

The method is effective in protecting non-striking fire-fighters from unwanted attention to the extent that in advance of the most recent period of discontinuous strike action, the locations of the premises to be used during BMKFA's contingency arrangements were published in a tweet by the Southern Region FBU Executive (which was re-tweeted by the Buckinghamshire FBU Secretary).

Whilst BMKFA has no reason to believe that any of its employees picketing at their usual place of work would behave other than in an exemplary manner, it is unlikely that updates to the Code would change BMKFA's approach. Remedies for breaches of the Code will always be reactive and rely upon legal proceedings. Such proceedings would be a less effective use of public money compared to the precautionary avoidance measures used by BMKFA.

In respect of any criminal offences, BMKFA remains wholly reliant on the police and the Crown Prosecution Service (CPS). As a combined fire and rescue authority¹⁷ it does not have the powers of county council fire and rescue authorities to institute criminal proceedings¹⁸ for the types of offences cited in the Code or in relation to social media.

¹⁷ As defined in the Fire and Rescue Services Act 2004

¹⁸ Under section 222 of the Local Government Act 1972

It is noted¹⁹ that the Department of Business Innovation and Skills plans to engage with the CPS and the police to better understand the use and efficacy of the current criminal law and ensure that existing powers are used more effectively.

BMKFA provided evidence to the police of publications in social media aimed at senior officers during recent industrial action that it considered to be criminal offences under section 1 of the Malicious Communications Act 1988; sections 127(1) and 127(2) of the Communications Act 2003; and section 2 of the Protection from Harassment Act 1997. The response from the police indicated a less than optimum appreciation of a) legal elements of the substantive offences and b) the CPS charging guidelines²⁰. The use of discretion by these agencies is referred to previously in the response to **Q2**.

Hiring agency staff during strike action: reforming regulation

Questions for consultation (1 and 4 omitted)

2. The impact assessment for this consultation assumes that, between 17% and 27% of working days lost due to industrial action will potentially be covered by temporary agency workers, based on the limit of availability of suitable temporary agency workers, and the fact that some stoppages involve a large number of workers on a particular day. Do you think this assumption, as set out in the impact assessment, is reasonable? Yes/No? Please give your reasons.

BMKFA actively monitors its assumptions made under its workforce planning models. It is moving towards a reduction in employees but intends to ensure that they will have more diverse and specialist skills in all areas of public safety. It is therefore increasingly unlikely that agencies will be able to offer 'off the shelf', in any volume, the employees with the skillsets that BMKFA would need.

3. The impact assessment assumes that the current options for recruiting temporary labour to provide cover during industrial action are used infrequently, due to the additional costs and administrative burden of hiring staff directly, or contracting service providers at short-notice. Do you think this assumption is reasonable? Yes/No? Please give your reasons.

BMKFA has for recent strikes been able to provide cover wholly using its own employees. It would therefore be presumptuous to comment on the factors taken into account by fire and rescue authorities which provided cover by other means.

¹⁹ paragraph 38 of "Consultation on tackling intimidation of non-striking workers, July 2015"

²⁰ http://www.cps.gov.uk/legal/a_to_c/communications_sent_via_social_media/index.html

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Buckinghamshire & Milton Keynes Fire Authority

MEETING	Executive Committee
DATE OF MEETING	16 September 2015
OFFICER	Jason Thelwell, Chief Fire Officer/Chief Executive
LEAD MEMBER	Councillor Roger Reed
SUBJECT OF THE REPORT	Appointment of Director Finance and Assets (Chief Finance Officer)
EXECUTIVE SUMMARY	<p>At the Executive Committee meeting on 18 March 2015 the Authority agreed that David Sutherland be designated as the Chief Finance Officer whilst a full review of the Finance and Assets function is undertaken.</p> <p>The review has been undertaken and this report proposes that a substantive Director of Finance and Assets is appointed in autumn 2015, to provide stability and lead the implementation of the recommended options.</p> <p>Annexe A includes a summary of options considered.</p> <p>Appointing a Director of Finance and Assets now, provides the required stability and leadership as the Authority embarks upon a number of key transformational projects arising from the Public Safety Plan 2015-20.</p> <p>These include the on-going systems integration programme which includes the procurement and implementation of a replacement finance system, and Milton Keynes area review. This option also supports existing collaborative work, along with providing the basis for progressing further opportunities in line with the Thames Valley collaboration MOU in respect of both finance and procurement functions and systems.</p> <p>The Authority's workforce and succession planning process retains the flexibility for fuller sharing of services from 2017.</p>
ACTION	Decision.
RECOMMENDATIONS	<p>It is recommended that Members:</p> <ol style="list-style-type: none"> 1) agree the substantive appointment of a Director of Finance and Assets from autumn 2015; 2) agree the proposed recruitment process as outlined in Appendix 1.

<p>RISK MANAGEMENT</p>	<p>The recommended arrangements ensure all appropriate statutory provisions are in place.</p> <p>Whilst further changes may be possible in 2017 onwards it is considered the recommended approach is best suited to provide stability and resilience during a significant period of transformation in the Authority.</p>
<p>FINANCIAL IMPLICATIONS</p>	<p>There are no additional finance implications with the recommended option as it is already budgeted for in the MTFP.</p>
<p>LEGAL IMPLICATIONS</p>	<p>Section 112 of the Local Government Finance Act 1988 ('the 1988 Act') requires the Authority to make arrangements for the proper administration of its financial affairs and shall secure that one of its officers (known as a "Chief Finance Officer" by reference to section 114 of the 1988 Act) has responsibility for the administration of those affairs.</p> <p>The requirement was considered by the High Court in <i>Pinfold North Ltd v Humberside Fire Authority</i> [2010] EWHC 2944 (QB) which held that the Chief Finance Officer need not be an employee of a combined fire authority. The Chief Finance Officer must be a member of one of the accountancy bodies specified in section 113 of the 1988 Act, which includes CIPFA.</p> <p>The Executive Committee is delegated the decision of "appointment of a statutory finance officer" on behalf of the Authority by its Terms of Reference.</p>
<p>CONSISTENCY WITH THE PRINCIPLES OF COLLABORATION</p>	<p>The Authority has committed to a default position of collaboration with Thames Valley FRAs unless a clear business case favours an alternative collaborative option. Annexe A considers relevant collaboration opportunities.</p>
<p>HEALTH AND SAFETY</p>	<p>There are no health and safety implications.</p>
<p>EQUALITY AND DIVERSITY</p>	<p>There are no equality and diversity issues. The appointment process set out in Appendix 1 will follow the Authority's recruitment and selection procedures which have been equality impact assessed.</p>
<p>USE OF RESOURCES</p>	<p>The arrangements for setting, reviewing and implementing strategic and operational objectives; performance monitoring, including budget monitoring; achievement of strategic objectives and best value performance indicators.</p> <p>The Chief Finance Officer role plays a key part in ensuring the proper financial arrangements are in place and monitored.</p> <p>Communication with stakeholders;</p>

	<p>Normal communication mechanisms will be used to confirm the Authority's statutory arrangements and for the recruitment process.</p> <p>The system of internal control;</p> <p>The post holder is responsible for the overall development and coordination of the Authority's financial management arrangements, including developing efficiency plans and monitoring their effectiveness.</p> <p>The post holder will also be expected to plan and execute the annual audit programme.</p> <p>The medium term financial strategy;</p> <p>The post holder is responsible for the Authority's corporate financial planning and financial planning frameworks, including corporate financial performance reports.</p>
<p>PROVENANCE SECTION & BACKGROUND PAPERS</p>	<p>Executive Committee 18 March 2015 Designation of Chief Finance Officer http://bucksfire.gov.uk/files/3014/2564/4052/ITEM_9_Designation_of_Chief_Finance_Officer_draft_Exec_18_032015.pdf</p>
<p>APPENDICES</p>	<p>Annexe A: Review of Senior Finance and Assets Structure August 2015.</p> <p>Appendix 1: Proposed Recruitment process for Director of Finance and Assets post (Exempt)</p>
<p>TIME REQUIRED</p>	<p>15 minutes.</p>
<p>REPORT ORIGINATOR AND CONTACT</p>	<p>Lynne Swift, Director of People & Organisational Development lswift@bucksfire.gov.uk 01296 744679</p>

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Annexe A

REVIEW OF SENIOR STRUCTURE FOR FINANCE & ASSETS

1. Background

At the Executive Committee meeting of 18 March 2015, following the temporary appointment of the current acting Director of Finance and Assets, it was determined that the future longer term options for the Finance and Assets functions needed to be fully considered and a further paper would be submitted when the review had been concluded.

A top level review of the leadership options has since taken place and this Annexe summarises the main options considered and sets out a recommended way forward.

Since the Moving Forward programme in 2011, considerable reshaping and restructuring has already been undertaken within the Finance and Assets departments to provide a more highly skilled and proficient team that is flexible, motivated and resilient. Continuous improvement through process improvement and customer service focus is an on-going priority objective.

Whilst initial organisational change programmes were aimed at increasing the capabilities and performance of the finance function and therefore cost neutral; more recent restructuring has resulted in the order of £200k savings. This has set the foundation for a broader review of how best to provide the required strategic leadership of the finance and assets functions.

Given the above, this report focuses solely on the options for provision of the strategic direction for the Finance and Assets Directorate and statutory Chief Finance Officer functions. Options have been considered against the Authority's Public Safety Plan 2015 to 2020, the Corporate Plan 2015 to 2020 and the current identified priorities. These main priorities are:

- Create and culture and structure to enable a collaborative, shared service approach to delivering financial and other services as appropriate.
- Specifically work with RBFRS to further develop the current shared procurement service, continue to provide support arrangements and explore the potential to deliver shared financial services that provide resilience and cost effectiveness for both authorities, to include such structure change as may be required.
- Work with other Thames Valley services to deliver a joint professional procurement service for the authorities.
- Enact the requirements of the MOU with Thames Valley Police, RBFRS and Oxfordshire FRS in relation to property and estates management.
- Continue to work with other strategic partners in respect of shared fleet and asset management.

There may be an opportunity to revise the next management layer; however that will be considered after the Authority has decided on the senior tier Director level post.

The main objective of the review is to ensure a sound structure, with high performance, value for money, resilience, flexibility and succession planning at its core and with an outlook that provides a base for successful sharing of services with other fire authorities/public service organisations.

It should be noted that performance and outcomes of the current Finance and Assets team has been continually improving with high customer satisfaction, achievements include:

- Finance audit outcomes
- Realignment of budgets in light of future funding pressures to meet requirements of the PSP.
- Support arrangements for RBFRS with excellent customer feedback
- Fleet strategy review and plan
- Asset management system implementation
- Property strategy
- Provision of excellent on-going support in respect of the on-going MK area review and Systems Integration Programme.

2. Options

The following options have been considered:

A) Collaboration:

The Authority already provides capital accounting support to Royal Berkshire Fire and Rescue Service (RBFRS) and conversely RBFRS supply professional procurement support as a result of a shared service arrangement to this Authority, the latter of which provided a base for some of the savings previously identified.

RBFRS are seeking support in finance work and this is willingly being provided at a transactional and advisory level.

Furthermore, 'In support of and in keeping with the collaborative principles agreed by the relevant Thames Valley Authorities, initial discussions between the DCFO's of BFRS and RBFRS have agreed a review of our existing shared procurement service with RBFRS and will also take into account any specific needs or requirements of OFRS.

It has also been agreed to extend the scope of this review in respect of the wider finance and procurement requirements between BFRS and RBFRS, again including and exploring any opportunities in this area there may be with OFRS. This approach is in support of and compliments the existing collaborative arrangements already in place as described above and will provide greater opportunities in respect of improving the efficiency and effectiveness of our arrangements in this area, especially as we introduce a new finance system as

part of our systems integration programme. The proposed substantive Director of Finance and Assets would lead this joint review initially covering financial services and procurement’.

It is recommended that collaboration continues with a view to considering a fuller more formal shared service/financial function merger type arrangement in 18 to 24 months’ time, to link with the BFRS systems integration completion and RBFRS’s strategic priorities. With RBFRS also currently reviewing their service wide senior management structure, now is not the right time to appoint a joint Director, however, this could be considered from 2017 alongside other options.

B) Outsourcing:

Outsourcing opportunities have also been considered. At this time, with the level of change in the Authority, including the recent agreement of the Business and Systems Integration project, it would not be timely to outsource the senior leadership function for Finance and Assets.

Other FRSs are participating in combined initiatives, such as the Hampshire led H3 back office services initiative, across emergency and local authorities. As yet the benefits of this are unproven and it is considered too high risk to participate at this early stage. This will however be kept under regular review.

It could be possible to outsource distinct responsibilities, such as treasury or the Section 112 function. In light of the knowledge and experience of existing staff and current treasury performance since bringing in house, this has not been pursued further at this point as those responsibilities are well covered from internal resources.

The Authority are aware that other FRS’s are considering this limited outsourcing of specialist Section 112 responsibilities rather than whole roles and through the Finance Network, we will continue to monitor developments which can provide the best service to the Authority.

Outsourcing treasury and Section 112 duties is not recommended at this time.

C) Retain the current temporary arrangements for 12 to 18 months

This would continue with the temporary arrangements approved by the Executive Committee in March 2015, with a Director of Finance and Assets (Chief Finance Officer) and a Head of Finance (Deputy Director) and currently vacant Resources Manager post covered by two management additional responsibilities.

It is recommended that the Authority required stability, strong leadership resilience to deliver the priorities set out earlier in this Annexe.

Also succession planning is a key element for consideration and it is important that the identified talent with potential is retained during this 2 to 3 year transformation period, which also aligns with workforce planning and predicted

retirement profiling. Temporary arrangements for the Director and Head of Finance level would not support retention during this critical change period.

Maintaining temporary arrangements like this is not recommended at this time.

D) Appointing a substantive Director of Finance from autumn 2015

As already identified the temporary structure with the current Director and Head of Service/Deputy Director in place has worked well. Appointing substantively would provide resilience and continuity assuming that phase 1 of the proposed recruitment process is successful.

Retaining but substantiating the current arrangements would also allow consideration of restructuring at the next layer through either removing or adapting up to two posts over the next 18 to 24 months. This would be a matter for the CFO, the newly appointed Director of Finance and Assets and SMB to consider if appropriate and when collaboration plans are developed further.

Appointing a substantive Director of Finance and Assets is the recommended option with option A (Collaboration) being progressed with a view to considering full shared services from 2017 when the systems integration programme should be nearing completion and RBFRS having progressed and embedded revised management structures and reviewed its systems requirements.

This option provides an excellent opportunity in light of the present timing and the continual development of BFRS along with our wider partners, to explore and develop more efficient and effective models for broader financial and asset management in the future.

Any future proposals would of course be brought forward for approval and subject to the appropriate business case being developed, that provides for the future stability, progression and resilience for BFRS.

Financial Implications

There are no new costs in respect of the options/recommendations. The Chief Finance Officer role is already budgeted for in the MTFP. Recruitment costs would be required to secure external candidates, only if phase 1 of the recruitment process (internal candidates only) is not successful.

3. Summary

It is recommended that an appointment to the substantive role of Director of Finance and Assets is made, with internal applications being considered first. As an SMB appointment the panel would be made up of Authority members. If this recommendation is agreed, dates will be set for October 2015. Appendix 1 sets out a proposed recruitment and selection process.

This recommendation would allow the Authority to have a secure and stable finance leadership structure to support the significant change and transformation

agenda. As a priority the new appointee will be able to carefully consider greater collaborative arrangements with other fire authorities, and possibly other neighbouring public sector bodies after the business systems and integration project is concluded in 2017.

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