



# Buckinghamshire & Milton Keynes Fire Authority

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| <b>MEETING</b>               | Fire Authority   |
| <b>DATE OF MEETING</b>       | 18 February 2015   |
| <b>OFFICER</b>               | Graham Britten, Director of Legal and Governance   |
| <b>LEAD MEMBER</b>           | Councillor Adrian Busby  |
| <b>SUBJECT OF THE REPORT</b> | <b>Injury Awards: Final Report</b>   |
| <b>EXECUTIVE SUMMARY</b>     | <p>The purpose of this report is to apprise the Authority of:</p> <ul style="list-style-type: none"> <li>i) the results of the investigation that was commissioned by the Monitoring Officer into the circumstances in which the Authority has been making compensation payments to former employees for "service related injury" from its Firefighters' Pension Fund, rather than from its operating account. The final report is attached (<b>Appendix 1</b>); and</li> <li>ii) correspondence (attached <b>Appendix 2</b>) received from the DCLG Parliamentary Under Secretary of State.</li> </ul> <p><i>The Authority will be asked to agree the following recommendations arising from the Final Report:</i></p> <p>Recommendation 1: Buckinghamshire and Milton Keynes Fire Authority (BMKFA) should review its arrangements for the administration of its pension fund. Specifically, BMKFA should consider:</p> <ul style="list-style-type: none"> <li>(a) whether to bring the function in-house; or</li> <li>(b) whether a new administrator of the firefighters' pension fund should be appointed.</li> </ul> <p>Recommendation 2: BMKFA should review its arrangements for external audit and financial assurance, including whether it is possible or desirable to change its current appointed auditor.</p> <p>Recommendation 3: BMKFA should review its processes for handovers between leavers and joiners. In particular, BMKFA should consider whether departing staff members should be required to set out (e.g. in a meeting and/or written briefing note) all the information that is relevant to the on-going and future tasks in that role. The requirement should apply at least to the senior managers at BMKFA.</p> <p>Recommendation 4: BMKFA should fully support</p> |

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|                               | <p>efforts within the Fire Finance Network to encourage greater information sharing and cooperation on financial matters.</p> <p>Recommendation 5: BMKFA should develop a policy within human resources for dealing with injury awards under the 2006 Compensation Scheme to complement the policies addressing ill-health retirements.</p>  |
| <b>ACTION</b>                 | Decision.  |
| <b>RECOMMENDATIONS</b>        | <p>It is recommended that:</p> <ul style="list-style-type: none"> <li>a) the contents of the Injury Awards: Final Report be noted;</li> <li>b) the correspondence from the DCLG to the Authority be noted;</li> <li>c) the recommendations of the investigator (set out in the Executive Summary above) be agreed;</li> <li>d) the Director of People and Organisational Development be instructed to undertake the review in line with Recommendation 1 of the Final Report in consultation with the Lead Member for Human Resources and Equality and Diversity; and</li> <li>e) the acting Chief Finance Officer be instructed to undertake the review in line with Recommendation 2 of the Final Report in consultation with the Chairman of the Overview and Audit Committee;</li> </ul> |
| <b>RISK MANAGEMENT</b>        | No adverse effects on the ability of the Authority to discharge its functions.   |
| <b>FINANCIAL IMPLICATIONS</b> | The actions arising from the recommendations can be undertaken within existing resources.  |
| <b>LEGAL IMPLICATIONS</b>     | The investigation was undertaken in order to assist the Monitoring Officer in the event that he may need to report to the Authority if it appears to him that a decision or omission by any employee has given rise to, or is likely to, or would give rise to a contravention by the Authority, or by any employee of any enactment or rule of law.   |
| <b>HEALTH AND SAFETY</b>      | None arising from the recommendations.   |
| <b>EQUALITY AND DIVERSITY</b> | None arising from the recommendations.   |
| <b>USE OF RESOURCES</b>       | The actions arising from the recommendations can be undertaken within existing resources. The outcomes of the reviews will be reported back to a committee of  |

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|  | <p>the Authority.</p>  |
| <p><b>PROVENANCE<br/>&amp;<br/>BACKGROUND PAPERS</b></p> | <p>DCLG notified finance officers of the Authority in July of issues arising from the payments made from the Pension fund in July 2014. There was provision made in the accounts for 2013/14 for the treatment of injury awards charged to the pension fund since 1 April 2006 based on the probability of having to reimburse DCLG for the cumulative relevant expenditure. The accounts were approved as amended in line with a verbal update provided by the Chief Finance Officer at the Overview and Audit Committee meeting on 24 September 2014; however due to further amendments needing to be made they were re-submitted for approval to the Authority at its meeting on 22 October 2014.</p> <p>The Audit Director remains of the view that he cannot issue a completion certificate until he has an assurance that there is statutory authority enabling the Authority to make such a payment.</p> <p>A request for reimbursement has yet to be made by DCLG. However the DCLG’s position remains as stated in the letter from Penny Mordaunt MP. (<b>Appendix 2</b>).</p> <p>In the Audit Commission’s publication “Auditing the Accounts” published on 11 December 2014 (its final one before closure on 31 March 2015) the Audit Commission states that the statutory audit opinion was issued by 30 September 2014 at 352 of the 356 councils and 28 of the 31 fire and rescue authorities. The remaining fire and rescue authorities being (issue date in brackets): Cambridgeshire and Peterborough Fire Authority (10 October 2014); Buckinghamshire and Milton Keynes Fire Authority (22 October 2014); and Hampshire Fire and Rescue Authority (31 October 2014). The reason cited being “Technical Accounting Issue” for all three.</p> <p>The Monitoring Officer was requested by the Chief Fire Officer/Chief Executive to undertake an investigation, who in turn commissioned Tom Ogg. The Terms of Reference (Appendix 4 to Agenda Item 11 of the December Authority meeting) required Counsel to provide:</p> <ul style="list-style-type: none"> <li>• A clear account of how these events transpired.</li> <li>• An account of what happened in other combined fire and rescue authorities and other fire and rescue authorities.</li> <li>• Details of the scale and depth of the financial problem and an informed account of what the Authority’s liabilities and future costs might be.</li> <li>• An analysis of the opportunities to uncover this issue that might have been missed and whether</li> </ul> |

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|                          | <p>due to managerial actions, controls, practices and/or processes and the role and adequacy of internal and external audit.</p> <ul style="list-style-type: none"> <li>• Other relevant issues relating to the on-going service related injury payments.</li> </ul> <p>The Authority received an Interim Report at its meeting on 17 December 2014, which addressed the second and third bullet points above.</p> <p>Minutes of the meeting of the Overview and Audit Committee 24 September 2014</p> <p><a href="http://bucksfire.gov.uk/files/7914/1682/6936/ADocPackPublic.version0001.pdf">http://bucksfire.gov.uk/files/7914/1682/6936/ADocPackPublic.version0001.pdf</a></p> <p>Minutes of the meeting of the Authority 22 October 2014</p> <p><a href="http://bucksfire.gov.uk/files/2714/1803/3063/ITEM_2_22-10-14_DRAFT_MINUTES_v2kn.pdf">http://bucksfire.gov.uk/files/2714/1803/3063/ITEM_2_22-10-14_DRAFT_MINUTES_v2kn.pdf</a></p> <p><i>Auditing the Accounts 2013/14: Local Government Bodies</i>, Audit Commission 11 December 2014</p> <p><a href="http://www.audit-commission.gov.uk/wp-content/uploads/2014/12/20141204-Auditing-the-Accounts-2013-14-LG-FINAL-FOR-WEB.pdf">http://www.audit-commission.gov.uk/wp-content/uploads/2014/12/20141204-Auditing-the-Accounts-2013-14-LG-FINAL-FOR-WEB.pdf</a></p> <p>Agenda Item 11, Meeting of the Authority 17 December 2014 : Injury Awards Interim Report</p> <p><a href="http://bucksfire.gov.uk/files/2614/1803/6277/ITEM_1_1_Injury_Awards_Interim_Report_inc_Appendices_12_34.pdf">http://bucksfire.gov.uk/files/2614/1803/6277/ITEM_1_1_Injury_Awards_Interim_Report_inc_Appendices_12_34.pdf</a></p> |
| <p><b>APPENDICES</b></p> | <p><i>Not for publication by virtue of Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as Appendix 1 contains information relating to an individual; and Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972, as Appendix 1 contains information which is likely to reveal the identity of an individual; and Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as Appendix 1 contains information relating to the financial or business affairs of any particular person (including the authority holding that information); and Paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 as Appendix 1 contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings, and on those grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information:</i></p> <p>Appendix 1 Injury Awards: Final Report.</p> <p>Appendix 2 Letter from Parliamentary Under Secretary of State DCLG to COO (as was) Jason Thelwell in response to his letter dated 18 November 2014.</p>  |

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| <b>TIME REQUIRED</b>                 | 15 minutes.  |
| <b>REPORT ORIGINATOR AND CONTACT</b> | Graham Britten<br><a href="mailto:gbritten@bucksfire.gov.uk">gbritten@bucksfire.gov.uk</a><br>01296 744441 |