



**Agenda
for the Meeting
of the
Audit and Governance Committee**

Monday, 19th July 2021

At

6.30 pm

RBFRS Headquarters
Lynda Kenyon Suite
Newsham Court
Pincents Kiln
Calcot
Reading
Berkshire
RG31 7SD

For further information regarding this meeting, please contact:

Committee Team

0118 938 4611

E-Mail at committeeteam@rbfrs.co.uk

Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD



MEETING: Audit and Governance Committee Meeting

DATE AND TIME: Monday, 19th July 2021, at 6.30 pm

VENUE: Lynda Kenyon Suite
RBFRS Headquarters
Newsham Court
Pincents Kiln
Calcot
Reading, Berkshire RG31 7SD

S U M M O N S

You are hereby summoned to attend the meeting of the Royal Berkshire Fire Authority at the time, date and venue indicated above, when it is proposed to deal with the business set out in the enclosed Agenda.

A handwritten signature in black ink, appearing to read 'Graham Britten'.

GRAHAM BRITTEN
Monitoring Officer

To: Members of the Audit and Governance Committee:

Councillor Christine Bateson	Councillor Garth Simpson
Councillor Jane Stanford-Beale	Councillor Simon Werner
Councillor Tina McKenzie-Boyle	Councillor Anne Chadwick
Councillor Tony Linden	Councillor Avtar Cheema
Councillor Harjinder Minhas	

Copy to: Senior Leadership Team (SLT), Royal Berkshire Fire and Rescue Service

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AGENDA

1. Apologies for Absence

2. Declarations of Interest

Purpose:

To receive Declarations of Interest from Councillors relating to items to be considered at the meeting, in accordance with the provisions of the Fire Authority's Local Code of Conduct, and any from Officers.

3. Minutes of the Meeting held on 31 March 2021 (Pages 7 - 14)

Recommendation:

That the Minutes of the meeting and any recorded actions held on 31 March 2021, be confirmed as a correct record and signed by the Chairman.

4. Consideration of any matters properly referred to this Committee for decision

5. Internal Audit Update (Pages 15 - 48)

Purpose:

To note the 2020/21 Annual Report as well as the findings from the Performance Development Review audit.

6. External Audit Update (Pages 49 - 106)

Purpose:

To note the Audit Results Report.

7. Annual Governance Statement *(Pages 107 - 140)*

Purpose:

To agree the Annual Governance Statement 2020/21.

8. Emergency Services Mobile Communications Programme *(Pages 141 - 146)*

Purpose:

To note the Emergency Services Mobile Communications Programme report.

9. Scrutiny Task and Finish Group Recommendation *(Pages 147 - 166)*

Purpose:

To agree the recommendations of the Scrutiny Task and Finish Group.

10. Guiding Principles for Property Disposals *(Pages 167 - 202)*

Purpose:

To recommend that the Management Committee approve the guiding principles on property disposals.

11. Pension Board Annual Update *(Pages 203 - 210)*

Purpose:

To receive for note Pension Board Annual Report.

12. Annual Report 2020/2021 *(Pages 211 - 256)*

Purpose:

To receive for note RBFRS Annual Report prior to external publication.

13. Quarterly Performance Report (January - March 2021) - Quarter Four *(Pages 257 - 260)*

Purpose:

To receive for note overview of Royal Berkshire Fire and Rescue Service's (RBFRS) quarter four performance for the 2020/21 financial year.

Please note the Quarterly Performance report is printed under a separate cover.

14. Date of next meeting

Wednesday, 20 October 2021, at 6.30pm, Lynda Kenyon Suite, Royal Berkshire Fire and Rescue Service (RBFRS) Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD.

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MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE



Held on Wednesday, 31st March 2021 at 6.30 pm
This was a remote meeting.

- Members:** (*present)
- * Councillor Christine Bateson
 - * Councillor Jane Stanford-Beale
 - * Councillor Dennis Benneyworth
 - * Councillor Christine Hulme
 - * Councillor Tina McKenzie-Boyle
 - * Councillor Tony Linden
 - * Councillor Harjinder Minhas
 - * Councillor Garth Simpson
 - * Councillor Simon Werner
 - * Councillor Pauline Helliars-Symons
 - * Councillor Colin Dudley

- In Attendance:**
- Mark Arkwell (Deputy Chief Fire Officer, DCFO)
 - Paul Binyon (Area Manager Response and Resilience, AM R&R)
 - Andrew Britten (External Auditor, Ernst Young)
 - Alex Brown (Head of Capital Projects and Estates, CP&E)
 - Conor Byrne (Head of Finance and Procurement, HF&P)
 - Becca Chapman (Data, Performance and Risk Manager, DP&RM)
 - Becci Jefferies (Head of Human Resources, Learning and Development, HHR&L&D)
 - Amir Kapasi (Internal Auditor, RSM)
 - Katie Mills (Director of Corporate Services, DCS)
 - Tom Nice (ICT Technical Support Officer)
 - James Pinchin (Business Support Lead, BSL)
 - Jim Powell (Area Manager, Collaboration and Policy, AM C&P)
 - Fayth Rowe (Democratic Support Lead, DSL)
 - Nikki Richards (Deputy Chief Executive, DCEX)
 - Hannah Sheehan (Democratic Support Assistant, DSA)
 - Gary Thomas (Senior Technical Support Officer, STSO)
 - Tregear Thomas (Area Manager, Prevention and Protection, AMP&P)

41. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors McKenzie-Boyle and Stanford-Beale.

Councillor Linden, Vice-Chairman, chaired the meeting in the absence of

Action

Councillor McKenzie-Boyle. Councillors Dudley and Helliar-Symons were in attendance as substitutes for Councillors McKenzie-Boyle and Stanford-Beale.

42. DECLARATIONS OF INTEREST

There were no Declarations of Interest from Councillors relating to items to be considered at the meeting, in accordance with the provisions of the Fire Authority's Local Code of Conduct, and any from Officers.

43. MINUTES OF THE MEETING HELD ON 28 JANUARY 2021

RESOLVED that there were no actions recorded and that the Minutes of the meeting on 28 January 2021, be approved as a true and accurate record and signed by the Vice-Chairman.

44. CONSIDERATION OF ANY MATTERS PROPERLY REFERRED TO THIS COMMITTEE FOR DECISION

There were no items for consideration referred to this Committee for decision.

45. MEMBER DEVELOPMENT ANNUAL REPORT AND ACTION PLAN

Councillor Helliar-Symons introduced this item as Organisational Development Champion and as Chairman of Member Development Working Group. She provided a comprehensive introduction and highlighted the importance of Member Development to inform and keep Members up-to-date with changes in the Fire and Rescue Service.

She stated 15 out of 20 Members attended their 1:1's with their Group Leaders and advised that this year 1:1's will be used to discuss Members areas of interest. Online sessions were well attended, however, Councillor Helliar-Symons stated it was not a substitute for when courses could be held face to face, in particular Control visits.

She thanked Katie Mills, Director of Corporate Services (DCS) and team for all their work on Member Development, and Members for completing the Member Development Survey.

In answer to a question from Councillor Dudley, Katie Mills advised that there was an Equality, Diversity and Inclusion (EDI) element to the Healthy Organisation course, however, officers were looking at developing this provision to include unconscious bias training and was also looking at the Local Government Association (LGA) provision on said training.

Councillor Linden moved the recommendations and it was seconded by Councillor Colin Dudley.

RESOLVED that:

- The Member Development Annual Report be noted;
- The progress of the 2020/23 Member Development Action Plan be noted, and
- The results of the Member Development Survey be noted.

46. INTERNAL AUDIT UPDATE AND 2021/22 INTERNAL AUDIT PLAN

Conor Byrne, Head of Finance and Procurement (HF&P) introduced the report and handed over to Amir Kapasi, RSM Auditor. Amir Kapasi reported four audits had been completed since the last Committee meeting and stated that no significant issues were identified. He added that Cyber Essentials was an advisory audit.

In response to a question from Councillor Helliard-Symons on page 35 of the report relating to the provision of Risk Management Training, Katie Mills, DCS reported this training was aimed at staff. The audit had identified that Risk Management Training be extended across the organisation where appropriate to the role, and the management action was to build upon existing training provision.

In referring to the Audit Strategy on pages 79 – 82 of the report, Amir Kapasi outlined the audits listed in 2021/22 were linked to the Corporate Register and that the advisory audit on Cyber Essentials would be held again.

The Chairman requested that it be put on record his thanks for all of the hard work that had gone into achieving the audit opinions. On reflection, he stated that every audit held in the last year to date, received the highest assurance from our internal auditors. He requested Members of the Committee to join him in recognising this achievement and note the assurance it offered to both the Fire Authority, and importantly, the people of Berkshire, on the management of the Service.

Councillor Linden moved the recommendations and it was seconded by Councillor Bateson.

RESOLVED that:

- The findings as presented in RSM's Progress Report be noted, and
- The 2021/22 Internal Audit Plan be approved.

47. EXTERNAL AUDIT REPORT

Conor Byrne, HF&P, reported he was hoping to present 2019/20 Statement of Accounts to this Committee, however, there was a delay in the signing off the Accounts by the Berkshire Pension Fund. He invited External Auditor, Andrew

Britten to provide further details.

Andrew Britten advised that Ernst & Young (EY) had met with Deloitte last month and reported there were a list of unresolved items, however, EY continue to seek clarification and expect a resolution imminently. He reported EY will complete their review week commencing 12 April 2021. They also advised that the 20/21 Statement of Accounts could not be signed off until the 19/20 Statement of Accounts had been approved.

Councillor Dudley queried whether Andrew Britten could assure the people of Berkshire that the 19/20 Accounts would be signed off.

Andrew Britten responded by informing Councillor Dudley that the Berkshire Pension Fund / Deloitte was the only remaining piece of work that required completion and all other aspects of the Accounts had been completed. He added that EY had booked staff to complete this work by 12 April.

In response to Councillor Dudley, Conor Byrne agreed that in the event of not receiving the letter from EY he would inform the Chairman of Audit and Governance Committee.

HF&P

48. AMENDED FIRE AUTHORITY TERMS OF REFERENCE

Katie Mills, DCS, presented the report. She reported the recommendation was to amend the Fire Authority Terms of Reference to include Honorary Champion roles and to formalise the existing appointments of Local Government Association representative and Thames Valley Fire Control Joint Committee representative appointments at the annual meeting.

She added that the inclusion of the above roles made no impact on the Scheme of Allowance, and highlighted a small change to the sentence in CO3 (h) on page 99 of the report.

Councillor Dudley stated the honorary appointment of the Armed Forces Champion was in response to the recent Gold Award received for the Armed Forces Covenant, supported by Councillor Ross.

Councillor Linden moved the recommendation and it was seconded by Councillor Dudley.

RESOLVED that the amended Fire Authority Terms of Reference (Appendix A) be recommended to the Fire Authority for approval.

49. ANNUAL STATEMENT OF ASSURANCE 2019/20

Katie Mills, DCS introduced the report and stated the purpose was for the Service to demonstrate how it adhered to the National Framework. The recommendation proposed that the Statement of Assurance be published in

draft, then republished when the Statement of Accounts were signed off.

Councillor Dudley congratulated all those involved in achieving each of the summary judgements within the four key areas of Finance, Governance, Operations and delivering against the National Framework, which were fully met. He stated this was the result of hard work and dedication by officers and Members. The Finance requirement was subject to the conclusion of the external audit of Statement of Accounts 2019/20, and stated that he had confidence that the Service would be able to provide further assurance to the community when the Statement of Accounts 2019/20 were formally signed off. In conclusion, he stated he was pleased to be able to add his name to the Statement of Assurance on behalf of the Authority.

The Chairman moved the recommendation and it was seconded by Councillor Colin Dudley.

RESOLVED that:

- The summary judgements within the Statement of Assurance for each of the four key areas of Finance, Governance, Operations and delivering the National Framework be noted;
- The RBFA Statement of Assurance 2019/20 be approved and published in draft; and
- The Statement of Assurance will be finalised and re-published by the Director of Corporate Services, following the conclusion of the audit of the Statement of Accounts 2019/20, in consultation with the Chairman of the Fire Authority and Chairman of the Audit and Governance Committee.

50. GENDER PAY GAP REPORT 2020

Becci Jefferies, Head of Human Resources and Learning and Development (HHR&L&D), reported it was a requirement under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations for the Authority to publish gender pay gap data. The mean gender pay gap had been calculated by adding up the hourly rate of all male/female employees and dividing that figure by the total number of male/female employees. She stated that the median was a more accurate calculation than the mean and explained the median was calculated by listing all hourly rates of each gender and finding a central rate. This year the median was 1.51%.

In response to a question from Councillor Hulme on the underrepresentation of women in the operational workforce, Becci Jefferies reported Human Resources had struggled over the Covid period due to other workloads, however work was underway to develop an online video to promote Positive Action. She added that she will also be working with other Services to look at ways to attract female Firefighters.

Councillor Dudley queried how Royal Berkshire Fire and Rescue Service (RBFRS) achieved the median of 1.51%, as the National median was 17.3%.

Becci Jefferies reported RBFRS has published a clear Pay Policy Statement, local consideration to pay has been made, periodic equal pay audits were held and an established process on how roles were evaluated.

In response to a question from Councillor Werner, Becci Jefferies stated the report includes all quartiles and stated that the Gender Pay Gap report related to conditions to certain roles, for example senior level roles with additional condition to operational response.

Councillor Dudley stated there was not a glass ceiling in the Service and referred to the recent recruitment process of the Chief Fire Officer / Chief Executive, as an example. However, he added that the Service could work harder to reduce the gender pay gap even further.

Councillor Linden moved the recommendation and it was seconded by Councillor Bateson.

RESOLVED that:

- The details of the Gender Pay Gap Report shown in Appendix A be noted and agreed it is published on the RBFRS website; and
- The Action Plan in Appendix B be noted.

51. ANNUAL REPORT ON GOVERNANCE

Katie Mills, DCS, presented the report and stated the Annual Report on Governance will be presented to the Fire Authority in June. She confirmed that the figures will be updated.

Councillor Linden moved the recommendations and it was seconded by Councillor Benneyworth.

RESOLVED that:

- The report be noted.
- It be recommended that the Fire Authority:
 - Note the Member' Allowances received for the period of June 2020 – February 2021;
 - Note the 2020/21 attendance record of Royal Berkshire Fire Authority Members (2.2.1 and 2.2.2 will be updated to the end of May 2021).

52. QUARTERLY PERFORMANCE REPORT 2020/21 - QUARTER 3 (OCTOBER TO DECEMBER 2020)

Becca Chapman, Data and Performance Manager (D&PM), provided a summary of the Quarter Three Performance report. She reported overall performance was good, and that the team continued to monitor the number of

incidents. In referring to Service Provision, she stated the Service have continued with Safe and Well visits which were risk assessed. In relation to Corporate Health, staff sickness levels were low and the Service were making good progress on the build of Theale Community Fire Station.

The Chairman requested Members ask questions by each of the four quadrants of the report. Councillor Dudley asked a question relating to Quadrant One, Service Provision. In response, Paul Binyon, Area Manager Response and Resilience (AM R&R), reported the drop in availability to 90% was due to the impact of Covid-19 (November – December 2020). In relation to performance measure 14, he stated the increase to 78% was due to On-call availability, which had exceeded the 75% target and had sustained that target to date.

Councillor Benneyworth's question was in relation to Quadrant Two, Corporate Health. Page 13 of the report, stated there had been improved performance on staff sickness compared with last year in spite of the impact of Covid-19. Becci Jefferies, HHR&L&D, reported there were a combination of factors. She made reference to staff working from home and the work the Service had done towards health improvement. For example, restorative and support work from Occupational Health and Movement Specialist. Measures were also put in place to minimise the impact to staff.

The Chairman asked a question on Quadrant Three, Priority Programme. He queried how confident was the Service in the delivery of Theale Community Fire Station to time and budget, given the impacts of the pandemic over the past year. Alex Brown, Head of Capital Projects and Estates (HCP&E), stated contingency had been built into the programme to deal with impacts such as Covid-19 and Brexit and that she was confident the Service was on target to deliver this project.

In response to Councillor Dudley's question on page 30 of the report Quadrant Four, Risk. Jim Powell, Area Manager, Collaboration and Policy (AM, C&P) reported a significant piece of work had been undertaken to deliver the first phase of a new suite of guidance aligned to the National Operational Guidance (NOG), which was also aligned across the three Thames Valley Fire and Rescue Services (FRS). He added that this risk will continue to be addressed through the second project phase over the next 12 months.

Councillor Dudley stated he found Quarter Three Performance Report outstanding and stated the numbers showed the Service was supporting the people of Berkshire. The Vice-Chairman concurred and thanked Officers and staff for their dedication during Covid-19.

Councillor Linden moved the recommendation and it was seconded by Councillor Dudley.

RESOLVED that:

- The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2020/21 be

Agenda Item 3

Action

noted.

- The progress made on the two priority programmes be noted.
- The position of corporate risk be noted.

53. DATE OF NEXT MEETING

Monday, 19 July 2021. Venue to be confirmed.

(The meeting concluded at 7.46pm)

ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT & GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	INTERNAL AUDIT UPDATE
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 The internal auditors will present their 2020/21 Annual Report.
- 1.2 The Committee will also receive an update on the final audit that was completed as part of the 2020/21 programme of audits.

2. RECOMMENDATION

That the Committee:

- 2.1 **NOTE** the 2020/21 Annual Report as well as the findings from the Performance Development Review audit.

3. REPORT

- 3.1 The Annual Report is attached as **Appendix A**. The Report states that “the Organisation has an adequate and effective framework for risk management, governance and internal control.” This is RSM’s highest assurance rating.
- 3.2 The Performance Development Review audit is attached as **Appendix B**. It makes one medium risk recommendation and three low risk recommendations. It states that overall “the Authority can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the area.”
- 3.3 A representative from RSM will attend the meeting to update members.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS

- 5.1 The work of the internal auditors assures members that the Authority's finances are in good order.
- 5.2 The cost of the Internal Audit Contract for 2020/21 was £45,381.

6. LEGAL IMPLICATIONS

- 6.1 In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the Authority's Annual Governance Statement.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 The internal audit programme aims to identify key risks and report on the effectiveness of controls and mitigating actions.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 Internal audits will consider how the Authority is meeting this requirement where applicable.

10. PRINCIPAL CONSULTATION

- 10.1 No issues for statutory officers.

11. BACKGROUND PAPERS

- 11.1 2020/21 Internal Audit Plan.

12. APPENDICES

- 12.1 **Appendix A** 2020/21 Annual Report
- 12.2 **Appendix B** Performance Development Review Audit Report

13. CONTACT DETAILS

- 13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk
Tel: 07585 991602

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ROYAL BERKSHIRE FIRE AND RESCUE SERVICE

Annual internal audit report 2020/21

7 July 2021

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation’s risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

The opinion

For the 12 months ended 31 March 2021, the head of internal audit opinion for Royal Berkshire Fire and Rescue Service is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our draft opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit committee, our opinion is subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention; and

- our internal audit work for 2020/21 has been undertaken through the substantial operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context.
- Our planned internal audit work for 2020/21 has been subject to some postponement. Following requests, we paused the reviews of Capital Projects (Theale Fire Station) and Performance Management (Appraisals) however these were both completed subsequently with positive assurance opinions. We are of the view that sufficient internal audit coverage has been performed to allow the provision of the annual Head of Internal Audit Opinion for 2020/21 included in this report.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Fleet Management 1.20/21

Our review found controls are in place to ensure that all red-fleet vehicles are maintained to ensure they remain fit for purpose. Notably, we identified a signed JWA was in place between RBFRS and HFRS, which clearly specifies the roles and responsibilities of the two parties. Our review also confirmed the effectiveness of controls in place to ensure that complete fleet records are maintained via the Tranman system, with no omissions identified. Our review also included consideration of invoicing and budgetary arrangements, where no issues were identified.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

Cyber Essentials (Advisory) 4.20/21

A self-assessment questionnaire was completed on 26 November 2020. Based upon the evidence available at the time of our fieldwork, we found that 15 of the 34 requirements from the five Cyber Essentials control themes had evidence to support the self-assessment that controls are established. For the remaining 19 requirements, 15 did not have evidence to fully support self-assessment scores, three had not been implemented (in line with the self-assessment scores) and one could not be tested as the required information was not provided.

Firefighter Pension Administration – West Yorkshire Pension Fund 2.20/21

Our review concluded that there were robust controls in place covering pension administration at WYPF and that these controls are being followed in practice. We noted that one action that had been agreed in 2018/19 and restated in 2019/20 in relation to succession planning. This action remained in progress at the time of this audit.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

Governance and Risk Management 5.20.21

Our review found there were effective arrangements and processes in relation to governance and risk management. Testing covered relevant plans, frameworks, policies and strategies as well as group meetings, the discharging of duties and accuracy of information. We did identify minor areas for improvement, specifically the recording of action tracking within Management Committee minutes, ensuring terms of reference include linkage to the Standing Orders and the provision of risk management training.

Review of Payroll Provider - Dataplan 3.20.21

From our review, we confirmed that the controls in place at Dataplan were robust and were complied with in practice. We did note one exception which resulted in the agreement of a low priority management action.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

Capital Projects (Theale Fire Station) 6.20.21

Our review confirmed that controls were in place in relation to the oversight of the Theale Fire Station project. There was one notable exception resulting in a medium priority action, where the terms of reference for the Strategic Performance Board and Property Development Working Group were out of date at the time of our review. In addition, implementation dates for actions reported at Station Coordination Group meetings were not always assigned.

Issues were identified in relation to Boundary Firewalls and Internet Gateways, Secure Configuration, Access Control, Malware Protection and Patch Management control themes. This led to one high, six medium and seven low priority management actions being agreed.

Following the review, and agreement of the management actions, we were provided with further evidence to demonstrate that action has been taken by the service to implement the one high and all six medium priority actions.

Fire Fighter Pension Account Government Return 7.20/21

Our review concluded that adequate control framework was in place for the preparation and review of the annual return. Testing included confirming submission was timely, confirming consistency with a sample of staff and reviewing the forecast contributions.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

Performance Development Reviews 8.20/21

Overall, our review found that there were effective controls and arrangements in place relating to the PDR process. We identified that a PDR Policy and other guidance materials had been prepared to outline the process expectations and key responsibilities, whilst confirming training had been provided and regular communications are issued informing staff of the appraisal process.

We have noted some areas for improvement, namely in relation to the formal chasing of overdue PDRs. It should be noted that we recognise that COVID-19 has had a significant impact on working practices and the need to conduct PDRs remotely.

Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the area.

Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified area are suitably designed, consistently applied and operating effectively.

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Topics judged relevant for consideration as part of the annual governance statement

Based on the work we have undertaken on the Authority's system on internal control, the Authority should consider the issues identified on the cyber essentials advisory review area set out above when completing their Annual Governance Statements (AGS), together with any subsequent action taken by management to address the weaknesses identified. In addition, the current COVID19 pandemic and its impact on the operations of the Service will obviously need to be reflected in the AGS.

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2020/21.

Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the audit and governance committee, with the validation of the action status confirmed by internal audit on where actions are followed up in similar audits.

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **good progress** in implementing the agreed actions.

Our internal audit work has identified that only one action from the prior year remains outstanding and relates to written succession plans for WYPF.

It was noted that whilst informal successional plans are in place, no succession plans have been documented due to upcoming substantial changes in the workforce structure pending a restructure, which are ongoing with Bradford Council's HR Department (who is the administering authority of the WYPF).

Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

OUR PERFORMANCE

Wider value adding delivery

In the year, we have provided to Royal Berkshire Fire and Rescue Service the following information:

Area of work	How has this added value?
Issue of Emergency Services Briefings	The sector briefings provide both management and Audit Committee members with an insight of key risks, issues and an update of any changes in sector requirements.
Notice Fraud	A publication was issued in October 2020 highlighting the importance of being alert and reporting suspicious emails along with other potential frauds around travel and transport.
Managing Risks in a Changing Environment - Analysis of fire and rescue service risk registers	During December 2020, our latest review of fire and rescue services (FRSs) strategic risk registers identified some persistent challenges, together with some new and emerging risk areas, particularly in relation to IT and the external environment.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates.
Off-payroll working / IR35	We have provided Emergency Services clients with updates in relation to the Off-payroll working / IR35 rules, following the launch of the Government review into the implementation of the changes to the off payroll working rules that will aim to determine if any further steps can be taken to ensure the 'smooth and successful implementation' of the reforms
Coronavirus: Various briefings and webinars	RSM have delivered a number of webinars and client briefings in relation to Coronavirus.

Conflicts of interest

RSM has not undertaken any work or activity during 2020/2021 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that 'there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers.' RSM was found to have an excellent level of conformance with the IIA's professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Performance indicators

Delivery

Quality

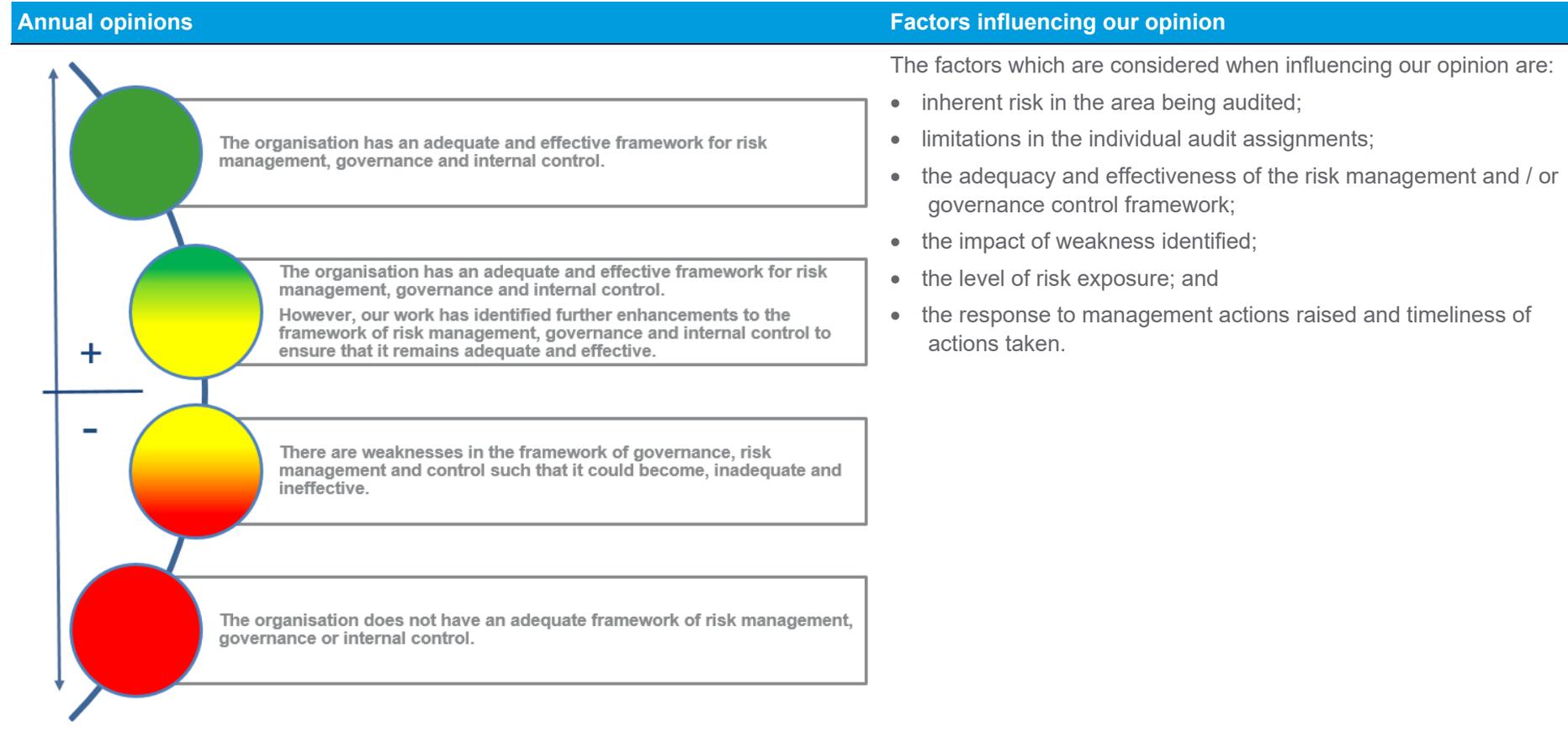
	Target	Actual	Notes		Target	Actual	Notes
Audits commenced in line with original timescales*	Yes	Yes		Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	100%	100%		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	100%	71%	1	Response time for all general enquiries for assistance	2 working days	Yes	
Final report issued within 3 days of management response	100%	100%		Response for emergencies and potential fraud	1 working days	N/A	

1. Management responses for two reports were not provided within 10 days of the draft report. One of these reports made their intended Audit & Governance Committee meeting, whilst the other was Cyber Essentials which also experienced delays in management responses

* This takes into account changes agreed by management and audit committee during the year; reflecting our 'agile' / 'flexible' approach to our service delivery.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.



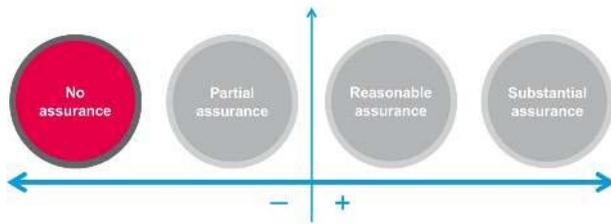
APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2020/21

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Fleet Management (1.20/21)	Andy Mclenahan - Head of Facilities, Fleet and Equipment	Substantial Assurance [●]	0	0	0
Firefighter Pension Administration – West Yorkshire Pension Fund (2.20/21)	Becci Jefferies - Head of Human Resources and Learning and Development	Substantial Assurance [●]	1	0	0
Review of Payroll Provider – Dataplan (3.20/21)	Becci Jefferies - Head of HR and Learning & Development	Substantial Assurance [●]	1	0	0
Cyber Essentials Security Review (4.20/21)	Tony Vincent - Head of Business Information and Systems	No opinion / Advisory [●]	7	6	1
Governance and Risk Management (5.20/21)	Katie Mills - Head of Corporate Services	Substantial Assurance [●]	3	0	0
Capital Projects - Theale Fire Station (6.20/21)	Alex Brown - Head of Property, Capital Projects and Estates	Substantial Assurance [●]	1	1	0
Firefighter Pension Account Government Return (7.20/21)	Conor Byrne - Head of Finance and Procurement	Substantial Assurance [●]	0	0	0
Performance Development Reviews (8.20/21)	Becci Jefferies - Head of HR and Learning & Development	Reasonable Assurance [●]	3	1	0

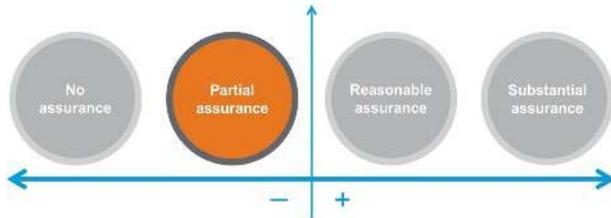
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



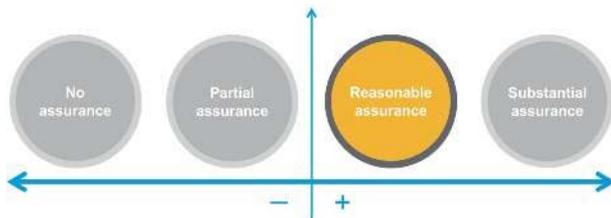
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



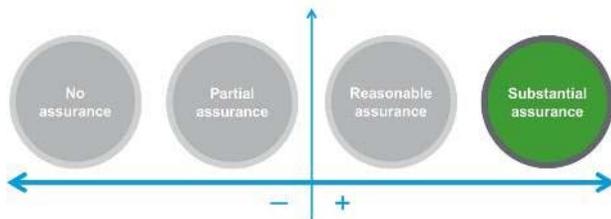
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

Name: Dan Harris, Head of Internal Audit

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Telephone: 07792 948 767

Name: Amir Kapasi, Client Manager

Email: Amir.Kapasi@rsmuk.com

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Royal Berkshire Fire and Rescue Service, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

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ROYAL BERKSHIRE FIRE & RESCUE SERVICE

Performance Development Reviews

Internal audit report 8.20/21

FINAL

1 July 2021

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

1. EXECUTIVE SUMMARY

With the use of secure portals for the transfer of information, and through electronic communication means, remote working has meant that we have been able to complete our audit and provide you with the assurances you require. It is these exceptional circumstances which mean that 100 per cent of our audit has been conducted remotely. Based on the information provided by you we have been able to sample test.

Why we completed this audit

We undertook a review of Performance Development Reviews (PDR) as part of the agreed internal audit plan for 2020/21 at Royal Berkshire Fire and Rescue Service (RBFPS). The objective of this review was to allow the Authority to take assurance over the controls and arrangements relating to the PDR process.

As per the PDR Policy, all eligible staff are to receive an annual PDR across April to June of each year. Line managers are responsible for arranging PDR meetings and ensuring employees are aware of the correct process to follow and the documentation to be completed. Employees are to self-complete the PDR form (Form 46), in preparation for meetings with line managers. During PDR meetings, employees and line managers review progress with agreed objectives for the following year, including key achievements.

Individual appraisal objectives should link to the Service's strategic objectives and should be Specific, Measurable, Attainable, Relevant and Time-based (SMART). In line with the People Strategy, at least two objectives should be behavioural based. PDRs also incorporate the Behavioural Competency Framework (BCF), with employees asked to consider which of the competencies they have achieved and which they can work towards. All PDR forms are to be signed off by endorsing managers before being forwarded to HR for logging on FireWatch, the Service's HR system.

The PDR process aims to improve the effectiveness of the organisation by contributing to achieving an engaged and high performing workforce. Although managed and reported upon by the HR Team, responsibility for ensuring PDRs are completed remains with staff and line managers. The completion of PDRs is reported to the Strategic Performance Board as part of the quarterly performance reports, with 99.7 per cent of eligible staff reported as receiving PDR meetings as at Q4 2020/21.

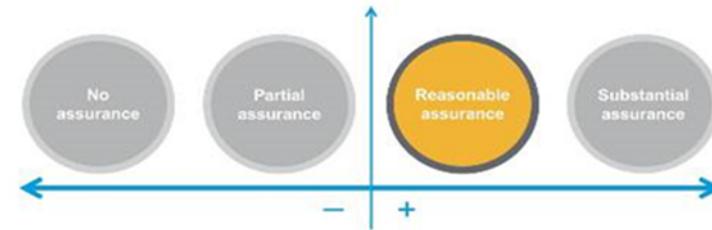
Conclusion

Overall, our review found that there were effective controls and arrangements in place relating to the PDR process. We identified that a PDR Policy and other guidance materials had been prepared to outline the process expectations and key responsibilities, whilst confirming training had been provided and regular communications are issued informing staff of the appraisal process. We found that an exercise was completed to review the content of a sample of 2020 PDRs by an HR Advisor, and that internal HR reporting and update reporting to the Strategic Performance Board was occurring as expected.

We have, however, noted some areas for improvement, namely in relation to the formal chasing of overdue PDRs. We found that there was no defined chasing process for overdue PDRs and our sample testing identified exceptions including 2020 PDR meetings that had not been held before the deadline, 2020 PDR forms that had not been completed before the deadline and 2020 PDR forms that had not yet been forwarded to HR at the time of our review. It should be noted that ultimate responsibility for the timely completion of a PDRs remains with line managers rather than HR, and we also recognise that COVID-19 has had a significant impact on working practices and the need to conduct PDRs remotely.

Internal audit opinion:

Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the area.



Key findings

We identified the following weaknesses, resulting in one medium priority management action being agreed:

Chasing and Follow Up of Overdue PDRs

There is currently no defined formal escalation process for following up overdue PDRs; however, a tracker is used to monitor whether meetings have taken place and whether forms have been forwarded to HR. We selected a sample of 20 staff members for review and found that at the time of the audit, four PDR forms had not been forwarded to HR. We also identified that one PDR meeting had not taken place before the 30 June 2020 deadline and three PDR forms that had not been signed/forwarded to HR before the same deadline. As such, there were eight instances whereby PDRs had not been completed in a timely manner, recognising that COVID-19 has had a significant impact on working practices and the requirements of staff during the pandemic.

We selected an additional sample of ten PDRs where meetings had not taken place prior to the 30 June 2020 deadline and reviewed these alongside the eight exceptions noted above (totalling 18). We confirmed that there was evidence of direct follow up with managers in five instances, with general reminders issued for the remaining 13 exceptions. At the time of our review, there had been no further chasing of PDRs and a total of four PDR forms had not yet been received by HR. Without a defined escalation process for chasing overdue meetings and forms, there is a risk appraisals will not be completed in a timely manner. **(Medium)**

We noted the following controls to be adequately designed and operating effectively:

Performance Development Review (PDR) Policy

The PDR Policy outlines the PDR process and defines the key responsibilities for employees, line managers and endorsing managers, as well as for the HR Team. Review of the policy found that this was in-date, having last been issued in March 2020. We confirmed that the contents provided a detailed overview of the PDR process, as well as screenshot instructions and a process flowchart. We also confirmed that the policy was accessible to staff via Siren, the staff intranet network.

Other Appraisals Guidance



Further guidance and materials relating to the PDR process is available via the Human Resources page on Siren, under the Performance and Development Review section. We accessed the page, noting that this included the PDR policy, the PDR template form, a PDR guidance presentation and a PDR guidance document (template PDR form with guidance notes).

We confirmed through review of the PDR form that this was the template currently in use. We also confirmed that the information included within the presentation and guidance document was consistent with current practice and expectations.

Training



Training in relation to the PDR process and the Behavioural Competency Framework (BCF) is provided to staff via presentation slides, which are accessible via Siren. Through review of the slides used to deliver the training, we confirmed that these covered the PDR process, how to set objectives, examples and linkage to the BCF. Across February 2020 to March 2021 (2020/21 year), five training sessions were delivered for line managers, with two remote training sessions also hosted in May 2021.

We noted that those handouts used during the remote training included the same information as the slides and that all training information and guidance agreed to the PDR policy content, to the other guidance materials and to current practice. At the time of testing, 246 of the 250 line managers required to sit the training had done so, with the remaining four scheduled to attend a training session in July 2021.

PDR Period Communications



The HR Team issue reminders regarding the appraisal period, outlining what action is to be taken and by whom. We obtained evidence confirming reminders and communications had been issued to staff and directly to managers via email, via the Cascade newsletter, on Siren and as a Workplace post. We confirmed that these communications clearly defined the appraisal period for 2021 and that linkage to further guidance and instruction was included.

2020 PDRs



All staff members are to attend a PDR meeting with line managers and are required to forward completed PDR forms to HR. For those 16 forms relating to our sample of 20 staff members (given four forms had not been returned at the time of our review as they were due by the end of June 2021), we confirmed through review that the correct form had been used in each instance, with clear evidence of previous years objectives being reviewed where applicable.

We also found that there was evidence the PDR forms had been shared with employees, line managers and endorsing managers, with comments focusing on performance in the previous year and expectations for the future. For each of the 16 appraisals, the FireWatch system (HR system) had been suitably updated to reflect PDR meetings and the receipt of PDR forms.

PDR Objectives



Objectives for the coming year are to be set and agreed in PDR forms and should either be task or behavioural based. For those 16 forms relating to our sample of 20 staff members (given four forms had not been returned at the time of our review for the reasons noted above), we confirmed through review that objectives had been clearly stated, with linkage to strategic objectives and the BCF where appropriate. We also found objectives were strength or corrective based, in line with the PDR Policy expectations.

HR Quality Assurance Review



The HR Advisor undertook an exercise to review a sample of completed PDRs for quality assurance purposes and consistency with appraisal expectations. We obtained the criteria, working papers and report prepared for the exercise, noting that this considered whether PDRs had been logged, whether these included a review of prior year's objectives and whether appropriate objectives had been set. 29 PDRs were reviewed as part of the exercise, amounting to five per cent of the total population. Review of the report found that the exercise identified similar issues noted within our testing, relating to the completion/logging of PDRs, the forwarding of forms to HR and the recording of SMART actions. These identified actions were addressed with relevant line managers at the time.

Reporting



The HR Team produces a monitoring report to determine the number of completed PDRs. This information also forms part of the Quarterly Performance Reports presented to the Strategic Performance Board (SPB). We obtained the HR reports for February and March 2021, acknowledging that reports were not prepared in March (as the 2021 appraisal window had only opened) and April (as a quarterly report was instead prepared for the SPB). Through review, we found that the HR reports recorded whether PDR meetings had taken place and whether forms had been received.

We also obtained extracts of the 2020/21 Q2, Q3 and Q4 reports presented to the SPB, noting through review that these outlined the total number of staff eligible to receive PDR meetings, the percentage and number of completed PDR meetings and the number of forms received by HR. The Q4 iteration reported that 99.7 per cent of eligible staff (575 of 577) had received a PDR meeting, with 87 per cent (501) of forms forwarded to HR, figures we confirmed back to source data available on FireWatch, 99.7 per cent reflects an increase from 92 per cent as at 2019/20 Q4.

A further three low priority management actions have been agreed, included in the detailed findings and actions section of this report.

2. DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Area: PDR Policy		
Control	<p>The Service has a PDR Policy which is reviewed every two years. The policy outlines the PDR process, its purpose and the steps which are required for completion. This is accessible via Siren (the Service’s intranet) and is shared with staff as part of training in this area.</p> <p>The policy review process includes consultation with stakeholders and final approval by the Human Resources (HR) Manager, who is the policy owner, and Head of HR and Learning and Development. Version 12 of the policy was issued in March 2020.</p>	<p>Assessment:</p> <p>Design ✓</p> <p>Compliance ✘</p>
Findings / Implications	<p>We obtained the PDR Policy, confirming that this was accessible to staff via Siren, within the Performance and Development Review section, within the employee handbook documents and when searched for. Through review of the policy contents, we found that this outlined the Service’s approach towards performance and development reviews, noting that the importance of undertaking these was stressed throughout. We confirmed that the key roles of staff involved in the process were clearly defined, namely the responsibilities of all staff, line managers, endorsing managers and the HR Team.</p> <p>We also confirmed that the policy included both detailed descriptions and an overview (Appraisal Process flowchart) of the PDR process, which we confirmed aligned to the current process. Screenshot instructions were also provided in relation to the recording of PDR meetings on the FireWatch system. Despite this, we noted minor inconsistencies with regards to the level of reporting as stated within the policy to current practice.</p> <p>The policy outlines that HR are to produce fortnightly reports (detailing completion of both PDR meetings and forms) to be provided to senior leadership team and heads of service. The current practice is that monthly reports are prepared for HR for monitoring purposes and are not routinely shared more widely. Managers and heads of service can instead run automatic reports from FireWatch to monitor appraisal completion. This is not referenced within the policy.</p> <p>We were also informed by the HR Advisor that although the policy was last approved for use in March 2020, no evidence of this could be found. The review and approval process had been overseen by a member of staff that had since left the Service at the time of our review. We did, however, confirm that the policy remained ‘in date’ based on the two year review period.</p> <p>Without ensuring the policy is kept up to date where there are changes to processes, there is a risk that content may not reflect current responsibilities and expectations. This may impact staff and managerial awareness the PDR process and their responsibilities.</p>	

Management Action 1	Following the completion of the 2021 PDR appraisal period, we will review and update the PDR Policy. We will review current processes and responsibilities and compare these to the content of the current PDR policy. Any inconsistencies identified will be updated within the policy to ensure it reflects current practice.	Responsible Owner: Megan Lloyd	Date: 30 September 2021	Priority: Low
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Area: SMART Appraisal Objectives

Control	<p>Objectives should link to activities in the department service plan to ensure overall achievement of strategic commitments. Two types of objectives are to be considered when completing the PDR form:</p> <ul style="list-style-type: none"> • Task based objectives; and • Behavioural based objectives. <p>Task based objectives should be recorded as SMART, whilst behavioural objectives are based on the Behavioural Competency Framework (BCF). In line with the People Strategy, at least two objectives should be behavioural.</p> <p>There are two approaches which can be followed with regards to setting objectives, strength based (maximising what is working and transferring this to other areas) and corrective (improvement areas).</p>	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications	<p>We selected a sample of 20 staff members and obtained the associated PDR forms for 16 of these, with the remaining four not yet forwarded onto HR at the time of our review (please see finding three). For those 16 forms that were provided, we confirmed that 2020 objectives had been reviewed and agreed.</p> <p>We found that at least two of these objectives were behavioural based for each employee, with a separate section included within the form to assess achievement of the BCF components over the previous year which was fully completed for each of the 16. We also confirmed that objectives were determined using either a strength or corrective based approach.</p> <p>However, we noted discrepancies, namely with regards to the level of detail input for the objectives, as follows:</p> <ul style="list-style-type: none"> • Linkage to strategic objectives was not clear in two instances; • Target dates for completion were inappropriate in eight instances, with 'ongoing' commonly stated; and • Objectives were not fully recorded as SMART in nine instances. <p>Through review of the report prepared following a review exercise of a sample of 2020 PDRs by the HR Advisor, we found that the same observations were identified with regards to SMART objectives.</p> <p>We were informed by the HR Advisor that whilst the PDR training slides cover how to write objectives, there was no specific action taken as a result of the review exercise. Our review of the PDR slides noted that although these stated that objectives should be 'relevant', 'observable/measurable' and 'achievable', there were no explicit references, nor examples of SMART objectives.</p>
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Area: SMART Appraisal Objectives

Without ensuring appraisal objectives are SMART, there is a risk that expectations may not be clear, and that achievement cannot be reasonably judged. As such, employees may be unaware how to complete objectives and line managers may be unable to assess if these have been achieved.

Management Action 2	We will update the training materials, including the PDR slides, to provide detailed information and guidance regarding SMART objectives, including examples of these. Emphasising that objectives are SMART will also be covered within the appraisal communications to staff and line managers.	Responsible Owner: Megan Lloyd	Date: 30 September 2021	Priority: Low
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Area: Overdue PDRs

Control	The HR Team uses a spreadsheet to track the completion of appraisals on a weekly basis. Incomplete appraisals may be the result of delays to: <ul style="list-style-type: none"> • The arrangement and hosting of review meetings; • The signing off by endorsing manager; and • The uploading/forwarding of forms to HR. <p>Where non-completion is identified, the HR Advisor follows this up with the line manager in the first instance. There is no defined approach for chasing overdue appraisals.</p>	Assessment:	
		Design	×
		Compliance	NA

Findings / Implications	We obtained the spreadsheet used to track the completion of the 2020 appraisals, noting through review that comments had been added to indicate whether both PDR meetings and forms had been fully completed/returned, and recognising that COVID-19 has had a significant impact on working practices and the additional workload of staff during the pandemic affecting normal business. We selected a sample of ten staff which according to the spreadsheet had PDR meetings after the 30 June 2020 deadline. We also considered the following eight exceptions identified by our previous testing of 20 staff members: <ul style="list-style-type: none"> • One staff member whose PDR meeting had missed the 30 June deadline; • Three staff members whose PDR meetings had been timely, however, the completed forms had not yet been forwarded to HR; and • Four staff members whose PDR meetings had been timely and forms had been returned, however, the completed forms were returned after the 30 June deadline. <p>This gave us a sample of 18 staff members who were in some way non-compliant with aspects of the PDR process. We identified that eight of those 18 staff members worked within the Collaboration Change and Finance Directorate.</p>
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Area: Overdue PDRs

We confirmed there was evidence that direct chaser/reminder emails had been sent to managers for five of the staff members, with the remaining 13 assumed by the HR Advisor to have been picked up by the general reminders sent out to all managers during the appraisal period. Those direct emails ranged from August to December 2020.

We were informed by the HR Advisor that other chasing activity may have included making phone calls, although understandably no record of this is maintained.

At the time of our review, PDR meetings had been recorded as completed for each of the 18 employees, however, forms had not yet been received for seven of these. The HR Advisor advised us that there had been no subsequent chasing, however, this would be incorporated into the reminders issued in relation to the 2021 appraisals.

There is currently no formally defined escalation process for following up overdue PDR meetings and appraisals.

Despite this, without a formal escalation process there is a risk that inconsistent chasing activity is undertaken. This may impact the completion of appraisals and timeliness of doing so.

Management Action 3	<p>The HR Team will devise and implement an escalated approach to reminding/chasing overdue appraisals.</p> <p>The HR Team will also consider identifying those managers /directorates for targeted reminders where appraisals were returned late in the previous year.</p>	Responsible Owner: Megan Lloyd	Date: 31 July 2021	Priority: Medium
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Findings / Implications	<p>There were seven staff members who had received timely PDR meetings (prior to 30 June 2020) but completed forms had either not yet been forwarded or not been forwarded in a timely manner. We identified that the PDR meetings for five of these seven staff members had taken place close to the appraisal deadline, in June 2020.</p> <p>Through discussion with the HR Manager and HR Advisor, we were informed that there could be consideration to have two deadlines, an earlier date by which meetings have to have taken place and a later date by which forms have to be forwarded.</p> <p>Where the same deadline is used for both PDR meetings and the forwarding of PDR forms, there is an increased risk forms are not forwarded to HR in a timely manner, forcing the HR Advisor to spend time undertaking chasing activity. Meetings may be arranged close to the deadline and as such delays in completing forms and obtaining sign off from endorsing managers impacts the timeliness of forms being forwarded to HR.</p> <p>Without the forms, there is no other evidence appraisals have taken place whilst delays in receiving the forms restricts the HR Team's ability to review these for content (as part of the sample review exercise).</p>			
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Management Action 4	<p>We will consider implementing two deadline dates for the PDR process, an earlier date by which PDR meetings must be confirmed to have taken place and a later date by which PDR forms must be received by HR.</p>	Responsible Owner: Megan Lloyd	Date: 30 September 2021	Priority: Low
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APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

The following table highlights the number and categories of management actions made as a result of this audit.

Objective	Control design not effective*		Non Compliance with controls*		Agreed actions		
	Low	Medium	High	Low	Medium	High	
To ensure that arrangements regarding the PDR process and appraisals are subject to monitoring to achieve compliance with targets	1	(10)	2	(10)	3	1	0
Total	3				3	1	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following risks:

Objective of the risk under review

To ensure that arrangements regarding the PDR process and appraisals are subject to monitoring to achieve compliance with targets

When planning the audit the following areas for consideration and limitations were agreed:

The audit will consider the following;

- Whether policies and procedures are in place for the completion of annual appraisals, and that these have been regularly reviewed, approved and are available to all staff;
- Training processes for undertaking appraisals and the level of compliance with this for a sample of staff.
- The processes in place for ensuring that all staff requiring an appraisal are identified and appraisal data agreed; As part of this we will look to identify at the time of the audit how many eligible staff have had an appraisal.
- Review of the FireWatch system for a sample of staff to identify whether completed appraisals have been recorded.
- The mechanisms in place to ensure that appraisals are being undertaken in a timely manner by the appropriate and relevant member of staff and in line with the requirements of the PDR policy (inc the use of SMART objectives) to enable appraisals to be undertaken to an agreed standard and consistent format;
- For a sample of appraisals, we will review whether behaviour competency framework, a new process, is being complied with and will review the completeness of this documentation.
- The accuracy and consistency of reporting and progress against appraisals (including any performance indicators) at member and management level. This will include validating the information back to source data.

Limitations to the scope of the audit assignment:

- Our review will be focused on checking compliance against the Service's policy and procedures in relation to appraisals.
- We will not confirm that all training needs of staff have been identified nor will we comment on staff member's performance.
- We will not guarantee that what has been documented was actually discussed.
- We will not confirm that all staff have been subject to an appraisal.

- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held 17 June 2021
Draft report issued 25 June 2021
Responses received 1 July 2021

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Final report issued 1 July 2021

**Client sponsor
Distribution**

Becci Jefferies – Head of HR and Learning and Development

Becci Jefferies – Head of HR and Learning and Development

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Royal Berkshire Fire & Rescue Service, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	Audit & Governance Committee
DATE OF MEETING	19 July 2021
SUBJECT	External Audit Update
LEAD OFFICER	Conor Byrne
LEAD MEMBER	N/A
EXEMPT INFORMATION	N/A
ACTION	For note

1. EXECUTIVE SUMMARY

- 1.1 EY will provide an update to the Committee in relation to their audit work of the 2019/20 Statement of Accounts and the continuing delays in signing off the accounts.

2. RECOMMENDATIONS

That the Committee:

- 2.1 **NOTE the Audit Results Report in Appendix A;**

3. REPORT

- 3.1 As reported to Members in previous meetings, the impediment to signing off the Authority's financial statements relates to the separate audit by Deloitte of the Berkshire Pension Fund.
- 3.2 Our auditors are working through the remaining pension issues as flagged by Deloitte and currently expect to be able to sign off our financial statements with an unqualified opinion in the coming weeks.
- 3.3 Given that we will be publishing our unaudited Statement of Accounts for 2020/21, it is imperative that the 2019/20 Accounts are signed off as soon as possible.
- 3.4 EY will provide members with any further developments at the Committee meeting.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS:

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS:

- 5.1 The work of the external auditors assures members that the Authority's finances are in good order.

6. LEGAL IMPLICATIONS:

- 6.1 Complies with the Local Audit (Appointing Person) Regulations 2015

7. EQUALITY AND DIVERSITY IMPLICATIONS:

- 7.1 None

8. RISK IMPLICATIONS:

- 8.1 Financial risks are identified and mitigations and controls are tested by the external auditors.

9. CONSISTENCY WITH DUTY TO COLLABORATE:

- 9.1 The Authority opted into the national procurement exercise run by PSAA to appoint its external auditors.

10. PRINCIPAL CONSULTATION:

- 10.1 The Chief Fire Officer has noted the contents of the report.
- 10.2 The Monitoring Officer has been consulted.

11. BACKGROUND PAPERS:

- 11.1 None

12. APPENDICES:

- 12.1 Appendix A – EY Audit Results report

13. CONTACT DETAILS:

- 13.1 Conor Byrne - Head of Finance and Procurement
Email: byrnec@rbfrs.co.uk
Tel: 0118 938 4720

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Royal Berkshire Fire and Rescue Authority Final audit results report

Year ended 31 March 2020
July 2021



Private and Confidential

7 July 2021

Dear Audit and Governance Committee Members,

We have substantially completed our audit of Royal Berkshire Fire Authority for the year ended 31 March 2020.

Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form that appears in section 4. We also have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources.

This report is intended solely for the use of the Audit and Governance Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement.

We welcomed the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on 19 July 2021.

Yours faithfully

Andrew Brittain

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

Contents



Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psa.co.uk). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure - If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary



Executive Summary

Scope update

In our audit planning report tabled at the 30 July 2020 Audit and Governance Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

Changes to reporting timescales

As a result of COVID-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities.

Changes in Materiality

- We updated our planning materiality assessment using the draft accounts. Our materiality measure was in relation to gross expenditure on provision of services, we have updated our overall materiality assessment to £1.112m (Audit Planning Report – £1.218m). This results in updated performance materiality, at 75% of overall materiality, of £834k (£914k), and an updated threshold for reporting misstatements of £56k (£61k).
- We also updated our materiality in respect of the Firefighters' Pension Fund Accounts. Based on our materiality measure using Benefits Payable, we have updated our overall materiality assessment to £216k (Audit Planning Report – £214k). This results in updated performance materiality, at 75% of overall materiality, of £162k (£160k), and an updated threshold for reporting misstatements of £10.8k (£11k).

Changes to our risk assessment as a result of Covid-19

- Valuation of Property Plant and Equipment - The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Authority's external valuer. We consider that the material uncertainties disclosed by the valuer may give rise to an additional risk relating to disclosures on the valuation of property, plant and equipment.
- Disclosures on Going Concern - Financial plans for 2020/21 and medium term financial plans will need revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Local Authority would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Local Authority's actual year end financial position and performance.
- Adoption of IFRS16 - The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2021. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. We therefore no longer consider this to be an area of audit focus for 2019/20.



Executive Summary

Scope update

Information Produced by the Entity (IPE): We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agree IPE to scanned documents or other system screenshots.

Additional EY consultation requirements concerning the impact on auditor reports because of Covid-19. The changes to audit risks, audit approach and auditor reporting requirements changed the level of work we needed to perform. We have set out the impact on our audit fee on page 42.



Executive Summary

Status of the audit

We have completed our audit of Royal Berkshire Fire Authority's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit planning report. We plan to issue an unqualified opinion on the Authority's financial statements in the form which appears at Section 4, subject to the completion of the audit on the local government pension scheme, receiving the letter of representation, the subsequent event review and the final set of financial statements.

We will issue the audit certificate at the same time as the audit opinion.

Audit differences

To date, there were no adjusted audit differences arising from our audit.

As part of our testing we identified £950 of expenditure that had been recorded in 2019/20 instead of 2020/21. When this error is extrapolated the potential error could be £207,568. There were no other unadjusted differences.



Executive Summary

Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of Royal Berkshire Fire Authority's financial statements. This report sets out our observations and conclusions, including our views on areas which might be conservative, and where there is potential risk and exposure. We summarise our consideration of these matters, and any others identified, in the "Areas of Audit Focus" section of this report.

Audit findings and conclusions: Significant risk - Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

We have not identified any material misstatements arising from fraud in revenue and expenditure recognition and the inappropriate capitalisation of revenue.

Audit findings and conclusions : Significant risk - Valuation of land and buildings

We have not identified any material misstatements arising from the valuation of land and buildings.

Audit findings and conclusions : Area of audit focus – Pension liability valuation.

We have not identified at the time of writing any material misstatements arising from the pension liability valuation, although our work in this area is still to be finalised.

Audit findings and conclusions : Area of audit focus - Going concern

We have not identified any issues regarding going concern.

We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues
- You agree with the resolution of the issue
- There are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee.



Executive Summary

Control observations

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. We consider the results of our work and conclusions more fully in Section 6 of this Report.

We have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We have performed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission.

We have no other matters to report.

Independence

Please refer to Section 10 for our update on Independence.

The background of the slide features a close-up, shallow depth-of-field photograph of Euro currency. In the foreground, a 1 Euro coin is in sharp focus, showing its intricate design and the word 'EURO'. Behind it, another coin is slightly out of focus. The background is filled with the textured patterns and colors of Euro banknotes, including a prominent blue note on the left and a green note at the bottom. A dark grey horizontal bar is overlaid across the middle of the image, containing the title text.

Understanding Financial Statements

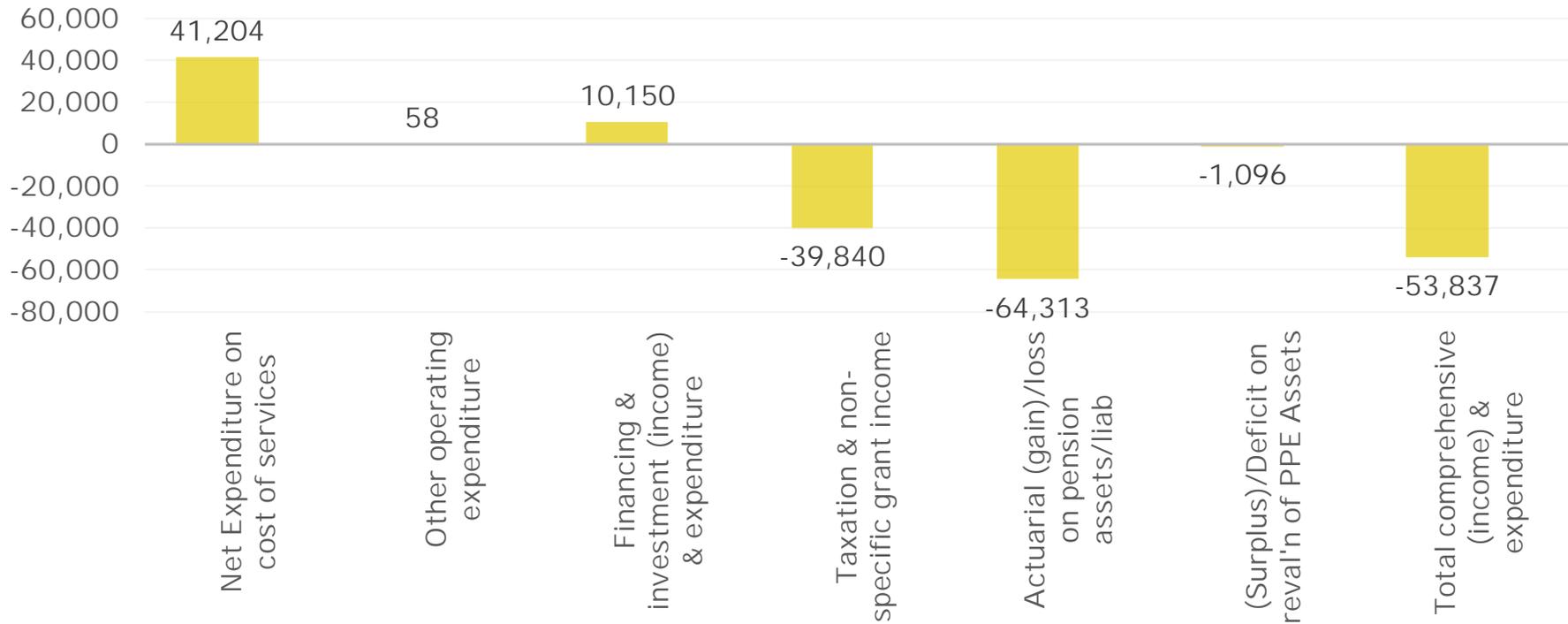
02



Understanding Financial Statements

Key components of net expenditure

The provision of services for the year ended 31 March 2020 was £11,572k deficit, a decrease in deficit of £5,840k from the prior year. During the year there were no significant events that impacted the underlying financial position of the Authority. The following provides an overview of the material items:



Our audit procedures consider the nature of the Authority's results including the impact of non-recurring and recurring items where the size is variable although judgmental. Such an assessment provides a useful insight into the underlying net expenditure and outturn.



03 Areas of Audit Focus



Areas of Audit Focus

Fraud risk

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What judgements are we focused on?

As part of our work we focused the key judgemental areas of financial statements, such as estimates, journals and unusual transactions.

What did we do?

We identified the key fraud risks at the planning stage of the audit and considered the effectiveness of management's controls that are designed to address the risk of fraud. We updated our understanding of the risks of fraud and the controls put in place to address them and made enquiries of Internal Audit, management and those charged with governance to support our understanding.

We have:

- Reviewed key estimates made by management and the reasonableness of these;
- Reviewed the appropriateness of journal entries recorded in the general ledger, and other adjustments made in the preparation of the financial statements;
- Reviewed the transactions in the financial statements for evidence of any significant unusual transactions.

What are our conclusions?

We have not identified any instances of inappropriate judgements being applied.

We have not identified any material weaknesses in controls over journals or evidence of material management override.

We did not identify any other transactions during our audit which appeared unusual or outside the Authority's normal course of business.



Areas of Audit Focus

Fraud risk

Misstatements due to fraud or error - Inappropriate capitalisation of revenue expenditure

What is the risk?

Under ISA 240, management is in a unique position to perpetrate fraud through the override of controls. We have considered the main areas where management may have the incentive and opportunity to do this.

From our risk assessment, we have assessed that the risk could manifest itself through the inappropriate capitalisation of revenue expenditure to improve the financial position of the general fund.

Capitalised revenue expenditure can be funded through borrowing with only minimal MRP charges recorded in the general fund, deferring the expenditure for 30+ years when the borrowing is repaid.

What judgements are we focused on?

We focus on whether expenditure is properly capitalised in its initial recognition, or whether subsequent expenditure on an asset enhances the asset or extends its useful life.

For 2019/20, PPE additions totalled £3,997k. We will consider whether this figure is complete, the asset is in existence and whether the asset has been valued correctly in the statement of accounts.

What did we do?

We have:

- ▶ Tested PPE additions to ensure that the expenditure incurred and capitalised is clearly capital in nature; and
- ▶ Sought to identify and understand the basis for any significant journals transferring expenditure from revenue to capital codes on the general ledger at the end of the year.

What are our conclusions?

Our testing has not identified any material misstatements from inappropriate capitalisation of revenue expenditure.



Areas of Audit Focus

Significant risk

Valuation of land and buildings

What is the risk?

The fair value of Property, Plant and Equipment (PPE) and Investment Properties (IP) represent significant balances in the Authority's accounts and are subject to valuation changes, impairment reviews and depreciation charges. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

What judgements are we focused on?

The value of property, plant and equipment was £29m in 2018/19 and is now being reported at £31m for 2019/20.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

Following the Covid-19 outbreak in March 2020, there is potential for significant impact on the estimations and assumptions applied to asset valuations with qualified valuers reporting 'material uncertainty' within valuation reports.

This impacts, in particular, on PPE valued at fair value due to the uncertainty over the future of rental income and predicted yields.

What did we do?

We have:

- Considered the work performed by the Authority's valuers, including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- Sample tested key asset information used by the valuers in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- Considered changes to useful economic lives as a result of the most recent valuation; and
- Tested accounting entries to ensure they have been correctly processed in the financial statements.
- Reviewed the Authority's assessment of valuations carried out to assess the material accuracy of the values reported as at the 31/03/2020;
- Assessed the Authority's asset base by type of asset and valuation methodology, as the impact of Covid-19 on valuations is likely to be more significant for assets valued at fair value on the basis of data from market transactions; and
- Ensured the appropriate disclosure has been made in the accounts concerning any material uncertainty relating to year end valuations.

What are our conclusions?

We have not identified any issues with the data sent to, and the report produced by, the Authority's valuer.

Our sample testing of valuations back to key asset information used by the valuer showed that the valuations carried out were reasonable.

No issues were identified with the economic lives of assets.

Our testing of the journals for the valuation adjustments confirmed they have been accurately processed in the financial statements.

Our work did not identify any material issues we need to report to you.



Areas of Audit Focus

Other areas of audit focus

Pension liability valuation

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by the Royal County of Berkshire Pension Fund.

The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2019 this totalled £414 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Royal County of Berkshire Pension Fund and also the Firefighters Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do?

We have:

- Liaised with the auditors of Royal County of Berkshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Royal Berkshire Fire Authority;
- Assessed the work of the LGPS pension fund actuary and the Firefighters pension fund actuary (Barnet Waddingham) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considered any relevant reviews by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS 19.



Areas of Audit Focus

Other areas of audit focus (continued)

Pensions valuations - What are our conclusions?

We have assessed the work of the LGPS Pension Fund actuary and the Firefighters pension actuary (Barnett Waddingham) including the assumptions they have used. We have relied on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, in turn reviewed by the EY actuarial team. We did not find any issues in this area.

The accounting entries and disclosures made within the Authority's financial statements had been carried out correctly based on the information the Authority received from the actuary.

We have liaised with the auditors of Royal County of Berkshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Royal Berkshire Fire Authority. The response to our request was provided on 21 May 2021. The response of the Pension Fund did not completely answer all the work we requested, and therefore we were required to carry out additional procedures and involve our EY pensions specialists to ensure we have the appropriate audit evidence. Some of this work is still ongoing at the time of writing this report, and we will update you at the Audit and Governance Committee on 19 July 2021.

Issues that have been identified by Deloitte in relation to their audit of the Royal County of Berkshire Pension Fund that members should be aware of are;

- Based on the evidence obtained from a walk-through of the key controls identified, over maintaining member records; updating member records for employer monthly/annual data returns and changes identified by members, it was noted that there is no record of any formal checks performed over the data extracted from the administrative systems by a senior team member. As a result, Deloitte did not consider the controls to be designed and implemented satisfactorily and recommendations have been made to management in respect of those controls. We have considered the impact on Royal Berkshire Fire Authority's accounts and we have concluded that this has no material effect on them.
- It was identified that there was a significant risk over the valuation of the longevity swap. The design and implementation of controls over the valuation of this investment at the Fund were tested. Based on the evidence obtained from a walk-through of the key control identified and it was noted that there was no record of any formal challenge by the Fund to the mortality assumption and discount rate. As a result, Deloitte did not consider the controls to be designed and implemented satisfactorily and recommendations have been made to management in respect of those controls. We have considered the impact on Royal Berkshire Fire Authority's accounts and we have concluded that this has no material effect on them.
- During the audit work it was noted that the Fund made an unauthorised overnight loan to RBWM of £1.2m during the year ended 31 March 2020. This is a control weakness identified by Deloitte and an indicator of poor governance. Following consideration of the permissibility of the overnight loan and the associated control weakness, we understand that the Fund has reported the issue to the Pensions Regulator. This has not impacted the Fire Authority's audit, but is something members should be aware of.
- For Royal Berkshire Fire Authority there was a reconciliation of the total number of active, deferred, pensioner and dependents members submitted to the actuary to the IAS19 Report produced by the Actuary. Differences of 16 were noted in relation to active members, eight were noted in relation to deferred members (including "undecided" members), and four were noted in relation to pensioner and dependant members. The tests did not provide assurance on completeness and accuracy of individual employer membership data submitted to the actuary. Therefore we involved our EY pensions to review this area in order to conclude there was not the potential for a material misstatement in the LGPS liabilities. This work is ongoing at the time of writing and we will update you at the Audit and Governance Committee on 19 July 2021.

We therefore cannot currently conclude our audit in this area, but will update the Audit and Governance Committee on 19 July 2021.



Areas of Audit Focus

Other areas of audit focus (continued)

Going concern disclosures (higher inherent risk)

What is the risk?

Covid-19 has created a number of financial pressures throughout Local Government. It is creating financial stress through a combination of increasing service demand leading to increased expenditure in specific services, and reductions in income sources. There is currently not a clear statement of financial support from government that covers all financial consequences of Covid-19. This results in significant judgement to conclude whether events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Authority's ability to continue as a going concern. This judgement will determine the appropriate disclosures to be made in the financial statements, which will be reflected in the audit report.

What is the risk/area of focus?

There have been a number of media stories in both the national press and trade publications raising the possibilities of an increase in Chief Financial Officers using their s114 powers. This could be under s114(3), insufficient resources to fund likely expenditure.

CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 states that organisations that can only be discontinued under statutory prescription shall prepare their accounts on a going concern basis.

However, International Auditing Standard 570 Going Concern, as applied by Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom, still requires auditors to undertake sufficient and appropriate audit procedures to consider whether there is a material uncertainty on going concern that requires reporting by management within the financial statements, and within the auditor's report. We are obliged to report on such matters within the section of our audit report 'Conclusions relating to Going Concern'.

To do this, the auditor must review management's assessment of the going concern basis applying IAS1 Presentation of Financial Statements.

The auditor's report in respect of going concern covers a 12-month period from the date of the report, therefore the Authority's assessment will also need to cover this period.



Areas of Audit Focus

Other areas of audit focus (continued)

Going Concern - What did we do?

In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of future government support, we sought a documented and detailed consideration to support management's assertion regarding the going concern basis and particularly with a view whether there are any material uncertainties for disclosure.

We reviewed the going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement. We considered whether the necessary disclosures had been included regarding any material uncertainties that do exist.

We considered whether these disclosures also included details of the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19).

Our audit procedures to review these included consideration of:

- Current and developing environment;
- Liquidity (operational and funding);
- Mitigating factors;
- Management information and forecasting;
- Sensitivities and stress testing; and
- Challenge of management's assessment, by thorough testing of the supporting evidence and consideration of the risk of management bias.

What are our conclusions?

We have reviewed the disclosures and supporting assessment, and we have gone through our internal consultation process to confirm the appropriateness of our audit report. We are satisfied that the accounts are produced correctly on a going concern process and there is no need for an emphasis of matter in our audit report in relation to Covid-19.



04 Audit Report



Audit Report

Draft audit report

Our opinion on the financial statements (draft)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL BERKSHIRE FIRE AUTHORITY

Opinion

We have audited the financial statements and the firefighters' pension fund financial statements of Royal Berkshire Fire Authority for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement,
- Comprehensive Income and Expenditure Statement,
- Balance Sheet,
- Cash Flow Statement and the related notes 1 to 34.
- and include the firefighters' pension fund financial statements comprising the Fund Account, the Net Assets Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial position of Royal Berkshire Fire Authority as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



Audit Report

Draft audit report (continued)

Our opinion on the financial statements (draft)

Other information

The other information comprises the information included in the Statement of Accounts 2019/20, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in April 2020, we are satisfied that, in all significant respects, Royal Berkshire Fire Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of Responsibilities set out on page 14, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which the Authority's financial statements and the firefighters pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.



Audit Report

Draft audit report (continued)

Our opinion on the financial statements (draft)

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether the [name of body] had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether Royal Berkshire Fire Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, Royal Berkshire Fire Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Audit Report

Draft audit report (continued)

Our opinion on the financial statements (draft)

Certificate

We certify that we have completed the audit of the accounts of Royal Berkshire Fire Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Royal Berkshire Fire Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Brittain (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Reading
July 2020



05 Audit Differences



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight misstatements greater than £56k for the main accounts and £11k for the pension fund which have been corrected by management that were identified during the course of our audit.

There are no uncorrected misstatements.

Summary of unadjusted differences

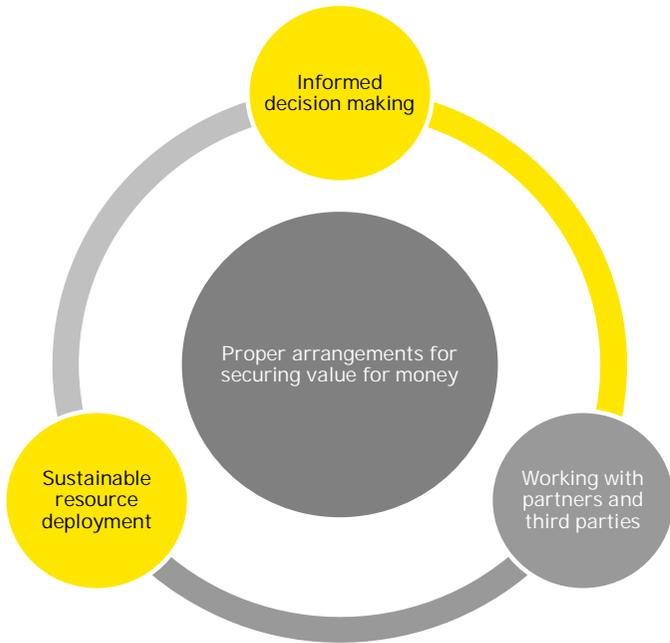
As part of our testing we identified £950 of expenditure that had been recorded in 2019/20 instead of 2020/21. When this error is extrapolated the potential error could be £207,568. There were no other unadjusted differences.

There are no other uncorrected misstatements.



06

Value for Money



Background

We are required to consider whether the Authority has put in place ‘proper arrangements’ to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2019/20 this is based on the overall evaluation criterion:

“In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people”

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Impact of covid-19 on our Value for Money assessment

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of Covid-19. This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities’ response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor’s attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

Overall conclusion

We did not identify any significant risks around these arrangements.

We therefore had no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources.



07 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2019/20 with the audited financial statements.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2019/20 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

As the authority is below the expected threshold of £500m, we have no issues to raise.

Other reporting issues

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority’s financial reporting process. There are no issues to report.



08

Assessment of Control Environment

Assessment of Control Environment

Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We considered whether circumstances arising from Covid-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention.

Reliance on internal audit

We have reviewed Internal Audit reports issued to management during the period to 31 March 2020 to ensure that any financial statement risks identified are considered in determining the extent of our audit procedures.



09 Data Analytics



Use of Data Analytics in the Audit

▶ Data analytics

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2019/20, our use of these analysers in the Authority's audit included testing journal entries and employee expenses, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

Journal Entry Analysis

We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis

We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the payroll system and perform completeness analysis over the data, including reconciling the total amount to the General Ledger trial balance. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

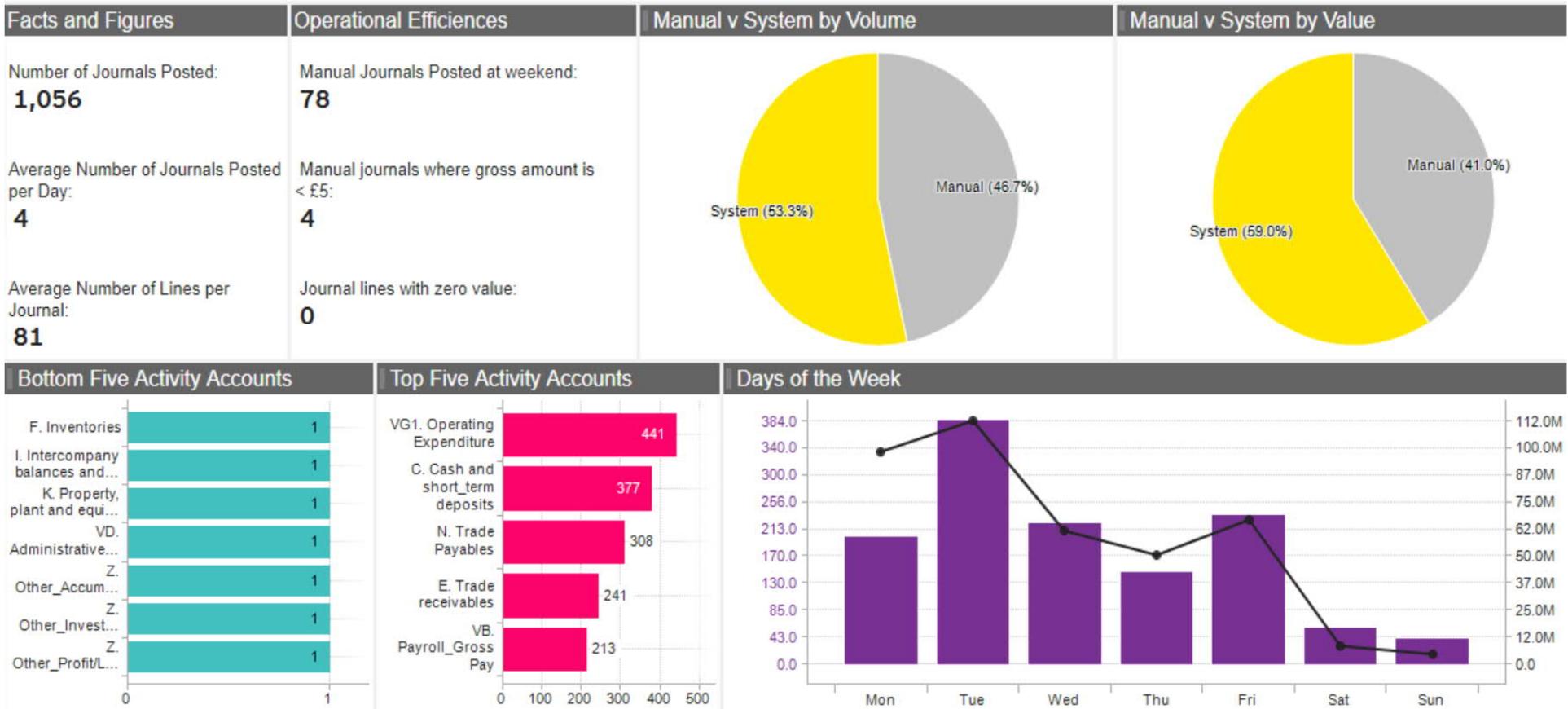


Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2019/20. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples. We can share this information with management to provide additional insight and value from our audit procedures.

EY Helix - GLASS: Journal Entry Data Insights - 20 Royal Berkshire Fire Authority - P1 to P12 -





Journal Entry Testing

What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Journal entry data criteria – 31 March 2020

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.



What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.



10

Independence

Independence

Confirmation

We confirm there are no changes in our assessment of independence since our confirmation in our Audit Planning Report dated May 2020.

We complied with the APB Ethical Standards. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you and your Audit and Governance Committee consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Audit and Governance Committee on 19 July 2021.

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, senior management and its affiliates, including all services provided by us and our network to your Authority, senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

Page 42 includes a summary of the fees that you have paid to us in the year ended 31 March 2020 in line with the disclosures set out in FRC Ethical Standard and in statute.

We confirm that none of the services have been provided on a contingent fee basis.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

New UK Independence Standards

The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
 - Tax advocacy services
 - Remuneration advisory services
 - Internal audit services
 - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit and Governance Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the Audit and Governance Committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under FRC Revised Ethical Standard 2016 which will continue to apply until 31 March 2020 as well as the recently released FRC Revised Ethical Standard 2019 which will be effective from 1 April 2020. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales. We do not provide any non-audit services which would be prohibited under the new standard.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 1 July 2020 and can be found here:

<https://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2020>

Fees

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2020. We confirm that we have not undertaken non-audit work outside the NAO Code requirements. We have complied with Auditor Guidance Note 1 issued by the NAO.

Public Sector Audit Appointments Ltd (PSAA) has published the fee scale for the audit of the 2019/20 accounts of opted-in principal local government and police bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work. A breakdown of our fees is shown below.

	Planned fee 2019/20	Final Fee 2018/19
	£'s	£'s
Current Scale Fee – Code work	26,180	26,180
Additional audit work required	Note 1 & 2	6,860
Total fees (excl. VAT)	TBC	33,040

As reporting in our Audit Plan, the agreed fee presented is based on a number of assumptions which include the timing of agreed deliverables being met; unqualified financial statement opinion and VfM conclusion; and quality documentation being provided and controls being effective.

If any of these assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance before submission to the PSAA for approval.

For 2019/20, the scale fee will be impacted by a range of factors (see following pages) which will result in additional work. We will continue to discuss the impact of these factors with management and the impact on the final fee.

These factors were also reported in a national letter issued by EY to Chief Financial Officers and Chair of Audit Committees in February 2020. The External Audit engagement lead has had a discussion with the Authority's Chief Financial Officer on the implications of these factors on our assessment of your baseline fee to deliver a sustainable high-quality external audit.

Our assessment is that the scale fee for Royal Berkshire Fire Authority should be increased from £26,180 to £49,907 based on an expected number of 830 hours at mixed grades. This assessment is before considering the implications of COVID-19 on our audit procedures.

Note 1 – The proposed increase to the scale fee to £49,907 reflects the increased risk and complexity facing all public sector bodies, adjusted for our knowledge and risk assessment for this Authority (£8,404) as well as the changes and incremental increase in regulatory standards (£12,660). We have also adjusted the baseline fee to reflect our current assessment of the Authority's readiness for audit, including data analytics, quality of working papers (£2,664). The proposed increase in the baseline fee is relatively consistent with other Fire and Rescue Authorities of a similar size, risk profile and complexity that EY audits.

Note 2 – The impact of Covid-19, our expanded work on going concern and the issues relating to the LGPS pensions work on the audit have also impacted the volume of audit work that is required to be done. As we near the conclusion of the audit, we will be in a position to quantify the impact of these additional procedures and propose a variation to the Authority's scale fee.

On both points, we will continue to discuss and share with the Chief Financial Officer our assessment of the audit fees required to safeguard audit quality and our professional standards. We will also report our proposed final position in the Annual Audit Letter to the Audit and Governance Committee.

We intend to report to PSAA at this stage our assessment of the changes required to the baseline fee from £26,180 to £49,907. In doing so, we will notify PSAA whether the Authority agree, partially agree or do not agree with our assessment. PSAA are ultimately responsible for determining the scale fee and any variations to it.



11

Appendices

Required communications with the Audit and Governance Committee

There are certain communications that we must provide to the Audit and Governance Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

 Our Reporting to you

Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report, presented at the Audit and Governance Committee on 30 July 2020.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report, presented at the Audit and Governance Committee on 30 July 2020.
Significant findings from the audit	<ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021.

Appendix A

Our Reporting to you

Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity’s ability to continue as a going concern, including: <ul style="list-style-type: none"> • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021.
Misstatements	<ul style="list-style-type: none"> • Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021.
Subsequent events	<ul style="list-style-type: none"> • Enquiry of the Audit and Governance Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Request for Audit and Governance Committee to approve the letter of representation from management at the Audit and Governance Committee meeting on 19 July 2021.
Fraud	<ul style="list-style-type: none"> • Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to Audit and Governance Committee responsibility. 	Enquiries by letter to the Chair of the Audit and Governance Committee dated 8 April 2020. We have no matters to report.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	<p>Significant matters arising during the audit in connection with the Authority's related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Authority 	<p>Audit results report, presented at the Audit and Governance Committee on 19 July 2021. We have no matters to report.</p>
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence <p>Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Initial reporting in the Audit Planning Report presented at the Audit and Governance Committee 30 July 2020.</p> <p>Confirmation in the Audit Results Report presented at the Audit and Governance Committee 19 July 2021.</p>
External confirmations	<ul style="list-style-type: none"> • Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures. 	<p>Audit results report, presented at the Audit and Governance Committee on 19 July 2021. We have no matters to report.</p>
Consideration of laws and regulations	<ul style="list-style-type: none"> • Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur • Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of 	<p>Audit results report, presented at the Audit and Governance Committee on 19 July 2021. We have no matters to report.</p>

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021. We have no matters to report.
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Request for Audit and Governance Committee to approve the letter of representation from management at the Audit and Governance Committee meeting on 19 July 2021.
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021. We have no matters to report.
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor's report 	Audit results report, presented at the Audit and Governance Committee on 19 July 2021.
Fee Reporting	<ul style="list-style-type: none"> Breakdown of fee information when the audit planning report is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	<p>Initial reporting in the Audit Planning Report presented at the Audit and Governance Committee 30 July 2020.</p> <p>Confirmation in the Audit Results Report presented at the Audit and Governance Committee 19 July 2021.</p>

Management representation letter

Management Rep Letter

Ernst & Young
Apex Plaza
Reading
RG1 1YE

Dear Andrew,

Royal Berkshire Fire and Rescue Authority - Audit for the year ended 31 March 2020

This letter of representations is provided in connection with your audit of the financial statements of Royal Berkshire Fire Authority ("the Authority") for the year ended 31 March 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the Authority financial position of Royal Berkshire Fire Authority as of 31 March 2020 and of its income and expenditure for the year then ended in accordance with [CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities for the preparation of the financial statements in accordance with [the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.
2. We acknowledge, as members of management of the Authority, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the Authority, we believe that the Authority has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.
5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Authority's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

Management representation letter

Management Rep Letter (continued)

3. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Authority (regardless of the source or form and including without limitation, any allegations by “whistleblowers”), including non-compliance matters:

- involving financial statements;
- related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Authority’s financial statements;
- related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Authority’s activities, its ability to continue to operate, or to avoid material penalties;
- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the financial statements, including those related to the COVID-19 pandemic.

3. We have made available to you all minutes of the meetings of the Authority, the Executive Committee and the Audit and Governance Committee held through the year to the most recent meeting on the following date: 31 March 2021.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Authority’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

7. From 6 March 2020 through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

Management representation letter

Management Rep Letter (continued)

E. Subsequent Events

1. There have been no events, including events related to the COVID-19 pandemic, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the narrative statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Going Concern

The Statement of Accounting Policies in the financial statements discloses all the matters of which we are aware that are relevant to the Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

H. Ownership of Assets

1. Except for assets capitalised under finance leases, the Authority has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Authority's assets, nor has any asset been pledged as collateral. All assets to which the Authority has satisfactory title appear in the balance sheet.
2. All agreements and options to buy back assets previously sold have been properly recorded and adequately disclosed in the financial statements.
3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

I. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

J. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the fair value of property, plant and equipment and the IAS19 actuarial valuations of pension liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

K. Pension Liability and PPE Estimate

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 .
2. We confirm that the significant assumptions used in making the estimates appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the entity.
3. We confirm that the disclosures made in the financial statements with respect to the accounting estimates are complete, including the effects of the COVID-19 pandemic on the pension liability and PPE and are made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Management representation letter

Management Rep Letter (continued)

4. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements due to subsequent events, including due to the COVID-19 pandemic.

L. Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

Head of Finance and Procurement and Chief Financial Officer

Chairman of the Audit and Governance Committee

Accounting and regulatory update

Future accounting developments

Since the date of our last report to the Audit and Governance Committee, there have been a number of exposure drafts, discussion papers and other projects issues. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures 	Impact on Royal Berkshire Fire Authority 
IFRS 16	<ul style="list-style-type: none"> The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Local Authority Financial Statements has been deferred until 1 April 2021. The Authority will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. 	<ul style="list-style-type: none"> Effective for the 2022/23 financial statements.

Appendix C

Regulatory update

Since the date of our last report to the Audit and Governance Committee, there have been a number of regulatory developments. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures 	Impact on Royal Berkshire Fire Authority 
Code of Audit Practice 2020	<ul style="list-style-type: none"> The updated Code of Audit Practice issued by the National Audit Office has introduced some significant changes to the requirements regarding auditors' work on the value for money conclusion, which will be applicable from 2020/21. 	<ul style="list-style-type: none"> The NAO has updated the Auditor Guidance Notes setting out how the new Code of Audit Practice should be applied when carrying out value for money work.
Going Concern - ISA (UK) 570 (Revised September 2019)	<ul style="list-style-type: none"> The standard is effective for audits of financial statements for periods commencing on or after 15 December 2019, however EY has early-adopted the revised standard for all of our audits of periods ending on or after 30 June 2020. This auditing standard has been revised in response to enforcement cases and well-publicised corporate failures where the auditor's report failed to highlight concerns about the prospects of entities which collapsed shortly after. 	<ul style="list-style-type: none"> Practice Note 10, which sets out how the auditing standards are applied in a public sector context, is currently being revised, including in light of the updated standard for Going Concern. As such, the impact is not clear at this stage. Further updates will be provided when possible.
Independence	<ul style="list-style-type: none"> The Financial Reporting Council (FRC) published the Revised Ethical Standard 2019 in December and will be effective from 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to organisations that are UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed. 	<ul style="list-style-type: none"> We will continue to monitor and assess all ongoing and proposed non-audit services and relationships to ensure they are permitted under the FRC Revised Ethical Standard 2019 which will be effective from 15 March 2020. Non-audit services which are in progress as at 15 March 2020 and are permitted under the existing ethical standard will be allowed to continue under the existing engagement terms until completed. We will work with you to ensure orderly completion of the services or where required, transition to another service provider within mutually agreed timescales.

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ED None

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	ANNUAL GOVERNANCE STATEMENT
LEAD OFFICER	KATIE MILLS, DIRECTOR OF CORPORATE SERVICES
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR DECISION

1. **EXECUTIVE SUMMARY**

- 1.1 Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with relevant legislation and standards and that public money is both safeguarded and properly accounted for. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including arrangements for the management of risk.

2. **RECOMMENDATION**

- 2.1 **AGREE** the Annual Governance Statement 2020/21.

3. **REPORT**

- 3.1 The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework' (2016 edition) (The Framework). The Annual Governance Statement explains how the Authority has complied with the Framework and also meets the requirements of Regulation 6 (1) of the Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement.

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- 3.2 Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.
- 3.3 In February 2021, CIPFA issued guidance on reflecting the challenges from Coronavirus in Annual Governance Statements. In accordance with that guidance, we have included an additional section in the draft Annual Governance Statement 2020/21 to reflect the challenges posed by the unprecedented public health crisis.
- 3.3 The draft Annual Governance Statement is attached as an appendix to this covering report.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS

- 5.1 The Annual Governance Statement enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes. It underpins the medium term financial plan.

6. LEGAL IMPLICATIONS

- 6.1 Regulations 6 (1)(b) and 6 (4)(b) of the Accounts and Audit Regulations 2015 require the approval of an annual governance statement, which must accompany the statement of accounts, and be approved in advance of the approval of the statement of accounts.
- 6.2 The Ministry of Housing, Communities and Local Government (MHCLG) has put in place revised regulations that came into force on 31 March 2021. The Accounts and Audit (Amendment) Regulations 2021 extend the statutory audit deadlines for 2020/21 and 2021/22 for all local authorities.
- 6.3 To give local authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June has been removed. Instead, local authorities must commence the public inspection period on or before the first working day of August 2021. This means that draft accounts must be published by 31 July 2021 at the latest.
- 6.4 The publication date for audited accounts has moved from 31 July to 30 September 2021 for all local authority bodies.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 None for the purpose of this report.

8. RISK IMPLICATIONS

8.1 None for the purpose of this report.

9. CONSISTENCY WITH DUTY TO COLLABORATE

9.1 None for the purpose of this report.

10. PRINCIPAL CONSULTATION

10.1 The Chief Fire Officer, Chief Finance Officer, Monitoring Officer and Senior Leadership Team were consulted in the compilation of this report.

11. BACKGROUND PAPERS

11.1 None.

12. APPENDICES

12.1 **Appendix A** - Draft Annual Governance Statement

13. CONTACT DETAILS

13.1 Katie Mills, Director of Corporate Services

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Annual Governance Statement 2020/21



f RoyalBerksFRS **t** @RBFRSOfficial **@** RoyalBerkshireFire
in Royal Berkshire Fire & Rescue Service www.rbfrs.co.uk



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ANNUAL GOVERNANCE STATEMENT 2020/21

1. Scope of Responsibility

Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with relevant legislation and standards and that public money is both safeguarded and properly accounted for. It also has a duty under the [Local Government Act 1999](#), to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including arrangements for the management of risk.

The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition). This statement explains how the Authority has complied with the Framework and meets the requirements of [Regulation 6\(1\) of the Accounts and Audit Regulations 2015](#), which requires all relevant bodies to prepare an Annual Governance Statement.

The Authority has also reviewed its compliance with the new CIPFA Financial Management Code (FM Code) which is designed to support good practice in financial management and allow the Authority to demonstrate that it is financially sustainable. The FM Code came into force from 1 April 2021.

Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework. The

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Annual Governance Statement is intended as a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

The overall aim is to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities;
- There is sound and inclusive decision-making; and
- There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

2. Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its Annual Objectives and to consider whether those Objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks in relation to the achievement of the Authority's aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised.

The Governance Framework has been in place within the Authority for the year ended 31 March 2021, and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

The governance measures in place reflect the seven principles of good governance set out in the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition) as set out below.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The Constitution of the Authority establishes the roles and responsibilities of Members of the Authority and its Committees, together with officer functions. It includes details of delegation arrangements. The Constitution is kept under review to ensure that it is fit for purpose. Proposed changes are overseen by the Audit and Governance Committee. The Audit and Governance Committee's views on the suitability of any changes are reported when they are presented to the full Fire Authority for approval.

The Constitution also contains procedure rules, standing orders and financial regulations that define how decisions are taken and where authority lies for decisions. The statutory roles of the Chief Fire Officer/Chief Executive, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight of these posts is supported by the post-holders' membership of the Senior Leadership Team.

A local Members' Code of Conduct for all Members has been agreed by the Authority and a Register of disclosable pecuniary interests for each Member is reviewed annually and published on the Authority's website. This is further supported by [Protocol on Member and Officer Relations](#) which sets out respective obligations and expectations. To ensure legal compliance and to avoid a conflict arising, there are two appointed "Independent Persons" in the event of an allegation being made that a Member has breached the Authority's Code of Conduct. The [Complaints Procedure](#) related to members of the Fire Authority is available on the RBFRS website.

The role of Monitoring Officer is fulfilled as part of a collaborative arrangement with Buckinghamshire and Milton Keynes Fire and Rescue Authority. This arrangement has been in place since 2017/18 and has proved to be effective in ensuring suitable discharge of this responsibility.

All employees are bound by the Employee Code of Conduct which includes standards of conduct. The Employee Code of Conduct also sets out the requirement for the declarations of interests and for employees to register offers or acceptance of gifts and hospitality. The [Officer Register of Gifts and Hospitality](#) is publicly available on the RBFRS website.

A Grievance, Bullying and Harassment Policy, Complaints Procedure, Whistle

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Blowing Policy and Anti-Fraud, Bribery and Corruption Policy are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met.

Regular updates on complaints received and their resolution is presented to the Audit and Governance Committee via the quarterly performance report.

The Local Pension Board is set up under the auspices of [The Public Service Pensions Act 2013](#). The Board exists to assist the Fire Authority in its role as Scheme Manager; to secure compliance with the various firefighter pension scheme regulations and other legislation relating to governance and administration of the scheme; secure compliance with requirements imposed by the Pensions Regulator. A six monthly report is provided to the Audit and Governance Committee.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

The [Corporate Plan and Integrated Risk Management Plan \(IRMP\) 2019-23](#), sets out the contribution the Authority will make to its mission; serving the people of Royal Berkshire. It is linked to the Budget, ensuring that the aspirations in the plan are realistic in the context of funding constraints placed upon the Authority.

The Corporate Plan and Integrated Risk Management Plan is agreed following consultation with the public, staff and stakeholders. The Authority has consulted on and agreed its IRMP Consultation Principles, which are published within the Corporate Plan and Integrated Risk Management Plan. A Consultation Strategy is in place which underpins all consultation activity and we work with the Consultation Institute to ensure best practice is followed. Details of our [previous public consultations](#) are available on our website. In 2020/21, we undertook a [Budget and Council Tax Consultation](#) prior to setting the 2021/22 budget. Our [Equality, Diversity and Inclusivity Objectives](#) underpin our consultation activity.

Whilst the Corporate Plan spans a four-year period, it is reviewed annually. An [Annual Plan](#) is produced and published on the website for each of those four years, setting out Annual Objectives together with Corporate Measures. Each Unitary Authority area also has a dedicated annual [Local Safety Plan](#), which sets out localised risk and how resources will be targeted to meet that risk.

An [Annual Report](#) is published on our website taking account of matters that have arisen during the last 12 months and reporting on performance for that period.

Corporate Measures that are set annually via the Annual Plan are internally monitored through the Strategic Performance Board prior to reporting via the Audit and Governance Committee. Any strategic projects are managed through the Programme Board, with our Priority Programmes being reported to the Audit and Governance Committee via the [Quarterly Performance Reports](#). In addition to publishing the Quarterly Performance Reports, we publish key performance information on our website on a monthly basis. Our website also contains a [‘Transparency and Governance’](#) section publishing financial and staff information which includes the Council Tax Leaflet, procurement card transactions and payments over £500.

The Authority is fully committed to working in partnership and has a record of partnership working that predates the statutory duty to collaborate, as set out in the [Policing and Crime Act 2017](#), with examples including a joint Control Room and fleet maintenance arrangements. The three Thames Valley Fire Services, Thames Valley Police, Police and Crime Commissioner and South Central Ambulance Service have put in place governance arrangements to manage and ensure the effectiveness of collaboration in the Thames Valley. The governance arrangements, which are set out in the [Thames Valley Emergency Services Collaboration Report](#), together with a [Thames Valley Collaboration Register](#), are publicly available on our website.

Meetings of [the Fire Authority and its committee meetings](#) are accessible to the public and dates are published on the website, including the minutes and decisions taken at those meetings. The Authority appoints two members to the Thames Valley Fire Control Service Joint Committee and papers are published on the website for these meetings.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The Corporate Plan and IRMP provides a clear vision and formal statement on the organisation’s purpose and intended outcomes, including how we will manage our resources to achieve those outcomes. Our Integrated Risk Management Plan sets out how we will safely and effectively manage risk across our Prevention, Protection and Response activities. We have consulted on and published [strategies](#) for our Prevention, Protection and Response activities, which set how we will target local risk to achieve economic, social and environmental benefits, making best use of our available resources.

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Our Consultation Principles set out that we will consult with a wide range of stakeholders, including the public, on any changes that will have a material impact on the performance of the services we provide.

The [15-year Strategic Asset Investment Framework](#), sets out our intent for the management and investment in our capital assets which include our buildings, fleet and ICT, underpinning the Corporate Plan and Integrated Risk Management Plan.

The Organisational Risk Management Policy sets out our approach to the identification and management of risk which may impact on our ability to provide our services. The Corporate Risk Register is reviewed on a four weekly basis by the Strategy Leadership Team, and is reported to the Audit and Governance Committee.

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Medium to long-term planning is informed by the [Medium Term Financial Plan](#), which sets out the financial strategy for the Authority. This enables the Authority to understand likely future challenges, and ensure its strategic planning is realistic. Where necessary, appropriate action is identified to mitigate potential financial risk. This is further supported by the Authority's [Efficiency Plan](#).

Our Performance Management Framework sets out how we will manage performance to ensure organisational aims and objectives are achieved. This Framework sets out how we will measure and monitor performance and where and when the organisation will manage performance. This is further supported by the Organisational Risk Management Policy as set out above.

Core Principle E: Developing the Authority's capacity, including the capability of its leadership and the individuals within it

A key theme of the Corporate Plan and Integrated Risk Management Plan is Capacity, Capability and Resilience. Our [People Strategy 2018-21](#), sets out how we will support our staff to be the best public servants they can be, creating a workforce that can deliver an efficient and effective service.

The Authority has agreed a Member Development Strategy 2020-23, which is further

supported by a Member Development Action Plan.

The training needs of Members and officers are identified through appraisal and review processes. Appropriate training is made available to ensure that individuals are able to undertake their current roles effectively and that they have the chance to develop to meet their, and the Authority's, needs.

There is a Leadership Development Programme in place for supervisory and middle managers, with the Senior Leadership Team developed through coaching and external leadership development courses.

Our Behavioural Competency Framework is directly linked to our People Strategy, Equality and Diversity and Inclusion Objectives and our Behavioural Charter, and has leadership at its core.

Our Workforce Planning Group allows us to monitor our workforce profile, as well as anticipate future workforce needs and plan accordingly.

We have a Health, Safety and Wellbeing Strategy and Action Plan, to support our staff, with a particular focus on Mental Health.

Independent assurance is provided by [Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services](#) across the three pillars of 'effectiveness', 'efficiency' and 'people'. In June 2019, the first inspection report for Royal Berkshire Fire and Rescue Services was issued in which it said the Service was performing to a high standard in these areas and was graded as 'good' in all three pillars.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

The Authority ensures that the Service has appropriate governance arrangements in place and that risk and performance are being effectively managed. As set out above, there is a Performance Management Framework and Organisational Risk Management Policy which sets out how this is achieved.

The Authority has ownership of the strategic risks of the Service and is responsible for monitoring and challenging risks and actions appearing on the Corporate Risk Register. This responsibility for risk and performance management is delegated by the Authority to the Audit and Governance Committee.

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The Head of Finance and Procurement is appointed as the Chief Finance Officer and ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is required to adhere to professional standards set by CIPFA.

Until October 2015, the Authority's insurance was arranged through a consortium of nine fire and rescue authorities. These fire and rescue authorities are now members of the [Fire and Rescue Indemnity Company Ltd \(FRIC\)](#). The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. The aims of the Company are twofold: to reduce risk to the Authority by driving up standards, for example, by adopting best practice in relation to driving standards and also to reduce the cost to the Authority of its risk protection arrangements over the longer-term.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Data is published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision-making, public spending and democratic processes.

The Authority has a designated statutory Data Protection Officer (DPO) that reports through the Authority's Senior Information Risk Owner (SIRO) which is the Director of Support Services. Both the DPO and SIRO ensure legal compliance with data protection requirements.

The [Pay Policy](#) has been approved by the Authority and is subject to review annually. It is produced in accordance with new or proposed legislation to ensure that it remains relevant and effective. The Pay Policy Statement for 2021-22 was approved by the Authority in March 2021.

In addition to publishing the [Gender Pay Gap Report for 2020](#), on our website. The Authority, also published an [Equal Pay Audit](#) which goes further than the statutory Gender Pay Gap report and gives clearer and more extensive information regarding how individuals are paid at RBFPS and how individual pay elements are distributed across the various protected groups.

An annual [Statement of Assurance](#) is produced to formally confirm to Government, stakeholders and the communities we serve, the adequacy of arrangements for the effective management of financial, governance and operational matters in RBFRS. The Statement confirms the extent to which the requirement of the Fire and Rescue National Framework for England have been met.

The Audit and Governance Committee undertakes the scrutiny function within the Authority and provides a robust challenge to the Authority. The Committee reviews performance and risk within the Authority, initiating reviews where it considers performance could be improved.

The Authority’s Internal Audit Service is carried out by external contractors appointed under contract. The appointed Internal Auditors (RSM) is required to provide an annual independent and objective opinion to the Authority on risk management, governance and the control environment. The annual Audit Plan is agreed by the Audit and Governance Committee and in 2020/21 RSM undertook the following audits:

Audit	Assurance Level
Risk Management and Governance	Substantial Assurance
Key Financial Controls (Annual Pension Return)	Substantial Assurance
Firefighter Pension Administration	Substantial Assurance
Payroll provider – DataPlan	Substantial Assurance
Capital Projects	Substantial Assurance
Fleet Management	Substantial Assurance
IT – Cyber Essentials	Advisory

Our auditors found substantial assurance on all six of these audits (a seventh audit was completed which was an advisory audit with no assurance level assessment required). All audit actions are monitored through the Strategic Performance Board and Audit and Governance Committee.

RSM’s Annual Report provides the following overall audit opinion for 2020/21 as follows: *“The organisation has an adequate and effective framework for risk management, governance and internal control.”*

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4. Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors' (RSM) annual report, and by the findings and reports issued by the external auditors and other review agencies and inspectorates.

5. Significant Governance Issues Addressed in 2020/21

The following provides a progress report against the significant governance issues identified in the last Annual Governance Statement.

Governance Matter Identified	Action Taken in 2020/21	Lead Officer	Target Date
<p><u>Volatility of Funding</u></p> <p>Volatility of funding will continue to be a significant and ongoing pressure for the Authority in 2020/21. In addition to the pressure which emerged in 2019/20, the Authority continue to monitor a number of possible budgetary pressures which may create challenges in the future.</p> <p>Our Medium Term Financial Plan assumes that future pay will increase by 2%. However, there are ongoing national discussions with the Fire Brigades Union in relation to pay. Any such pay increase beyond 2%, without significantly increased funding, would be unaffordable for the Authority.</p> <p>The Authority will await the outcome of the Government’s three-year Comprehensive Spending Review (CSR) and consideration of funding the additional pension cost pressure. Further potential volatility may result from the CSR and the likely resetting of the business rates funding baseline.</p> <p>In addition to the departmental savings of £140,000</p>	<p>The outbreak of the global coronavirus (COVID-19) pandemic had profound financial consequences for the Authority. However, lobbying of Government through the NFCC resulted in additional funding which meant that the Authority has been able to take all necessary measures to preserve its ability to provide critical emergency response and to protect its staff from unnecessary risk during 2020/21.</p> <p>The challenges of the pandemic meant that the multi-year CSR was postponed for a year, as was the decision to reset the business rates baseline so lobbying for a fair settlement will recommence in 2021/22.</p>	<p>Trevor Ferguson</p>	<p>On-going</p>

<p>being built into the base budget for 2020/21, work is ongoing to deliver a further £200,000 in 2021/20.</p> <p>These shortfalls highlight why the Chairman of the Fire Authority has been lobbying MPs and the Government to provide the Fire Authority with increased flexibility around the setting of the precept. Our current IRMP model is required to deliver an effective and efficient service for the people of Berkshire. However, should additional funding not be secured in the upcoming CSR, the Authority will have to consider revisiting its IRMP model to balance the budget.</p>			
<p><u>HMICFRS</u></p> <p>HMICFRS has been due to undertake its second inspection of RBFRS in 2020/21. However, with the outbreak of COVID-19, it took the decision to suspend its inspection activity. In July 2020, HMICFRS confirmed its plans to recommence the round two inspection programme in early 2021. As a Service in tranche two, this means the next inspection of RBFRS is now likely to take place in 2021/22.</p>	<p>During 2020/21, RBFRS has continued to work towards its HMICFRS Action Plan, which is monitored through the strategic Performance Board and Audit and Governance Committee. It has been confirmed that the Service will now form part of tranche three, with formal inspection activity due to commence early in 2022, with field taking place in spring-summer 2022.</p> <p>HMICFRS was commissioned by the</p>	<p>Katie Mills</p>	<p>On-going</p>

	<p>Home Secretary to inspect how fire and rescue services in England were responding to the COVID-19 pandemic. The inspection of RBFRS took place in October 2020, and largely focused on the period between April and June 2020.</p> <p>HMICFRS issued a findings letter and in summary stated that the Service has “adapted and responded to the pandemic effectively”.</p>		
<p><u>Built Environment</u></p> <p>The Built Environment Programme will remain an area of focus in 2020/21, with ongoing additional financial pressures this creates for the Fire Authority. Following a gap analysis to identify areas of improvement, work will continue to be delivered to ensure the Authority appropriately responds and learns from the findings of the Grenfell Tower Inquiry. Alongside this, the risk posed by High Risk Residential Buildings remains a significant national challenge and forms part of the national Fire Chiefs Council Building Risk Review Programme. The Authority will continue to contribute towards this national programme as well as build on the</p>	<p>We have established the Built Environment Programme and identified programme objectives and priority areas of work.</p> <p>We have set up a specific programme of work to address Grenfell Inquiry recommendations, which has resulted in improvements to the way we deliver our services including introducing new equipment such as Smokehoods, delivery of training and making our risk information more accessible for crews</p>	<p>Mark Arkwell</p>	<p>On-going</p>

<p>work already undertaken locally to address the challenges posed by the High Risk Residential Buildings with the Service, where appropriate, making full use of its statutory powers to drive remediation of those buildings.</p>	<p>at an incident.</p> <p>We have completed Phase One of our High Risk Residential Building project, which has seen us audit all 198 HRRB's within Berkshire as part of the National Building Risk Review programme.</p>		
<p><u>Pensions</u></p> <p>2020/21 will see significant changes to firefighter pension schemes, in particular, recent outcomes of the Sargeant case will result in wide ranging impacts for administration of firefighter pension schemes for many years to come. Changes to pension provision is likely to impact retirement planning and see staff exit the service earlier than planned, leading to loss of organisational knowledge and expertise. Evaluating the impact and responding to the changes in pension regulations and ensuring the workforce is resourced appropriately through effective workforce planning, will therefore be a priority area of focus.</p>	<p>In the absence of legislation following the Sargent case, RBFA resolved that firefighters who previously were members of relevant legacy pension schemes, who met the eligibility criteria would be deemed to be members of their old schemes.</p> <p>RBFRS have focussed activities on preparation for responding to emerging guidance and the regulations when laid and with the Pension Administrators have established agreed processes to address 'immediate detriment' cases despite the lack of clarity on matters such as taxation.</p>	<p>Becci Jefferies</p>	<p>On-going</p>

	Analysis of staff data has been used to support workforce planning and ensure action was taken to secure additional staff through a transfer process, to account for turnover.		
<p><u>Strategic Asset Investment Funding</u></p> <p>The need for going investment in its assets will remain an issue for the Fire Authority in 2020/21. In achieving the objectives set out in the Strategic Asset Investment Framework, the lack of available capital funding beyond Phase One of the Programme will remain a significant challenge.</p>	<p>Despite the impact of the pandemic, progress was made in implementing Phase One of the Strategic Asset Investment Framework.</p> <p>The challenges of the pandemic meant that the Government settlement for 2021/22 was based on a roll-over of funding so lobbying for capital funding will recommence in 2021/22.</p>	Conor Byrne	On-going
<p><u>Leadership Succession</u></p> <p>It is likely to be a significant year of change for the Senior Leadership Team of RBFRS as both the Chief Fire Officer and Deputy Chief Fire Officer will be eligible to retire in July 2021, and May 2021, respectively. To ensure the continuity of leadership and that the Service does not lose momentum in delivering on the Authority's plans and commitments the transition will need to be well planned. As a result, Leadership Succession Planning will be a significant governance issue in</p>	<p>An extensive and rigorous recruitment exercise was undertaken for a Chief Fire Officer or Chief Executive in 2020/21. Following the recruitment process, Fire Authority approved the appointment of Wayne Bowcock in March 2021, with Wayne joining the Service in June 2021, as Chief Fire Officer Designate prior to departure of the Trevor Ferguson, Chief Fire Officer,</p>	Trevor Ferguson	March 2021

<p>2020/21.</p>	<p>in July 2021, allowing for a suitable handover period.</p> <p>To avoid unnecessary disruption and provide as much continuity as possible, whilst creating additional capacity to support the transition, interim arrangements were established and have been effective from January 2021.</p>		
<p><u>Delivery of Prevention, Protection and Response Strategies</u></p> <p>In March 2020, the Authority undertook a consultation on draft Prevention, Protection and Response strategies and underpinning risk analysis. These strategies built on the Evidence Bases previously developed in 2016/17, and set out the direction of travel across the core areas of service provision. The consultation concluded in 2020/21 with the Fire Authority giving conscientious consideration to the results in June 2020. Following this consideration, the three strategy documents were approved for delivery by officers commencing in 2020/21.</p>	<p>The delivery of the Prevention, Protection and Response Strategies were incorporated into the Annual Plan 2020/21. However, the delivery of the commitments for the 2020/21 year were impacted by the pandemic. The Service is in a period of recovery following the pandemic, and where work areas have been impacted, these have been reviewed by part of the corporate planning processes. Delivery against the strategies has been included in the Annual Plan 2021/22.</p>	<p>Katie Mills</p>	<p>On-going</p>

6. COVID-19

In March 2020, COVID-19 emerged in the UK as a public health emergency. As a governance issue that has spanned 2019/20 and 2020/21, the Authority's consideration of COVID-19 has been summarised separately for the purposes of the Annual Governance Statement and provides a summary of the impact on Governance for the period of the pandemic.

Internally, a number of important steps were taken to ensure robust governance arrangements were put in place to respond to the risk posed by COVID-19 in accordance with the Business Continuity Management and Critical Event Management Policy. A COVID-19 Critical Event Management Team (CEMT) was established and chaired at a Director level. Sub-groups were established to lead on Response and Recovery activities.

Action and decision logs were put in place to support the COVID-19 governance structure to ensure all decisions were captured, together with an information log to ensure a record was kept of related information coming into the organisation and required action.

The Authority's priority was to ensure continued delivery of critical emergency services response during this time. Whilst non-essential activity was initially stopped, service delivery activity was risk assessed to understand where the risk of fire was greater than the risk of COVID-19.

As the Country moved through the crisis, RBFRS established recovery plans for its Prevention, Protection and Response service delivery as well as support functions. These recovery plans were aligned to the national COVID Alert Levels, and have been reviewed as new guidance has been issued.

In March 2021, the decision was taken to hibernate the regular COVID-19 CEMT as risk-assessed plans aligned to the Government's Roadmap were in place. CEMT continues to meet as required to respond to both changes in the local risk profile and national guidance, and a standing item has been included on the Senior Leadership Team meetings to discuss COVID-19 related matters. The Senior Leadership Team continues to monitor the organisational risk posed by COVID-19 through the

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Appendix A

Corporate Risk Register. The internal governance structure ensures that the latest guidance and advice from Government and the Fire and Rescue Sector is considered in a timely manner with appropriate action taken and recorded.

RBFRS has been an active participant in the Local Resilience Forum throughout working to ensure effective planning at a local level to respond to the crisis. Whilst the maintenance of our core services has remained the priority throughout, a range of additional activities in support of both the Thames Valley Local Resilience Forum and the tri-partite agreements established between the National Fire Chiefs Council, Fire Brigades Union and the Fire and Rescue Service National Employers.

During this time, business activities have been maintained with homeworking successfully supported where appropriate to the role, in line with Government guidance. The health, safety and wellbeing of staff has been of the utmost importance with advice, guidance and support offered in response to COVID-19. The organisation has adapted to new ways of working and aspects of normal business activity have started to resume. For example, our audit programme is continuing and being carried out virtually.

Immediate action was taken to ensure the workplace was COVID secure and mitigate the risk to our staff. RBFRS has published a [COVID-19 Risk Assessment](#) on its website and all of its workplaces have been declared COVID Secure.

Initially, the Fire Authority meetings in March and April 2020, were cancelled whilst legislation was put in place to enable remote Fire Authority meetings. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, came into force on 4 April 2020. This enabled remote Fire Authority meetings to take place and the normal Fire Authority calendar resumed in June 2020, with the annual Fire Authority meeting. The Regulations applied to Fire Authority held before 7 May 2021, and physical meetings has since resumed in accordance with Covid-19 regulations.

Our Annual Plan 2020/21 was reviewed to take account of the impact of COVID-19. Through our corporate planning processes in 2020/21, we have reviewed the impact of COVID-19, and developed the Annual Plan 2021/22 to account of where delivery was impacted in the previous year by the pandemic.

Mindful of the pressures posed by the pandemic, RBFRS adapted its internal governance arrangement to take account of this pressure. The Strategic Performance Board did not meet in Quarters Two and Three of 2020/21, and resumed in Quarter Four. Streamlined performance reporting continued to ensure oversight and transparency of our critical core services and Corporate Measures with reports continuing to be presented to the Senior Leadership Team and Audit and Governance Committee.

In February 2021, Management Committee approved entering into a mutual aid agreement between the Thames Valley Fire and Rescue Authorities to ensure resilience in Principal Officer arrangements. This allowed the Authority to utilise a Principal Officer of another Thames Valley authority if a Principal Officer was, or was likely to be, incapacitated by illness or self-isolation due to COVID-19.

HMICFRS was commissioned by the Home Secretary to inspect how fire and rescue services in England were responding to the COVID-19 pandemic. The inspection of RBFRS took place in October 2020, and largely focused on the period between April and June 2020. HMICFRS issued a findings letter and in summary stated that the Service has “adapted and responded to the pandemic effectively”.

The internal governance arrangements have proved adequate in supporting a swift response to COVID-19. COVID-19 will continue to be a significant governance issue in 2020/21, and will be managed through our internal governance arrangements.

7. Significant Governance Issues in 2021/22

In addition to COVID-19, as outlined above, the following significant governance issues have been identified for 2021/22:

Governance Matter Identified	Action to be taken in 2021/22	Lead Officer	Target Date
<p><u>Volatility of Funding</u></p> <p>The Authority’s funding position going into 2021/22 is one of extreme volatility with large COVID-19 related collection fund deficits offset by exceptional Government support. In addition, there is uncertainty around the outcomes of the Government’s upcoming Comprehensive Spending Review which will determine the financial parameters within which the Authority will have to operate.</p>	<p>Lobbying of MPs and Government will continue during 2021/22 to highlight the need for a fair financial settlement across the sector which is a pre-requisite for delivering an efficient and effective service.</p> <p>Scenario planning will highlight the implications of a financial settlement that requires expenditure cuts to balance the budget.</p>	Wayne Bowcock	February 2022
<p><u>Pay Award</u></p> <p>The 2021/22 Budget was set on the basis that there would be no pay award for staff in line with the Government’s announcement of a pay freeze for public sector workers. Furthermore, the Authority would not have been able to balance its budget if any form of pay rise had been factored in. Pay award negotiations since the budget was set will create a significant budget pressure.</p>	<p>Unbudgeted pay awards will need to be funded through the use of reserves during 2021/22.</p> <p>Scenario planning for 2022/23 will take account of pay awards and strategies will be developed to bring the budget back into balance.</p>	Conor Byrne	February 2022

<p><u>Pensions</u></p> <p>The pensions landscape remains complex and the technical policy and legislation associated with the Sargeant case is not expected to be in place before April 2022. During the 2021/22 year RBFRS will be required to consider how to deal with each individual retirement situation as they occur against the lack of clear guidance and absence of new legislation.</p> <p>Guidance on the O'Brien/Matthews case and how retained duty system staff should be treated is still awaited and will create significant additional workload pressure for the Service and the Administrator in the same timeframe.</p> <p>Responding to the changes in pension regulations and ensuring the workforce is resourced appropriately through effective planning and will remain a priority area of focus.</p>	<p>RBFRS will ensure it is prepared for when regulations come in to force by taking account of emerging guidance and working together with the pension administrator and across the sector to ensure effective management of pension arrangements.</p> <p>Recruitment of Firefighters will be scheduled to meet workforce needs.</p> <p>We will increase our pension knowledge and support available to meet workload pressures by recruiting a Pensions Officer.</p> <p>Quarterly updates to A&G Committee will provide oversight of the emerging issues.</p>	Becci Jefferies	March 2022
<p><u>Strategic Asset Investment Framework</u></p> <p>Although implementation of Phase One of the Strategic Asset Investment Framework continues, the lack of funding for Phase Two remains an issue</p>	<p>Lobbying of MPs and Government will continue during 2021/22 to highlight the need for financial support to renew our assets to enable</p>	Wayne Bowcock	December 2021

<p>for the Fire Authority.</p>	<p>the Authority to deliver an efficient and effective service to the public.</p>		
<p><u>HMICFRS</u></p> <p>The Service is due be inspected as part of tranche 3 of the inspection programme with formal inspection activity due to commence in early 2022. Fieldwork is anticipated to take place in spring-summer 2022, with the dates to be confirmed by HMICFRS.</p>	<p>We will remain focused on delivering the HMICFRS Action Plan.</p> <p>We will continue to proactively engage in the inspection programme and, in particular, seek to understand the changes to the Round Two inspection activity to ensure that the Service is suitably prepared.</p> <p>The inspection activity has been considered in the development of the Annual Plan 2021/22 and Service Plans.</p>	<p>Katie Mills</p>	<p>March 2022</p>
<p><u>Built Environment</u></p> <p>The Built Environment Programme will remain an area of focus for 2021/22. RBFRS will continue to deliver within its priority areas of work to ensure that it continues to learn and improve as a result of the findings of the Grenfell Tower Inquiry.</p> <p>The Authority will need to ensure that it is well</p>	<p>We will continue to deliver against the priority areas of work identified as part of the Built Environment Programme.</p> <p>We will continue to link in with the national programme of work to ensure we are well positioned for the</p>	<p>Mark Arkwell</p>	<p>March 2022</p>

<p>prepared for the upcoming legislative changes related to the built environment and the challenges these will bring.</p> <p>The risk posed by High Risk Residential Buildings is still a significant challenge both at a national and local level. The Authority will continue to build on the work already undertaken in 2020/21, making full use of its statutory powers to drive remediation of those buildings.</p>	<p>future and prepare ourselves for the upcoming legislative changes e.g. Building Safety Bill and the outcomes of Grenfell Phase 2.</p> <p>Alongside this, we will continue with Phase 2 of the HRRB project working with responsible persons to ensure our building are compliant.</p>		
<p><u>FM code</u></p> <p>Implementation of the FM Code is required from 2021/22 onwards. A review of the Code's requirements has been undertaken and actions will be taken during 2021/22 to further strengthen governance.</p>	<p>Local Governance arrangements will be consolidated within an overarching Governance Framework.</p> <p>Reporting on the performance of the Authority's significant partnerships and contracts will be brought together and reported on a quarterly basis.</p>	<p>Katie Mills Connor Byrne</p>	<p>October 2021</p>
<p><u>Leadership Succession</u></p> <p>Interim arrangements remain in place within the Senior Leadership Team to support the transition between Chief Fire Officers and to ensure continuity in arrangements, whilst creating additional capacity</p>	<p>The Chief Fire Officer will work with the Fire Authority to agree the structure and process to substantiate vacancies with the Senior Leadership Team.</p>	<p>Wayne Bowcock</p>	<p>January 2022</p>

<p>at a senior level.</p> <p><u>Implementation of Fire Standards</u></p> <p>The role of the Fire Standards Board is to oversee the identification, organisation, development and maintenance of professional standards for fire and rescue services in England.</p> <p>It has a phased programme approach for the development and delivery of Fire Standards with Phase One, which consists of ten Standards, largely due to take place in 2021/22.</p> <p>All fire and rescue authorities must implement the standards approved, with HMICFRS having regard to the standards as part of its work.</p>	<p>RBFRS will assign lead officers for all Standards and engage in the consultation phase to inform development.</p> <p>When approved, a gap analysis will be completed and action plan developed which will identify further work required to fulfil the Standard.</p>	<p>Katie Mills</p>	<p>March 2022</p>
<p><u>Fire Reform</u></p> <p>A consultative White Paper is due to be published in 2021, setting out the Government’s reform agenda in relation to fire and exploring specific proposals on fire governance in more detail.</p>	<p>The Authority will consider the White Paper and its proposals when published and respond to the consultation.</p>	<p>Wayne Bowcock</p>	<p>When published</p>
<p><u>Development of new People Strategy</u></p> <p>Our people are our most important asset and the</p>	<p>We will undertake a staff engagement programme to inform the</p>	<p>Nikki Richards</p>	<p>January 2022</p>

<p>current People Strategy runs until 2021. A key theme of the Corporate Plan and Integrated Risk Management Plan is Capacity, Capability and Resilience. Our new People Strategy will continue our journey of improvement and support our staff to be the best public servants they can be, creating a workforce that can deliver excellence to our communities. It will also allow the Service to consider working arrangements following the pandemic, and its longer-term strategy for ways of working.</p>	<p>development of our new strategy, which we aim to publish by January 2022.</p>		
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8. Conclusion

The Authority will monitor the governance issues identified in this Statement through its performance and risk management arrangements. This ensures regular review and scrutiny of the issues identified by the Senior Leadership Team and the Authority. The Annual Governance Statement for 2021/22, will include an updated position against the governance issues identified in the 2020/21 Statement.

Signed:

Date:

Chairman of Audit and Governance Committee for Royal Berkshire Fire Authority

Signed:

Date:

Chief Fire Officer and Chief Executive

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ROYAL BERKSHIRE FIRE AUTHORITY REPORT



COMMITTEE	AUDIT AND GOVERNANCE
DATE OF MEETING	19 JULY 2021
SUBJECT	ESMCP UPDATE
LEAD OFFICER	TONY VINCENT
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 This briefing note seeks to update Authority Members regarding the background and progress of the Programme to date and the plan to deliver.
- 1.2 The Chair of the South Central Regional Board, which represents Thames Valley FRSs at Fire Customer Group and into the programme, has been taken up by ACFO Jo Bowcock of Oxon CC, following the retirement of DCFO Steve Foye of RBFRS. The vice-chair position vacated by ACFO Bowcock has been taken up by Tony Vincent, Head of Business Information and Systems at RBFRS.
- 1.3 The Full Business Case (FBC) has been reviewed by Thames Valley FRSs via ESMCP user groups as part of a wider User Organisation (UO) consultation. The FBC has been accepted (with caveats) as being able to meet service operational requirements. The FBC is expected to receive government signoff in July 2021.
- 1.4 The FBC, as well as early cost modelling tools, has indicated that although the overall programme is cheaper than the current Airwave service, individual FRSs may find local costs are higher. RBFRS projections indicate a potentially significant increase against current Airwave costs. Details are evolving using national programme modelling, and is being discussed centrally through the NFCC and Fire Finance Network. The Senior Responsible Officer (SRO) for the National Programme has committed to work with the treasury and other agencies to ensure that no FRS is worse off as a result of ESN adoption, but this remains a risk at this time. RBFRS has updated the corporate risk that covers ESMCP to ensure the situation is tracked and mitigated as far as is possible.

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- 1.5 Concerns remain regarding several elements of the programme, namely coverage, device lifecycles and costs, in-service/dual running and long term ESN service costs, and service acceptance criteria. RBFRS continues to work with our Thames Valley partners within the South Central Regional Board to press the programme via the Fire Customer Group (FCG) for greater clarity and feedback on areas of concern where they exist.
- 1.6 The overall national programme timeline continues to slip after a comprehensive re-planning exercise. Current Airwave switch off is projected for the end of 2026, following a 27 month transition period for all services. RBFRS continues to work with the other Thames Valley FRSs to manage local planning against programme milestones effectively.
- 1.7 Constant shifting of timescales and uncertainty regarding local funding positions means that confidence in the programme remains low for the time being.
- 1.8 The regional programme manager role formerly filled via an external contract with Mott Macdonald is under recruitment following a resourcing review by the South Central Regional Board. B&MKFRS are running the recruitment process which is hoped to conclude successfully in the autumn of 2021. RPM duties are being shared by current FRS Project Managers in the interim period.

2. **RECOMMENDATION**

- 2.1 Members are invited to **NOTE** this report.

3. **REPORT**

- 3.1 Due to the retirement of DCFO Steve Foye, the South Central Regional Board for the ESMCP programme is now chaired by ACFO Jo Bowcock of Oxfordshire County Council. Previously vice-chair of the board, Jo has a wealth of experience to bring to the Chair. The vacated vice-chair position has been taken up by Tony Vincent, Head of Business Information and Systems at RBFRS, who has worked closely with both DCFO Foye and ACFO Bowcock within the SCR Board for a number of years.
- 3.2 Two versions of the revised draft Full Business Case (FBC) were released for consultation amongst User Organisations during April 2021. These have been reviewed by the fire and rescue services, led by the ESMCP team in the National Fire Chiefs Council (NFCC), and the strategic governance body for the fire sector (the Fire Customer Group) accepted, with caveats, that the Full Business Case would meet the sectors operational requirements. It is intended that the latest version will receive government sign-off in July 2021 by the Major Projects Review Group.
- 3.3 Initial feedback on the latest FBC highlighted several areas of concerns for the Fire Sector:

- Local Affordability both concerning dual running and long term sustainability, including the funding models to ensure that individuals FRSs are not financially disadvantaged through adoption of ESN.
- Coverage and Resilience – concerning the timescales and mechanisms employed to fill any gaps in contracted coverage, and overall resilience of the technical solution. The question of cost attribution for supplemental coverage, especially for inside key premises is still unclear.
- Devices – including acquisition costs and expected lifetime. The programme base assumption that a device will last at least 5 years in the field may not be realistic.
- The scope and service acceptance of ESN v1 – will this meet operational requirements, and what will the governance around acceptance of service performance look like.

The Thames Valley FRS continues to monitor and in many cases shape the overall South Central Regional response to managing the risks posed by updated information coming from the national programme, through representation at Fire Customer Group, working closely with the NFCC, and participation in many technical working groups. This approach will over time mitigate specific risks to FRS' and minimise adverse impact of the national programme implementation.

- 3.4 A fire service cost modelling tool has been developed to assist FRS' in determining and planning for changes in local costs. This modelling tool is evolving but early indications suggest a potentially significant increase in local costs. Concerns have been raised with the national programme about the longer term affordability of ESN for individual FRS. As details evolve and discussions continue centrally, members will be kept informed via regular updates. For context, current planning assumptions indicate that any ongoing cost increases are unlikely to manifest prior to 2024/25, leaving significant time to plan for impact.
- 3.5 The NFCC and National programme SRO are lobbying the treasury for funding to ensure that no local FRS is worse off as a result of ESN implementation given that the FBC is predicated on an overall saving to UK PLC. The outcome of these discussions will remain unclear for a period of time and as a result, the Thames Valley FRSs are working in close collaboration to understand, plan for and mitigate as far as possible the financial risk this poses.
- 3.6 Projected Delivery Timescales have again been shifted back after significant re-planning effort within the national programme, which is intended to build confidence in the programme's ability to deliver and now includes multiple 6 month "firebreaks" or contingency.
- 3.7 The current projected milestones from the programme's perspective* are:
- ESN Beta availability – Q1 2022
 - ESN V1 availability – Q2 2023
 - Control Upgrades – 27 months starting Q4 2022 ending Q4 2024
 - National Service Acceptance – Q2 2024
 - Service Transition – 27 months starting Q2 2024 ending 2026
 - Airwave shutdown – End 2026/beginning 2027

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*Please note all dates should be considered provisional

- 3.8 Despite the efforts of the National Programme to reset planning assumptions, finalise the full business case, and build contingency into the programme, confidence in current timelines continues to be low. The Thames valley FRS project managers continue to work collaboratively to keep abreast of current programme progress to minimise impact to FRS and other interconnected infrastructure planning activities associated with TVFCS.
- 3.9 In January 2021 the contract to provide a regional programme manager, which has been fulfilled by Mott MacDonald to date, ended. B&MKFRS are seeking to recruit a full time replacement at similar cost to the Mott McDonald Contract with agreement from both OFRS and RBFRS. It is expected that this recruitment process will conclude successfully in the Autumn of 2021. The FRS project Managers have jointly assumed the specific RPM responsibilities during the intervening period and will continue until the recruitment process concludes.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 2 – We will ensure a swift and appropriate response when called to emergencies.
- 4.2 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.
- 4.3 Commitment 6 – We will work with Central Government and key stakeholders in the interests of the people of Royal Berkshire.

5. FINANCIAL IMPLICATIONS

- 5.1 Financial impact of any increased costs will be monitored within the frameworks and horizons of the normal medium term financial planning cycle as they evolve.

6. LEGAL IMPLICATIONS

- 6.1 No legal implications identified

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 No Equality and Diversity Implications identified.

8. RISK IMPLICATIONS

- 8.1 An additional treatment and slight re-wording of the existing Corporate risk monitored by SLT has been added to ensure that increased costs associated with ESN are managed and mitigated as far as is possible.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 The South Central Regional Programme Board is a collaborative construct with senior representation from all three Thames Valley FRSs

10. PRINCIPAL CONSULTATION

- 10.1 Chief Fire Officer, RBFRS
10.2 Head of Finance, RBFRS
10.3 Assistant Chief Fire Officer OFRS and Chair, SC Regional Programme board

11. BACKGROUND PAPERS

- 11.1 None indicated

12. APPENDICES

- 12.1 None indicated

13. CONTACT DETAILS

- 13.1 Tony Vincent, Head of Business Information and Systems,
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ROYAL BERKSHIRE FIRE AUTHORITY REPORT

COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	SCRUTINY TASK AND FINISH GROUP
LEAD OFFICER	GRAHAM BRITTEN, MONITORING OFFICER
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR DECISION

1. EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to receive the findings and recommendations of the Scrutiny Task and Finish Group commissioned in December 2020.

2. RECOMMENDATION

The Scrutiny Task and Finish Group recommends that:

- 2.1 The Audit and Governance committee agree the findings of the Scrutiny Task and Finish Group; and
- 2.2 The Chief Fire Officer write to the Chief Executive of Slough Borough Council reiterating the position of Royal Berkshire Fire Authority and provide a copy of the report.

3. REPORT

- 3.1 In December 2020, the Chairman of Royal Berkshire Fire Authority, Councillor Colin Dudley, was made aware of on-going discussions between a member of the public and Royal Berkshire Fire and Rescue Service (RBFRS) regarding the Tuns Lane site in Slough by the Chief Fire Officer. The individual made a range of statements and allegations about the Service, which were extremely serious in their nature and related to the involvement of Royal Berkshire Fire and Rescue Service and Royal Berkshire Fire Authority in the issuing of a Compulsory Purchase Order by Slough Borough Council (SBC) for the Tuns Lane site in Slough.

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- 3.2 The Service sought to engage the individual, clarify the concerns being raised and investigate the matter, attempting to engage the individual in the Service's complaints process. The individual chose not to make a formal complaint.
- 3.3 Due to the seriousness of the statements and potential allegations made by the individual, the Chairman of the Fire Authority requested on 22 December 2020, that a cross-party Task and Finish Group be established to scrutinise the matter, overseen by the Authority's Monitoring Officer.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 6 – We will work with Central Government and key stakeholders in the interests of the people of Royal Berkshire.

5. FINANCIAL IMPLICATIONS

- 5.1 None for the purpose of the report.

6. LEGAL IMPLICATIONS

- 6.1 None for the purpose of the report.

7. EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 None for the purpose of the report.

8. RISK IMPLICATIONS

- 8.1 None for the purpose of the report.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 None for the purpose of the report.

10. PRINCIPAL CONSULTATION

- 10.1 The Monitoring Officer supported the Scrutiny Task and Finish.

11. BACKGROUND PAPERS

- 11.1 Background papers are referenced in the body of the report.

12. APPENDICES

- 12.1 Appendix A – Scrutiny Task and Finish Group Report

SCRUTINY TASK AND FINISH GROUP

Report to Audit and
Governance Committee

19 July 2021





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Establishing the Scrutiny Task and Finish Group

Background

In December 2020, the Chairman of Royal Berkshire Fire Authority, Councillor Colin Dudley, was made aware of on-going discussions between a member of the public and Royal Berkshire Fire and Rescue Service (RBFRS) regarding the Tuns Lane site in Slough by the Chief Fire Officer. The individual made a range of statements and allegations about the Service, which were extremely serious in their nature and related to the involvement of Royal Berkshire Fire and Rescue Service and Royal Berkshire Fire Authority in the issuing of a Compulsory Purchase Order by Slough Borough Council (SBC) for the Tuns Lane site in Slough.

The Service sought to engage the individual, clarify the concerns being raised and investigate the matter, attempting to engage the individual in the Service's complaints process. The individual chose not to make a formal complaint.

Due to seriousness of the statements and potential allegations made by the individual, the Chairman of the Fire Authority requested on 22 December 2020, that a cross-party Task and Finish Group be established to scrutinise the matter, overseen by the Authority's Monitoring Officer.

Membership

The membership of the Task and Finish Group consisted of:

- Councillor Shepherd-Dubey - Liberal Democrat Group Leader
- Councillor Colin Dudley - Conservative Group Leader
- Councillor Paul Gittings – Labour Group Leader
- Councillor McKenzie-Boyle – Chairman of Audit and Governance Committee

As Chairman of the Audit and Governance Committee, Councillor McKenzie-Boyle was appointed as Chairman of the Task and Finish Group.

The Task and Finish Group was cross-party with representation from all political groups which formed the membership of Royal Berkshire Fire Authority.

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Appendix A

Terms of Reference - Purpose

The Task and Finish Group agreed Terms of Reference, which are attached in full at **Appendix A**. Informed by the statements and allegations made by the individual, the Task and Finish agreed its purpose as:

This Group is not a decision-making forum. The purpose of the Task and Finish Group is to review the role of Royal Berkshire Fire and Rescue Service and its officers, and ascertain if there was any impropriety by the Authority, in the issuing of a Compulsory Purchase Order by Slough Borough Council for the Tuns Lane site in Slough, and to consider if matters were conducted appropriately. In doing so, the group will have regard to all relevant documents, corporate governance arrangements, and Employees' code of Conduct.

The Task and Finish Group will report the outcome of its findings to the Audit and Governance Committee.

The purpose of the Task and Finish Group is not to make findings as to the appropriateness of any proposed redevelopment of the Tuns Lane site; or as to the role of any third parties.

Consideration of Evidence

Timeline

In undertaking its review, the Task and Finish Group considered the timeline of events that led to the issuing of the Compulsory Purchase Order by Slough Borough Council, and the discussions that were taking place with Royal Berkshire Fire and Rescue Service in relation to the Tuns Lane site. In compiling the evidence, the Task and Finish Group members were provided with copies of all reports and correspondence referenced in the report. To ensure transparency of the information considered, the timeline below includes direct extracts from reports and correspondence. For reasons of privacy, any names of officers other than those of RBFRS have been removed.

The Task and Finish Group established the following timeline:

(1) SBC publish its Cabinet Agenda – 10 March 2017

SBC publishes its Cabinet Agenda which includes an item related to the 'Tuns Lane gateway' regeneration project. [The report published and accessible of the SBC website](#). The report includes a number of references to Royal Berkshire Fire Authority, described in the report as "Royal Berkshire Fire & Rescue Authority", including:

"The Council has been approach by Michael Shanly Homes ("MSH"), which a majority land owner, to establish if it would support a joint venture between MSH and

Royal Berkshire Fire & Rescue Authority. They have enquired if the Council would consider using Compulsory Purchase Order (“CPO” or “the Order” powers to assemble a site that would provide high quality mixed-use and mixed-tenure scheme that (based on concept proposals) would provide in excess of 200 additional new apartments and a new fire station”.

“The purpose of this report is to seek approval for the Council to support MSH and Royal Berkshire Fire & Rescue Authority using CPO powers to acquire and simultaneously dispose of land and properties to MSH on regeneration grounds”

(2) RBFRS writes to SBC regarding Cabinet report – 15 March 2017

Royal Berkshire Fire and Rescue Service’s Deputy Chief Fire Officer writes to Slough Borough Council in relation to the report. The email states:

“With reference to the report titled “Tuns Lane Regeneration project paper” published for your Cabinet meeting on 20th March, Royal Berkshire Fire Authority would like to raise concerns about how the information has been presented and the potential for the report to be misinterpreted. The report states “MSH and the RBFA have been working collaboratively for some time to assemble and facilitate the redevelopment of the site”. We are concerned that the report is presenting a picture of a developed and agreed partnership jointly supporting this proposal. For the Record we would like it to be recorded that we have no such partnership arrangements in place with Michael Shanly Homes (MSH). In good faith our officers have entered informal discussions with both MSH and Slough Borough Council (SBC) to discuss the possibility to redevelop the Tuns Lane site. No proposals have been presented to the Royal Berkshire Fire Authority by MSH or SBC on this matter. We were not consulted on the drafting of the report being presented to Cabinet on the 20th March. Any potential agreement would be subject to the appropriate governance and due process required by the Authority’s constitutional arrangements.

“The Authority would like to reiterate the position that we have constantly stated, both to your officers and MSH, during informal discussions. We are fully committed to utilising our assets for the benefit of our communities. We would seriously consider any proposal which would support the improvement of the Fire and Rescue Service assets in the Slough area and we would be cognisant of any wider community benefits in our decision making process. All decisions will however be subject to appropriate due diligence and governance”.

(3) RBFRS Deputy Chief Fire Officer email exchange with MSH, copied to SBC – 15 March 2017

Following a telephone message regarding the SBC Cabinet paper from RBFRS’s Deputy Chief Fire Officer to MSH, MSH emails the Deputy Chief Fire Officer on 15 March 2017, offering to speak to SBC about *“holding it back from this months committee”*. RBFRS’s Deputy Chief Officer responds on 15 March 2017, stating:

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“We have addressed the matter with SBC and agreed amendments which will be included in the meeting minutes. Pulling the paper now would probably be more detrimental. Unfortunately the risks to RBFRA, which relate mainly to compliance with appropriate public procurement procedures remain. The paper could very easily be interpreted as RBFRA having prejudged the entire process, so the horse has bolted! This could easily have been avoided through appropriate engagement which I highlighted to you last week. The situation is compounded by interest from another developer. We will have to take some further advice and consider our position.

(4) SBC Cabinet Meeting – 20 March 2017

The statement provided by RBFRS’S Deputy Chief Fire Officer is read at the SBC Cabinet Meeting and recorded in the Minutes of the meeting which are [available on the SBC website](#). The Minute states:

“The Assistant Director Assets, Infrastructure & Regeneration read a statement sent on behalf of the Fire Authority clarifying that Officers of the authority had entered into informal discussions with MSH and the Council about scheme, but there was no formal partnership in place with MSH, and that any potential agreement would be subject to the appropriate governance arrangements of the authority. The Cabinet noted the statement in full, although it was considered that the clarification did not materially effect the recommendations being put to Cabinet to agree the delegations necessary to proceed with a CPO if the scheme progressed in the interests of all parties.”

The statement submitted by the Deputy Chief Fire Officer is [published on the SBC website](#).

(5) RBFRS and RBFA meet with Michael Shanly Homes and Slough Borough Council – 29 March 2017

An informal meeting took place between MSH and SBC, at which outline plan drawings were presented to officers of Royal Berkshire Fire and Rescue Service and a member of Royal Berkshire Fire Authority.

(6) Email exchange between RBFA Lead Member and RBFRS Deputy Chief Fire Officer – 29 March/30 March 2017

Lead Member for Strategic Assets emails the Deputy Chief Fire Officer on 29 March 2017, in reference to the meeting held on 29 March 2017 stating:

“An interesting and potentially useful meeting today. I do hope it comes to something but we will need to move forward with caution, both procedurally and legally.

“I believe I should be briefing both the Chairman, which I’ll do, and the Slough BC Members on RBFA.”

The email from the Lead Member included a proposed update to the Slough Borough Council representatives on Royal Berkshire Fire Authority which the Deputy Chief Fire Officer commented on as follows:

“I agree completely with your assessment and Simon and Alex will be looking at the legal and procurement challenges to ensure we are well positioned to take advantage of any potential offer. I have added a short line to your note below in blue ref the procurement challenges. I mentioned to Cllr Shah last night at A&G that you would be in touch to update the Slough Members about our discussions”.

The update the Lead Member proposed for the SBC Fire Authority members, together with the additions by the Deputy Chief Fire Officer was as follows:

“You may be aware that there are very initial discussions ongoing with your council officers, Shanly Michael Homes and the Fire Service over possible rebuild plans for Slough Fire Station. In fact your Cabinet carried an item on 20 March on this.

“As Lead Member for Strategic Assets, I am working with RBFRS officers on the project which is at a very early feasibility stage at the moment. The possibility is that new purpose built Fire station in the heart of your community in a site very close to the current one on Tuns Lane can be achieved as part of a development by Shanly, providing a high number of dwellings by a comprehensive development of the site around the current Fire Station.

“I will ensure you are kept updated with progress, but ask that this is treated as something that will only happen is, [we can find a legally compliant route through the procurement challenges](#) and it becomes a viable development for Shanly, and so not for general open discussion. [Shanly Homes](#) are working with your council towards a possible Pre-APP Planning discussion late spring.

“Please feel free to contact me with any queries from the RBFA standpoint.”

(7) Deputy Chief Fire Officer writes to Thames Valley Police (TVP) confirming the Authority’s position in relation to the Tuns Lane Regeneration Project – 17 May 2017

Following an exchange between TVP and SBC regarding the regeneration of the Tuns Lane site, TVP contacted RBFRS to confirm that status of its involvement with the regeneration of the site. The email response from the Chief Fire Officer references the meeting held on 29 March 2017, and states:

“I have read with interest [SBC officer]’s description of the meeting we had with SBC and MSH. It is an interesting summary but certainly does not reflect the position which I made clear i.e. that any potential scheme would need to reflect best value for the Authority, comply with appropriate governance and procurement processes and meet our operational needs. At no point did we discuss or agree the concept of balancing payments.

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“I also made it crystal clear that no formal partnership exists, we have never received any proposals which would form the basis of such a partnership and that SBC must ensure that our position is clearly represented in future discussions of papers.

“I continue to feel uneasy about this entire process so I am keen that we keep a very close eye developments.”

(8) RBFRS’S Assistant Chief Fire Officer engages the RBFA Monitoring Officer – 23 May 2017

On 23 May 2017, RBFRS’S Assistant Chief Fire Officer engages the Authority’s Monitoring Officer on the matter. The email from the Assistant Chief Fire Officer states:

“Apologies for the email splash I thought it would be more useful giving you the background and then discussing rather than trying to explain the background over the phone.

“This relates to the potential for Slough Fire Station to be rebuilt close to its existing location by Michael Shanly Group as part of the Tuns Lane regeneration project.

“You will note in the emails that on more than one occasion Slough Borough Council (SBC) imply a commercial relationship between RBFA and Shanly group. This is despite a response sent to SBC (email from Trevor to Katie Mills 14th March) and the matter being raised in our subsequent meeting stating clearly that no such relationship exists and that any potential scheme would need to reflect best value for the Authority, comply with appropriate governance and procurement processes and of course meet our operational needs.

“At this point we felt it best that we respond with a robust letter clarifying issues and wondered whether this was something that you could draft.

“I would be keen to hear your legal perspective on this situation. You can give me a call on the mobile number below or let me know when would be a good time to call to discuss”.

(9) Letter from RBFRS’s Chief Fire Officer to SBC Interim Chief Executive – 27 June 2017

On 27 June 2017, the RBFRS’s Chief Fire Officer wrote to the Interim Chief Executive of Slough Borough Council to clarify and confirm the position on behalf of Royal Berkshire Fire Authority with regards to its Fire Station, Tuns Lane, Slough. A copy of the letter is attached at **Appendix B**.

Consideration of Evidence

The Task and Finish Group considered all written correspondence, in accordance with the purpose of the Group, between Royal Berkshire Fire and Rescue Service, Royal Berkshire Fire Authority, Slough Borough Council and Michael Shanly Homes.

To ensure completeness, Royal Berkshire Fire and Rescue Service requested that Slough Borough Council provide any correspondence, released under Freedom of Information, by Slough Borough Council related to the Tuns Lane regeneration project that originated from Royal Berkshire Fire and Rescue Service.

The Task and Finish Group also requested that a search of Fire Authority agendas and minutes be undertaken to determine if there was any discussion or decision taken in relation to enter into a formal partnership for the redevelopment of Slough Fire Station. There was no such discussion or decision taken by the Fire Authority recorded in the agendas or minutes.

Further to this, the Task and Finish Group considered two pieces of internal RBFRS communication in related to this matter:

(1) Presentation to the Property Development Task and Finish Group – 23 February 2017

The presentation to the Property Development Task and Finish Group, an internal meeting of officers and Fire Authority members, set out progress against the Fire Authority's Strategic Asset Investment Framework and stated that an "options review for Slough Fire Station" was planned.

(2) Internal Team Briefing Note – April 2017

An internal RBFRS briefing note provided the following update to staff in April 2017, following the publication of the Cabinet report by Slough Borough Council in March 2017:

"We've had informal discussions with Slough Borough Council who would like to develop the area surrounding the station for housing but no decisions or partnerships have been made by RBFA in relation to this site. Royal Berkshire Fire Authority is fully committed to utilising its assets for the benefit of its communities and serious consideration would be given to any proposal which would support the improvement of the Fire and Rescue's assets in Slough. However, any potential agreement would be subject to the appropriate due diligence and governance".

Findings of the Task and Finish Group

Key Findings

Through the examination of the evidence provided to the Task and Finish Group, it has reached the following conclusions:

- (1) At no time was a formal partnership entered into by the Fire Authority for the redevelopment of Slough Fire Station;
- (2) There was no impropriety on the part of RBFRS officers or the Authority, and matters were conducted appropriately at all times;
- (3) The position of the Fire Authority was reiterated to partners throughout with formal representations made to Slough Borough Council to ensure this position was publically accessible;
- (4) The decision to put in place provisions for a Compulsory Purchase Order was taken by Slough Borough Council, without involvement of Royal Berkshire Fire Authority or Royal Berkshire Fire and Rescue Service.

Engagement with Individual

Access to Correspondence

All correspondence between the individual who raised concerns in relation to this matter and Royal Berkshire Fire and Rescue Service has been provided to the Task and Finish Group to ensure completeness and transparency in the scrutiny process. This has included:

- Correspondence between the individual and officers prior to the establishment of the Scrutiny Task and Finish Group setting out steps taken to investigate the matter internally
- Correspondence between the individual and the Chief Fire Officer
- Correspondence between the individual and the Chairman of the Fire Authority
- Correspondence between the individual and the Monitoring Officer
- The complainant being written to by the Monitoring Officer via email on 29 June 2021, with a copy of a draft of this report inviting written representations on its content before 4pm on 5 July 2021

Steps taken by Scrutiny Task and Finish Group

At its meeting on 5 February 2021, the Task and Finish Group requested that the Monitoring Officer write to the individual stating:

- That all evidence considered by the Task and Finish Group would be provided in the interest of transparency;
- The Monitoring Officer and Chief Fire Officer would be willing to meet with the individual and property owner they were acting on behalf of in relation to the concerns raised;
- Ask that the individual confirm whether there is any additional evidence that they would wish the Task and Finish Group to consider and submit it in writing to RBFRS;
- Ask that the individual confirm what outcome they were seeking on the matter; and
- Reiterate that the option to raise a formal complaint remains.

The Monitoring Officer wrote to the individual on 24 February 2021, and provided a copy of all evidence considered by the Task and Finish Group. A meeting with the Monitoring Officer and the Chief Fire Officer has not been accepted on the terms offered in accordance with the wishes of the Task and Finish Group. There has been no additional evidence submitted by the individual, no confirmation of the outcome being sought and no formal complaint raised.

As stated above, a copy of this report was provided to the individual, who was then given the opportunity to comment on its contents and respond.

The individual had been informed that his comments would be taken into account before this final version of the report was produced for submission to the Audit and Governance Committee.

A response was received from the individual on 5 July 2021, which was addressed to the Monitoring Officer and all members of the Task and Finish Group.

The individual's response included no comments on the substance of the report nor on its findings. The thrust of the response can perhaps be best summarised as dissatisfaction about the process, as evidenced by the following extracts:

*“You have asked me as an individual that is a Lay Member of the public who has no experience operating under a Public Body, to comment on a complex document you seek to utilise as a public document for what is a very complex issue within **ONLY 6 DAYS.***

“I cannot be expected to automatically know and understand how you formulated such a document and what is required to be contained within this document. Unlike you I do not have unlimited access to legal advisors, staff, secretaries and administration employees. This appears to be a very important document as it relates directly to me and my family”

[...]

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“Therefore In respect of your deadline for a response being 4 pm on Monday 5th of July, we make a request to the Scrutiny panel that we be granted an extension of a minimum 30 days for representations in order for us to obtain unique Specialist Advice and support towards formulating representations for what are very unique circumstances for any member of the general public to endure. As soon as you have provided all the information above as requested, we will then require as requested 30 days to prepare for representations.

A longer period of extension may be necessary pending the advice I receive. If that does occur then I will write to you.

As you have failed to indicate to me if anything I have raised throughout my engagement has been disregarded or omitted from the Scrutiny Panel process, it will be deemed that the Scrutiny panel has investigated every single matter, statement and event I have raised throughout my entire engagement.”

Moreover, the individual’s response included requests for copies of all statements between nine named officers and members that related to the individual and the individual’s family; for representations to be allowed to be made in an extended deadline other than in writing and via video conferencing with all members of the Task and Finish Group and the Monitoring Officer in attendance; and for a further meeting via video conferencing with all members of the Task & Finish Group, the Monitoring Officer and *“with all officers handling this report”*

Recommendations

The Scrutiny Task and Finish Group recommends that:

- (1) The Audit and Governance Committee agree the findings of the Scrutiny Task and Finish Group; and
- (2) That the Chief Fire Officer write to the Chief Executive of Slough Borough Council reiterating the position of Royal Berkshire Fire Authority and provide a copy of the report of the Scrutiny Task and Finish Group.

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Appendix A

Appendix A

Scrutiny Task and Finish Group Terms of Reference

Purpose

This group is not a decision making forum. The purpose of the task and finish group is to review the role of Royal Berkshire Fire and Rescue Service and its officers, and ascertain if there was any impropriety by the Authority, in the issuing of a compulsory purchase order by Slough Borough Council for the Tuns Lane site in Slough, and to consider if matters were conducted appropriately. In doing so the Group will have regard to all relevant documents, corporate governance arrangements, and Employees' code of conduct.

The task and finish group will report the outcome of its findings to the Audit and Governance Committee.

The purpose of the task and finish group is not to make findings as to the appropriateness of any proposed redevelopment of the Tuns Lane site; or as to the role of any third parties.

Chairperson

The task and finish group will be chaired by the Chairman of the Audit and Governance Committee, Councillor McKenzie-Boyle.

Membership

The membership of the task and finish group will include cross-party representation as follows:

Cllr Colin Dudley
Cllr Paul Gittings
Cllr McKenzie-Boyle
Cllr Shepherd-DuBey

Quorum

Three members must be present to proceed with the meeting.

Meeting arrangements

Meeting Frequency – as required to fulfil the task and finish group purpose.

Agenda and associated papers – to distributed in advance.

Record of meeting – minutes of the meetings will be captured by officers.

The meeting procedures will be overseen by the Authority's Monitoring Officer.

Appendix B

Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, RG31 7SD

Direct Line 0118 938 2000 | Switchboard 0118 945 2888
 Email fergusont@rbfrs.co.uk | www.rbfrs.co.uk

Follow us on Twitter @rbfrsofficial



Roger Parkin
 Interim Chief Executive
 Slough Borough Council
 St Martin's Place
 51 Bath Road
 Slough
 Berkshire
 SL1 3UF

Your Ref: TF
 Our Ref:
 Ask for:
 Date: 27 June 2017

Dear Roger,

Slough Fire Station, Tuns Lane, Slough SL1 2XA

I am writing to clarify and confirm the position on behalf of the Royal Berkshire Fire Authority (the Authority) with regard to its premises, the Fire Station, Tuns Lane, Slough SL1 2XA.

On 15 March 2017 I wrote a response to the report titled 'Tuns lane Regeneration Project paper' published for your Cabinet Meeting on the 20 March 2017. Your report contained the statement 'MSH and the RBFA have been working collaboratively for some time to assemble and facilitate the redevelopment of the site'. My response stated:

Royal Berkshire Fire Authority would like to raise concerns about how the information has been presented and the potential for the report to be misinterpreted. We are concerned that the report is presenting a picture of a developed and agreed partnership jointly supporting this proposal. For the record we would like it to be recorded that we have no such partnership arrangements in place with Michael Shanly Homes (MSH). In good faith our officers have entered informal discussions with both MSH and Slough Borough Council (SBC) to discuss the possibility to redevelop the Tuns Lane site. No proposals have been presented to the Royal Berkshire Fire Authority by MSH or SBC on this matter. We were not consulted on the drafting of the report being presented to cabinet on the 20th March. Any potential agreement would be subject to the appropriate governance and due process required by the Authority's constitutional arrangements.

I note that the published minutes from the meeting state:

The Assistant Director Assets, Infrastructure & Regeneration read a statement sent on behalf of the Fire Authority clarifying that Officers of the authority had entered into informal discussions with MSH and the Council about scheme, but there was no formal partnership in place with MSH, and that any potential agreement would be subject to the appropriate governance arrangements of the authority. The Cabinet noted the statement

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in full, although it was considered that the clarification did not materially affect the recommendations being put to Cabinet to agree the delegations necessary to proceed with a CPO if the scheme progressed in the interests of all parties.

Further to the minutes of the Cabinet Meeting on 20 March 2017 which state:

At the conclusion of the discussion, the Cabinet agreed the recommendations as set out in the report, noting the clarification from the Fire Authority about the current status of their discussions with MSH. Resolved – (a) That it be noted that the delivery of this project, which fulfils several One Public Estate objectives, has been identified as a priority at a corporate management level.

The Authority is yet to be convinced, contrary to your Cabinet's decision, that this meets the criteria for being a One Public Estate project and stated this through its Strategic Property Manager, Alex Brown at the recent One Public Estate meeting on 14 June 2017.

I also observe at this point that the 20 March 2017 report also stated (at § 5.5) 'The existing fire station is obsolete and needs to be replaced or refurbished'. It has at no point ever been the opinion of the Authority, through my officers, that the Tuns Lane, Fire Station is obsolete although plans were being developed to refurbish the station.

Given that my officers are the competent professionals to make an evaluation as to whether a fire station continues to serve the purposes for which it was originally intended, a member of the public might easily infer that my officers have stated that this fire station is 'obsolete'. It is regrettable that your officers should have used such wording in a public document that should create such an impression not only in the minds of the public but also in the minds of my firefighters and other affected staff.

The Authority's thirteen week Integrated Risk Management Plan (IRMP) service redesign public consultation, which closed 13 March 2017 – a week before the Cabinet Meeting in question – contained no proposals, nor sought the public's views, that reflected any purported obsolescence of that fire station. The Authority subsequently approved its IRMP service redesign proposals at its meeting on 18 April 2017.

If your Cabinet members were led to believe from the report that the Authority had decided that this fire station was obsolete then in my view this would be bound to have had an effect on their decision to approve the making of a CPO.

At a subsequent meeting with Robin Dorrان (MSH), David Martin (Principal Asset Manager SBC) and Kevin Scott on the 29 March 2017, outline plan drawings were presented to officers of the Authority and the Authority member responsible for capital assets. At the meeting, on more than one occasion, I restated the position of the Authority as outlined above.

Moreover, there was no agreement or any discussion with regard to commercial terms or any costs associated with the refurbishment or rebuilding of the fire station. I would, however, reiterate the position constantly stated, both to your officers and MSH, during informal discussions. The Authority are fully committed to utilising the Authority's assets for the benefit of our communities. We continue to be disappointed that Slough Borough Council appears to be representing a position that does not align to our understanding of the matter.

I am sure the Authority would seriously consider any proposal which would support the improvement of the fire and rescue service assets in the Slough area and would be cognisant of any wider community benefits in its decision making process. All decisions, as consistently stated, will be subject to appropriate due diligence, consultation, and governance.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'TF', followed by a long horizontal line extending to the right.

Trevor Ferguson
Chief Fire Officer and
Chief Executive

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Appendix A

ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	GUIDING PRINCIPLES FOR PROPERTY ASSET RELEASE
LEAD OFFICER	CONOR BYRNE, HEAD OF FINANCE AND PROCUREMENT
LEAD MEMBER	ANGUS ROSS, STRATEGIC ASSETS LEAD MEMBER
EXEMPT INFORMATION	NONE
ACTION	RECOMMENDATION TO MANAGEMENT COMMITTEE

1. **EXECUTIVE SUMMARY**

- 1.1 The disposal of any property or land, deemed as surplus to requirements, is an important part of the Fire Authority's drive to create an efficient, fit-for-purpose and sustainable estate that meets future needs. This attached document sets out the principles to be adhered to with regard to property asset release.

2. **RECOMMENDATION**

That the Committee:

- 2.1 **RECOMMEND** that Management Committee approve the *Guiding Principles on Property Asset Release*.

3. **REPORT**

- 3.1 Whilst it is essential that the Authority manages its assets efficiently and effectively it is also important that it can evidence that this is the case to stakeholders.
- 3.2 Adherence to the *Guiding Principles on Property Asset Release* which is based on the seven Nolan Principles will ensure that transparency and objectivity can be demonstrated throughout any disposal process.

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- 3.3 Along with openness and transparency, the guidance also highlights the importance of setting up a disposal team with the right mix of skills and experience to ensure a full consideration of all factors throughout the disposal process.
- 3.4 Any proposals for the disposal of property or land that come before Members will link explicitly to the *Guiding Principles* document. This will provide assurance and evidence that the disposal process is being conducted in line with best practice.
- 3.5 Finally, a draft of the *Guiding Principles* document was reviewed and commented upon by our internal auditors, RSM. Their suggestions around the recording of disposals and links to other corporate documents have been incorporated into the final document.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS

- 5.1 The Guiding Principles document is fully aligned to the Authority's revised Financial and Contract Regulations (November 2020).

6. LEGAL IMPLICATIONS

- 6.1 The Guiding Principles document is fully aligned to legislation that governs the disposal of local authority assets.

7. EQUALITY AND DIVERSITY IMPLICATIONS

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

8. RISK IMPLICATIONS

- 8.1 Good stewardship of the Authority's assets is only possible if the right governance is in place. The purpose of the *Guiding Principles* document is to reduce risk by ensuring that the highest behavioural standards are introduced and maintained during the disposal process in order to demonstrate best practice in managing valuable public sector assets.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 As part of any disposal process, the Fire Authority consults and works with a wide range of partners to ensure the best possible outcome for the public.

10. PRINCIPAL CONSULTATION

10.1 The Chief Fire Officer has been consulted on the contents of the report.

10.2 The Monitoring officer has been consulted on the contents of the report.

11. BACKGROUND PAPERS

11.1 None

12. APPENDICES

12.1 Appendix A – Guiding Principles for Property Asset Release

13. CONTACT DETAILS

13.1 Conor Byrne
Head of Finance and Procurement
07585 991602

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Guiding Principles for Property Asset Release

July 2021

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Agenda Item 10

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1. Introduction

Property is a powerful force for organisational change, in identity branding, in inspiring innovation and in encouraging improvements in productivity and service quality. It is an asset which responds only slowly to change, so it is important to build in the flexibility in property asset management to enable change that meets service demand, political direction and/or financial efficiencies.

The disposal of any property or land, deemed as surplus to requirements, is an important part of the Fire Authority's drive to improve its estate management and create an efficient, fit-for-purpose and sustainable estate that meets future needs. This document sets out the procedures to be adopted specifically with regard to property asset release.

The assessment of Royal Berkshire Fire & Rescue Service's property need is borne out of two key documents – the Corporate and Risk Management Plan (CRMP) and the Strategic Asset Investment Framework (SAIF).

The Authority's CRMP sets out the requirement in terms of provision and location of all fire stations across the Royal County of Berkshire to ensure that the Service is able to respond to changing patterns in risk.

The Authority's SAIF sets out the Authority's 15 year capital investment strategy to maintain and renew the vital capital assets necessary to deliver the Prevention, Protection and Response requirements of Royal Berkshire Fire & Rescue Service.

These two key documents underpin strategic property decision making in terms of prioritising refurbishment, replacement, disposal, or identifying the need to seek a new asset location.

This Guiding Principles document is fully aligned to the Authority's revised Financial and Contract Regulations (November 2020) as well as legislation that governs the disposal of local authority assets.



2. Ethical Approach to Property Disposals

2.1. Core Code of Ethics for Fire and Rescue Services

In 1994, the UK Government established a Committee on Standards in Public Life. The remit of the Committee was to make recommendations to improve standards of behaviour in the public sphere. The Committee was chaired by Lord Nolan and the first report of the Committee established The Seven Principles of Public Life (known as the Nolan Principles).

The Core Code of Ethics for Fire and Rescue Services (Core Code) is based on the Nolan Principles and sets out five ethical principles, which provide a basis for promoting good behaviour and challenging inappropriate behaviour.

These principles run through this document to ensure that the highest behavioural standards are introduced and maintained at all times in order to demonstrate best practice in managing valuable public sector assets.

The table below sets out the five ethical principles and what they mean for public servants.

Putting our Communities First We put the interests of the public, the community, and service users first.
Integrity We act with integrity including being open, honest, and consistent in everything that we do.
Dignity and Respect We treat people with dignity and respect, making decisions objectively based on evidence, without discrimination or bias.
Leadership We are all positive role models, always demonstrating flexible and resilient leadership. We are all accountable for everything we do and challenge all behaviour that falls short of the highest standards.
Equality, Diversity and Inclusion (EDI) We continually recognise and promote the value of EDI, both within the Service and the wider communities in which we serve. We stand against all forms of discrimination, create equal opportunities, promote equality, foster good relations, and celebrate difference.



3. Assessing surplus land or property assets for disposal

The Service should look to dispose of property or land assets which are identified as surplus to requirements and should not look to hold land speculatively. HM Treasury (Managing Public Money) advises that surplus land or property assets should ideally be disposed of within three years of being identified as surplus to requirements. In making an assessment to determine whether land or property assets are surplus, consideration must be given to:

- whether the land is currently used/required to deliver operational functions;
- whether there is a clearly evidenced plan to use the land to deliver future operational functions;
- whether the land is held for commercial purposes and/or is integral to continuity of service delivery;
- whether the land is vital for business continuity or contingency, in line with strategic and /or operational plans.

However, land may also be identified as surplus if:

- it is not used for current delivery or required for future delivery of operational functions;
- the Service has no formally approved strategy and timetable for bringing the land or property back into permanent full operational use.

Each case should be assessed on the circumstances associated with the land or property and the Service's overarching strategic plan.

4. Preparing for Disposal

Through the regular refresh of the CRMP, SAIF and Property Asset Management Strategy (PAMS), surplus assets will be identified. When land or property assets are confirmed as surplus and approved for sale on the open market, disposal objectives will be agreed by the Senior Leadership Team and approved by Members of the Fire Authority's Management Committee.

Any single disposal may support multiple strategic and operational objectives. Typical strategic objectives will include:

- supporting a wider change programme following a CRMP consultation;
- consideration of the need to complete the disposal within a specified timescale to fit in with other investments, disposals, acquisitions or relocations;
- budgetary requirements and cash-flow implications;



- carrying out the disposal in accordance with the approved practices as set out within this document, adhering to the Core Code ethical principles at all times.

4.1. Legislation Governing Asset Disposals

Under section 123(2) of the Local Government Act 1972, and by virtue of section 8(3) of the Fire Services Act 1947, the Authority is not permitted to dispose of land 'for a consideration less than the best that can reasonably be obtained', without the consent of the Secretary of State. The 'consideration' is confined to commercial or monetary value. This means that should the Authority wish to consciously pursue disposal strategies that may offer wider community benefits, and in so doing, reduce the potential financial receipt, it may need to obtain consent from the Secretary of State.

There is an extant general disposal consent issued by the Secretary of State: *The Local Government Act 1972 General Disposal Consent (England) 2003* which permits a local authority to dispose of land for less than best consideration without the need for individual consent from the Secretary of State if the local authority considers that the disposal will contribute to the promotion or improvement of the economic, social or environmental well-being of its area and the extent of the undervalue is no more than £2,000,000. However, the accompanying guidance cautions that a local authority would need to ensure that its disposal is compliant with state aid rules, would need to have regard to its fiduciary duty owed to the public; ensure that its appointed auditor was well sighted on any proposal to rely on the General Disposal Consent if it is not a local authority with 'well-being powers' or has a 'community strategy' in place under the Local Government Act 2000.

4.2. Authority Regulations

4.2.1. Financial Regulations

Section 2.6 vii of the Authority's Financial Regulations states that *all receipts from the sale of assets which were originally purchased from capital financing will be treated as capital receipts and must be notified to the Chief Finance Officer or Deputy. The Chief Finance Officer or Deputy must be notified of all proposed disposals of assets. All assets with a value over £3,000 must be disposed of by competitive quotations, by auction or by other means, such as land swaps, that have been approved by the Chief Finance Officer and demonstrate value for money. The three Statutory Officers must approve and oversee the process that will be used to dispose of land and buildings.*



4.2.2. Contract Regulations

Section CR26 in the Authority's contract regulations relates to the acquisition or disposal of freehold or leasehold buildings and is set out below.

Prior to any formal commitment being made or signed a report must go to the Management Committee to advise:

- *the estimated value of the land or buildings;*
- *the current or most recent building use;*
- *options considered;*
- *recommendation and disposal route to be followed;*
- *proposed sale value and planned use;*
- *if a disposal is for less than best consideration, the report must say whether consent is needed from the Secretary of State or Home Office.*

Tenders for disposal do not need to be submitted via the corporate E-tendering portal and may be managed by a third party. The three Statutory Officers must approve and oversee the process that will be used to dispose of land and buildings.

4.3. Disposal Team

It is essential that a suitably experienced disposal team is assembled. The team should be established at the outset to provide appropriate in-house, commercial, legal and professional support throughout the disposal process.

The disposal team should include representatives from the Estates and Finance teams. Teams must include the correct mix of the core skills needed to successfully deliver the objectives of the disposal. Teams may typically include advisers such as commercial, legal, and professional consultancy and critically have relevant sales and marketing expertise and an established track record in the market.

The Chief Finance Officer is accountable to Members for the disposal and accordingly will have responsibility for the disposal and oversight of the disposal team.

5. Asset Release Strategy

Once surplus land has been assessed as being suitable for sale on the open market the disposal objectives will be incorporated into an Asset Release Strategy. The strategy should take into account the advice of professional advisers and may be revised following receipt of their advice. This must be reviewed and agreed by the



Chief Fire Officer/Chief Executive, Chief Finance Officer and Monitoring Officer, prior to presentation to Members at Management Committee for their approval.

5.1. Considerations to Inform the Strategy

In developing the strategy, there are various factors that should be considered:

- timing - identifying a desired disposal time and an estimate of lead times required;
- pricing the market - taking valuation and agency advice to establish the likely realisation value achievable;
- determining whether either of the above (timing and price) could be improved by undertaking any minor works to the subject property;
- identifying the most appropriate disposal process (private treaty, tender, auction, etc.);
- identifying marketing and advertising avenues;
- considering the impact on the local (and general) property market if a large number of properties are to be placed on the market at the same time or in close succession;
- considering whether the Authority has a need to sell the land under certain conditions (e.g. in a certain timeframe) as this may impact on the price;
- ensuring that the Project Team understands the disposal strategy and maintains the momentum to complete the process;
- ensuring full alignment to the requirements of the Authority's Financial Regulations;
- ensuring full alignment to the Authority's Anti-Fraud, Bribery and Corruption Policy.

The asset release strategy should provide a clear framework setting out the approach to be taken and the justification behind that proposal.

There are a number of factors that can impact on disposing of surplus land and/or property in an efficient manner. The disposal team should develop the appropriate 'client' brief, ensure the land or property is being disposed of under optimal conditions (e.g. that the correct amount of de-risking has been undertaken), that the right contract has been selected and that the right market has been targeted.

Set out below are matters that, if addressed at the appropriate time, can eliminate many issues that delay disposals.

5.1.1. Legal

Legal due diligence should confirm clean title and discover any relevant legal issues or constraints pertaining to the land or property. Time should be taken to ensure that the disposal is permissible under the terms of any lease that might exist. In many



cases there will be restrictions on the use to which a property may be put, or who might be permitted to occupy accommodation - referred to as “Third Party Rights”. Time should be taken to ensure that it is possible to offer the property to third parties, including confirming whether occupation rights are restricted in any way.

There should not be any debate over the title or the interest which is subject to disposal. Nor should there be any legal obstacle to undertaking the planned transaction.

5.1.2. Physical

Physical due diligence should seek to reconcile the legal position with what is actually occurring on site and identify matters such as contamination, party walls, etc.

5.1.3. Financial

Financial due diligence should include establishing the value of the asset as well as the financial and budgetary impact to the Authority if a disposal is undertaken.

5.1.4. Investment Prior to Disposal - De-Risking Sites

Investment prior to disposal (or de-risking) can help to provide more certainty for potential purchasers for a property and deliver an increased receipt. The case for investment prior to disposal should be considered as early as possible and clearly set out in the Asset Release Strategy.

De-Risking activity prior to disposal could include the following:

Planning: pre-application engagement offers potential to improve both the efficiency and effectiveness of a planning application. The approach should be tailored to the nature and potential of the proposed development and the issues to be addressed.

Planning: preparing a development brief, securing a planning allocation or securing outline planning approval. Any decision on planning investment will be influenced by the size of the land offered to the market. It is not always appropriate to seek planning permission prior to the release of a site and this must always be evaluated on the merits of each site.

Technical: producing technical reports and surveys such as ecology, measured surveys, topography and ground investigations.

Prior works: works such as remediation, decontamination and demolition.



Legal: the resolution of title issues.

Consideration should also be given to whether investment will reduce the conditionality of bids and increase the certainty of receipt. The final decision to invest should be based on a robust analysis of the 'return on investment' of a range of options and a clear understanding of the site's viability. Advice should be sought from professional advisers when considering any investment prior to disposal.

5.1.5. Capturing Future Uplift in Development Value

Where a property is being sold with the benefit of the best planning permission reasonably obtainable, or market conditions or other factors indicate that it would be beneficial to do so, the Authority should consider making provision to share in development profit through 'overage' or 'clawback' clauses.

'Overage' means claiming back an element of improved development value where, for example, there is a general uplift in the market, or where the market value of the end development is not known at the time of sale.

'Clawback' refers to claims for all or part of windfall gains resulting from, for example, the purchaser obtaining planning permission for a change of use, or a greater volume of development than anticipated by the planning permission obtained prior to disposal.

Further examples of overage and clawback might include:

- where it is difficult to gauge the commercial potential of a property;
- where a particular type of purchaser may have a better chance of obtaining consent for a development than the Authority;
- where a developer can improve upon a planning permission obtained by the Authority;
- the disposal of a listed building.

However, clawback and overage provisions may be difficult to enforce due to:

- difficulty in monitoring the value of the property when it no longer belongs to the Authority;
- agreeing the increase in value that is due to the agreed event;
- ensuring that payment of the uplift is protected, although contracts and other devices can be used to attempt to enforce the payment of the uplift in value.

Clawback or overage clauses are specialised and may give rise to complex legal issues. The Disposal Team should therefore seek appropriate advice at the outset to determine the best way to proceed. This should include an assessment of the effect of clawback or overage clauses on the sale price. The effect can be explored by inviting offers both with and without clawback or overage provisions. The calculation



to be applied should be clear and explicit in the agreement. Clawback levels are usually designed to diminish over time until they 'expire' and the purchaser is able to dispose of the property without reference to the Authority.

5.1.6. Sitting Tenants

Surplus property earmarked for potential disposal may contain tenants or sub-tenants benefiting from security of tenure and be subject to 'right to buy' which has the potential to discount the value of disposals. An example of this type of property could be investment properties that are occupied by tenants. Occupation of a small area of an otherwise potentially self-contained property, or of a vital area such as a reception hall, may have an effect on the disposal. Disposals of tenanted property should ideally be timed to coincide with a landlord's lease-break option or with the end of the lease to maximise the chance of obtaining vacant possession. If disposal with vacant possession is preferred, then it may be necessary to negotiate with the tenant for a surrender of the lease(s). As tenants have rights to security of tenure under the Landlord and Tenant Act 1954 (unless specifically contracted out in the lease), this can be lengthy and costly.

This is a complex area and property and legal advice should be obtained at an early stage. If vacant possession cannot be obtained, or if the tenant occupies a large proportion of the property, it may be necessary and sometimes preferable to sell the property with a sitting tenant. The presence of an established tenant with immediate rental income could make the property more desirable to potential purchasers.

It is important to seek advice in order to identify:

- how the disposal value will be affected by this situation (valuation advice);
- whether vacant possession is required and how this can be achieved (legal advice).

In cases where the Authority itself holds a lease from a commercial landlord it may sometimes be preferable to surrender the lease to the landlord rather than try to dispose of it to a third party.

5.1.7. Lease Breaks

Where the Authority occupies a leasehold interest in the property identified as surplus, the lease should be reviewed to establish whether there are any break clauses that would allow the Authority to surrender it. Provided a break clause is exercised correctly and there are no severe rental penalties, it may be possible to vacate a property with no further liabilities. Particular care should be taken when exercising break options that any 'conditions precedent' in the lease has been complied with. Failure to fully comply may invalidate the service of a break notice.



There is no de-minimis threshold applied to conditions precedent and the smallest non-compliance may render a break notice invalid.

However, unless contractually excluded, operation of a break-clause will trigger a reinstatement or dilapidations liability. The Authority should take this into account when considering this option. A number of benefits may be achievable by exercising a lease break, particularly where the rent payable is above market value. Notices must be served as required by the lease terms and also by statute, for example, the Landlord and Tenant Act 1954 (Part II). Notices will also need to be served in a specified format and within specified time periods. Failure to adhere to these requirements can result in the Authority being unable to exercise the break.

Break clauses may provide the Authority with opportunities to negotiate existing lease terms, such as rental levels with landlords. A landlord may prefer a rent reduction to a void period. The Authority can also negotiate to exit a lease outside of the lease break options contained within the lease. Officers must take advice on these matters from property and legal advisers.

5.1.8. Vacant Property

The Authority remains responsible for all aspects of stewardship of the property following vacation until disposal, even if not occupying it. If a freehold property, the Authority will remain liable for the capital charge. If it is a leasehold property, then the Authority will remain liable for the covenants under the lease including for the payment of rent. In addition, there will be the normal costs of ownership that accompany any property, such as business rates, insurance and any service charges that might apply. As many of these costs can be mitigated, there may be some advantages in vacating the property. In addition, there may be savings due to not incurring expenditure on energy usage and cleaning costs.

The Authority may also take steps to improve the likelihood of a successful disposal that might not have been possible whilst remaining in occupation such as refurbishment or reinstatement. A risk evaluation should be undertaken to assess the total costs against benefits of the property remaining empty over given periods of time.

5.1.9. Mitigating Costs

There are a number of outgoings that the Authority will remain liable for despite vacating a property. Many of these can be reduced or cut completely.

Rent

This is one cost that cannot be either reduced or avoided. The landlord has a right to receive the rent, whether or not the Authority is in occupation.



Business Rates

The Authority pays business rates on the non-residential properties it occupies. If the property is vacant, an application can be made to the relevant local authority for 'Empty Rates' to be applied. Certain properties are exempt from business rates. The relevant local authority should be advised at the earliest opportunity that a property is vacant. Business rates are not paid on empty buildings for three months, after which most businesses must pay full business rates.

Leases

Leases occasionally include clauses which can indemnify landlords losing the right to rates relief on account of the tenant already having enjoyed such relief. Rating is a specialist area and the Authority should take advice from its rating advisers to ascertain what, if any, relief from business rates will be available.

Insurance and Security

Where a lease contains a specific insurance clause it may be possible to reduce premiums if the property is vacant, provided that the property is adequately secured against illegal entry and potential vandalism.

Utilities

Utilities such as water, gas and electricity can be disconnected, thus removing associated costs. There will be a charge for disconnection, as well as one for re-connection, which may be necessary in order to make a successful disposal. An electricity supply may be necessary if an alarm system is in operation and the Authority decides to maintain that facility.

5.2. Options for asset release strategies

There are various options available for property asset release strategies, such as private treaty, formal and informal tender and public auction. Each release option should be considered in the context of the type of land or property being offered for sale, the nature of the market for that type of land or property at the time of sale, and any specific issues or special characteristics associated with the land or property.

When evaluating options for asset release, the Authority should take advice from its selling agents on the most appropriate disposal route together with advice on costs and associated lead times. Selecting the most appropriate method of sale is vital to achieving a successful value for money sale. The Authority should reserve the right not to accept the highest - or any - offer if there are good commercial reasons for doing so.



5.2.1. Sale by Private Treaty

This is the method most widely used in the United Kingdom. Vendors make it known that a property is for sale, usually through agents who circulate particulars of the property to potential purchasers. Once a potential purchaser has expressed an interest, terms of sale are negotiated. Private treaty relies on an element of goodwill on both sides.

The main characteristics of a sale by private treaty are as follows:

- the timescale for completion of the transaction is not fixed until exchange of contract;
- offers are made 'subject to contract';
- offers are not all received at the same time;
- it is usual for the asking price to be quoted.

The Authority should ensure that the land is fully exposed to all potential purchasers throughout the marketing process to ensure genuine competition. There is therefore the potential for private treaty negotiations to extend over a considerable period of time, either because the purchaser has valid concerns regarding the physical nature of the land or property, or its legal status, or for other reasons such as the purchaser also being interested in another parcel of land.

The steps involved in a private treaty transaction usually include the following:

- openly advertising the land for sale;
- specific markets can be targeted through a choice of advertising media;
- taking offers from interested parties;
- identifying preferred offers, which may or may not be based on the financial levels of the offer;
- managing offers – keeping bidders interested when they are not the 'preferred' bidders, i.e. when there is a better offer but the deal is not yet confirmed;
- negotiating disposal terms;
- agreeing terms, obtaining approval, and proceeding with the legal transaction process.

An example where a private treaty approach might be appropriate would be where a sitting tenant expresses an interest in purchasing the property and is prepared to pay more than the market value. In such an instance, a suitably qualified valuer should give written assurance that the price offered is significantly higher than market value.



Advantages	Disadvantages
The vendor sets the price.	No market testing
The vendor determines the pace of the sale.	May miss out maximising value due to special purchaser.
Special purchaser may bid higher than the market.	There is no firm contract at the point of offer and acceptance.
Marketing costs may be lower.	

5.2.2. Sale by Public Auction

The Disposal team should ensure that suitably qualified professionals are appointed if pursuing a disposal by public auction. A clear advantage of this option is that when the hammer comes down a contract has been created. This focuses everyone's minds, as there is no time to reconsider.

When preparing for a disposal by auction preparation must be meticulous and conditions of sale should be published with the auction prospectus. It is vital that the auction is sufficiently advertised and that the property has sufficient exposure to the market. It is important that the auction prospectus is accurate, as a sale following incorrect auction particulars or misstatements may lead to a rescission or price abatement if the purchaser litigates.

The Authority should decide upon a guide price to assist potential purchasers. The sales agent / property adviser should indicate whether there should be a reserve price on the land or property. Any reserve price should be set close to the time of the auction. This is confidential between seller and auctioneer. Legal advisers should be instructed to draw up conditions of sale in advance of advertising the auction.

If a bid is accepted during the auction then the prospective purchaser must lodge a deposit at the time. Completion follows in accordance with the conditions of the sale issued with the auction prospectus. Professional property advice should be sought to establish whether an auction is the most appropriate method of disposal.

In the case of interest from a special purchaser, a sale by auction should only take place if negotiations with the special purchaser have been unsuccessful.

Advantages	Disadvantages
Quick, certain and fair route to sale, contract is established on the day.	Specialist skills required.
Good for the sale of small, commonplace investment properties or for secondary or tertiary properties where traditional methods of marketing might not attract sufficient interest.	Potential purchasers may have limited time to undertake investigations prior to sale which may lead to more cautious bids.
Interest and competition in the saleroom on the day may generate more interest from potential purchasers and lead to a	Rely on sufficient interest and competition in the saleroom on the day and may miss out on bids from potential special purchasers.



price in excess of the estimated market price.	
Conditions of public accountability are seen to be satisfied.	Some potential purchasers dislike auctions and may be deterred from bidding.
The vender can be satisfied that, on the day, the best possible price was achieved.	Auctions can have high marketing costs.

5.2.3. Sale by Informal Tender

Informal tenders tend to be used in cases where there are either some issues that make either a Private Treaty or a Formal Tender sale difficult, or where demand is likely to be restricted due to the nature of the property to be sold. It is similar to a private treaty sale, except that the land is marketed for a set period of time, after which marketing ends. This allows the vendor to look at a number of bids simultaneously and make a judgement as to which bid to accept.

In an informal tender, bids are usually invited from selected parties, subject to contract. These will be subject to outstanding issues such as planning permissions or details of proposed development schemes being resolved. Bids can also be invited publicly. The vendor is not usually obliged to accept the highest, or any, bid. Offers received will still be 'subject to contract'. However, provided a number of offers are received, there will be an element of competition, which is of assistance to the vendor in subsequent negotiations.

Advantages	Disadvantages
Increased flexibility to purchaser and vendor over the terms of the offer	The purchaser is not bound to proceed.
Gives vendor the opportunity to share in future uplift in development value through mechanisms such as overage and clawback.	Risk that any accepted offer may not complete as bid may be subject to outstanding issues/conditions.
Allows the parties to clarify and negotiate final terms of the sale, especially useful where overage or clawback provisions need to be negotiated.	

5.2.4. Sale by Formal Tender

Formal tender is a useful method of disposing of land but care needs to be taken to ensure that the land has been given the fullest exposure to the market. Formal tenders tend to be used in order to create certainty in terms of timescales but can be lengthy and costly for prospective purchasers. In a formal tender the 'Conditions of Sale' i.e. the contract terms, are sent out with the sales information. Prospective purchasers have to return the entire document, including the conditions of sale,



signed and enclosing a deposit. The vendor then normally has a set period within which to make a decision on the bids received.

Once a bid is accepted and the deposit banked, a contract has been concluded. Prospective purchasers therefore have to carry out detailed investigations into the land prior to submitting an offer without knowing whether they have any real chance of acquiring the land. Unless the market is very strong for the land on offer, the number of bids likely to be received will generally be fewer than if the land was offered by way of informal tender or private treaty.

Formal tenders require specific preparation including:

- property and legal advisers drawing up the 'Conditions of Sale' and tender documents;
- the selling agent or property adviser advising on the reserve price;
- that the land is usually sold to the highest bid above the reserve, although consideration should still be given to lower bids;
- if the highest bid only marginally fails to clear the reserve price, then advice should be sought as to whether it should be accepted;
- the need to thoroughly checking bidders' creditworthiness and sources of finance prior to accepting any bids.

Advantages	Disadvantages
Public accountability is self-evident, clearly demonstrates the sale process has been fair, with the highest compliant bid winning the process.	Time and expense incurred by bidders on detailed investigations without certainty of being successful.
Provides certainty on timing and costs.	Can deter potential bidders and may not be a suitable method in a weak market.
Promotes sale to a wide market, sale above the estimated market value may be achieved.	The tender procedure can involve large numbers of interested parties and can be time consuming and expensive.
Could promote a higher bid from a purchaser with a particular interest (special purchaser).	Difficult to include overage in a formal tender sale.

5.2.5. Negotiated Disposal

Where there is a clear case that this will result in a better outcome for the Authority, it may be necessary to dispose of an asset on a non-competitive basis (negotiated) basis. Scenarios where this may be appropriate include:

- when there is little interest in an asset;
- when bids fail to achieve minimum quality / output levels;
- when a complex development is envisaged;



- when there is evidence that bids have not extracted the full potential (in terms of value, quality or outputs as appropriate) from the asset.

Negotiated disposals should be at market value, in accordance with *Managing Public Money*. Advice should be sought from professional and legal advisers.

5.2.6. Conditional Sales / Conditional Contracts

Conditional contracts either become binding when some event takes place (conditions precedent), or are terminated when some event occurs (conditions subsequent). Offers that are made for a property 'subject to contract' may also be subject to planning consent, asbestos surveys, site surveys, etc. This means that exchange and / or completion of contracts will be conditional on resolution of the issue(s) of particular concern.

The inherent challenge of a conditional contract for the vendor is what happens when a condition is not satisfactorily resolved from the point of view of the purchaser, for example where a planning consent eventually emerges and is subject to unacceptable conditions. In such circumstances, which may occur some considerable time after the sale or transaction has been completed, the contract conditions may not be satisfied and the disposal may not proceed at all. Alternatively the purchaser may proceed but wish to adjust the terms, including the price, to reflect the problems that have arisen. Contracts may specifically allow for the purchaser to withdraw or to adjust the terms. However, this is a complex area and must be carefully controlled by the disposal team in consultation with the Chief Finance Officer working with legal advisers.

It is important to make sure that any conditions attached to the disposal are explicitly stated in the contract. The term "conditions precedent" should be clearly stated in the contract and in all correspondence with the prospective purchaser regarding the disposal. The Authority should be certain that any conditions attached to the disposal are incorporated into the disposal contract. In addition, the negotiating agent should ensure that all negotiations are undertaken on the premise of conditions precedent.

5.2.7. Joint Ventures

In some cases, the Authority may not realise the full potential land value of a site with development potential through an outright sale. Special participation or profit sharing arrangements may yield a better return. These cases need a greater degree of legal, marketing and monitoring expertise than straightforward sales, and it is essential that appropriate advice is obtained. The Authority can also use Joint Ventures to bring in a partner organisation with suitable skills and expertise to take a disposal forward. Where such an arrangement is considered, it is important to check



that the purchaser is backed by adequate financial resources and offers the best combination of financial status and proven track record of successful development, involving the resolution of planning and other project problems. Joint venture arrangements allow the Authority to benefit from growth in values if a development is highly successful.

The main disadvantage is that negotiation to settle the terms of the arrangement can be complex and time consuming. Care must be taken to ensure that any reduced payment at the outset is more than offset by a realistic estimate of later profits, and that the developers' costs and sale terms are realistic and can be professionally checked to ensure that the predicted profit share is in practice likely to be achieved.

A key element is the agreement of a "base value" which is paid at the outset (or in stages at regular intervals, or as the development proceeds), together with a shared "development profit" (which is the difference between the development value and the development costs) to be shared between the parties in accordance with agreed terms.

5.3. Marketing – Securing Interest

Once a disposal strategy has been approved, the Disposal team and the Chief Finance Officer will be responsible for ensuring implementation of that strategy. Where a disposal is complex it is important to appoint professional advisors who can clearly demonstrate that they have experience of similar complex transactions. Disposal agents and legal advisers should be clearly briefed on the objectives, the processes to be undertaken, and the roles and responsibilities of everyone involved with the disposal. It is essential that the Authority and its advisors are open and transparent in all their dealings in line with the Core Code ethical principles, including fully documenting all advice provided, decisions taken and reasons why a particular sale method has been chosen. Disposal agents should regularly report on progress.

It is common to use performance related fees to incentivise delivery. Agents can be expected to advise on the likely market(s) to target and how they propose to undertake marketing. Agents will also advise on advertising costs so that a budget can be agreed. Agents should be encouraged to identify and target any special purchasers. If more than one potential purchaser is identified, then it is important to maintain interest, even after an acceptable offer has been received. By maintaining a level of market tension the Authority's position can be protected in the event of the sale not proceeding.

5.4. Maximising Disposal Opportunities

Markets for property may depend upon a number of factors, including:



- potential occupants of the property in its present use;
- potential occupants of the property for a different use;
- potential investors looking to secure a suitable tenant.

The Authority and its advisers and agents should carefully assess who to target in the marketing strategy based on the above. For any given property there may be a wide variety of potential purchasers, and a broad overview of the different possibilities should be undertaken before focussing on just one target market.

The success of this stage in the process can be tested through an assurance review. This should ensure that all avenues have been explored and the market thoroughly tested for interest. Approval can then be sought from the Chief Finance Officer to proceed to the next stage of identifying preferred buyers and agreeing terms.

In consultation with property and legal advisers, an asset release strategy should be developed that is most likely to achieve the goals and objectives of the disposal. In doing this, the following should be considered:

- the tenure or interest in the property to be sold;
- characteristics associated with that interest, such as restrictive covenants or length of term;
- the situation in respect of the property, such as whether it has sole occupancy and can offer vacant possession;
- whether there is, or could be, a special purchaser for the property;
- any opportunities for realising latent value, for example, by obtaining planning consent for a change of use;
- constraints such as planning restrictions or the building's characteristics (it may be listed or have an unusual structure);
- any other considerations that may impact on the timeliness and value for money of the disposal.

6. The Sale and Completion Process

In most instances the disposal of land will be undertaken through a direct negotiation with the purchasing party by the disposal team who will have the appropriate experience. Assembling a suitably experienced disposal team with an established track record in negotiating disposals will ensure that all due consideration is given to the disposal before the negotiations are entered into.

6.1. Preparation

The aim of the negotiation phase is to achieve the best consideration for asset disposal terms reasonably obtainable for the Authority. Preparation for negotiations



plays an important role in achieving that goal. Although the Authority's appointed professional consultants are likely to be both skilled and experienced in negotiating disposals, they need to be fully briefed about the Authority's parameters for agreement and its negotiating circumstances.

Key considerations prior to negotiations will include:

- strengths and weaknesses of the Authority's negotiating position;
- an assessment of the parameters within which terms would be acceptable.

6.2. Negotiation

The Disposal team should be clear in relation to the Authority's negotiating objectives. This should be done in consultation with statutory officers.

Consideration should be given to the following:

- where the purchasers are 'special purchasers' such that they would benefit more from the acquisition than other purchasers;
- should there be a shortage of properties similar to the subject property such that potential purchasers may be prepared to pay a premium in order to secure the purchase than they might be at other times;
- where there is a surplus of similar properties available on the market such that the potential purchaser could choose to acquire another similar property on better terms;
- where the Authority is facing a potentially large backlog maintenance cost or other ongoing costs if they retain the property.

The Disposal team should also establish a risk register and consider the risks identified in light of any negotiation or offer, amending the register as necessary to reflect the latest negotiating position.

6.3. Agreement of Terms

It is important that agents negotiating on the Authority's behalf clearly understand the parameters within which they must work and are briefed to enable them to plan their negotiations accordingly. This should form part of the initial brief given upon appointing selling agents and must be fully aligned to the Authority's Financial and Contract Regulations.

The agent representing the Authority must clearly understand the decision making process for agreeing terms. This way, the agent will know when proposals can be agreed in principle and when they cannot. Information is often the negotiator's key



tool, and knowing what can be revealed and when can be important in obtaining the best disposal terms. The Disposal team need to be certain about what levels of delegated authority exist in relation to this disposal so that they know when to refer matters to others for decisions. In order to ensure that offers are passed through to the Authority in an appropriate and timely manner, a reporting and decision making process with delegated authorities should be agreed. The legal advisers' role must also be clear with instructions given at appropriate times in respect of contract preparation and the conveyancing process.

There is no guarantee that negotiations with the preferred purchaser will complete successfully. Therefore, it will be important to identify opportunities for keeping other prospective purchasers involved so that a 'reserve list' can be created.

Where the Authority is letting or subletting property, the Service's property advisers should ensure regular reporting and consultation throughout the negotiation of terms. Lease terms should be drafted with care, as they will bind the Authority throughout the term of the lease.

Negotiating agents and representatives working with the disposal team, should consider any proposed purchasers, assignees or tenants in terms of:

- track records and intentions;
- their commercial standing (including availability of funding for the particular transaction);
- risk assessment;
- state Aid implications;
- certainty of success;
- potential implications of their acquisition.

Once a disposal process reaches the stage of contractual negotiation and exchange, it will be important that there is a high likelihood of a successful completion. In addition, any disposal to purchasers that are found to be taking part in illegal or immoral activities will likely result in a high level of scrutiny being levelled at the Authority.

6.4. Liaison with Legal Advisers

Ideally legal advisers and negotiating agents should be appointed at the same time. Although the negotiating agent will be experienced in these matters, contract terms and conditions should still be discussed with the Disposal team's legal advisers prior to final agreement.



6.5. Sales Subject to Conditions

As a general rule sales contracts should be kept as simple as possible. This helps to minimise costs and reduces the risk of deterring potential purchasers with complex contract terms. In some cases, however, the sale of land may need to be dependent on certain conditions being met, e.g. securing planning consent. The most common way of dealing with this situation is a conditional contract.

6.6. Completing the Deal

When a purchaser has been found and terms have been agreed, there are still a number of activities to be undertaken in order that the disposal should be successful. Legal advisers usually handle exchanging of contracts and completing the disposal. A process of reviewing progress should be put in place to deliver the desired outcome.

The Disposal team should track progress and ensure key activities are completed on time including:

- obtaining the necessary approvals and signatures that will enable exchange to take place, allowing for the lead times associated with this;
- arranging for financial sign off to be obtained and monies to be transferred at the appropriate times;
- if the disposal is a lease assignment or subletting, securing any consent required from the superior landlord and allowing for the lead time associated with this;
- ensuring associated costs have been built into the project's budget;
- ensuring the asset has been removed from the asset management system upon disposal.

A risk assessment of the 'deal' should be undertaken, together with a risk management exercise to identify issues that will require attention in order for the disposal to complete satisfactorily.

It would also be prudent at this stage to undertake a due diligence exercise prior to absolute commitment to a transaction to ensure that:

- the disposal has followed due process and all matters have been addressed;
- the proposed purchaser, assignee or tenant will be suitable, i.e. that they will be able to complete the acquisition and meet future commitments and liabilities;
- the disposal represents value for money in terms of the price achieved and benefits gained.



The success of this stage of the process and readiness to proceed to final completion can be tested through an assurance review. This will help to satisfy the statutory officers that all necessary checks have been completed and that the transaction delivers value for money. Following agreements of the terms of the missives, the contract is concluded by the legal advisors and at that stage becomes binding on both parties. In freehold disposals there is often a delay between completion of a contract and settlement, normally 14 to 28 days, to allow conveyancing to be completed. In a leasehold disposal, the settlement often occurs at the same time as the conclusion of missives, with execution of the lease by both parties taking place shortly thereafter.



7. Appendix A - The Approval Process for Asset Release

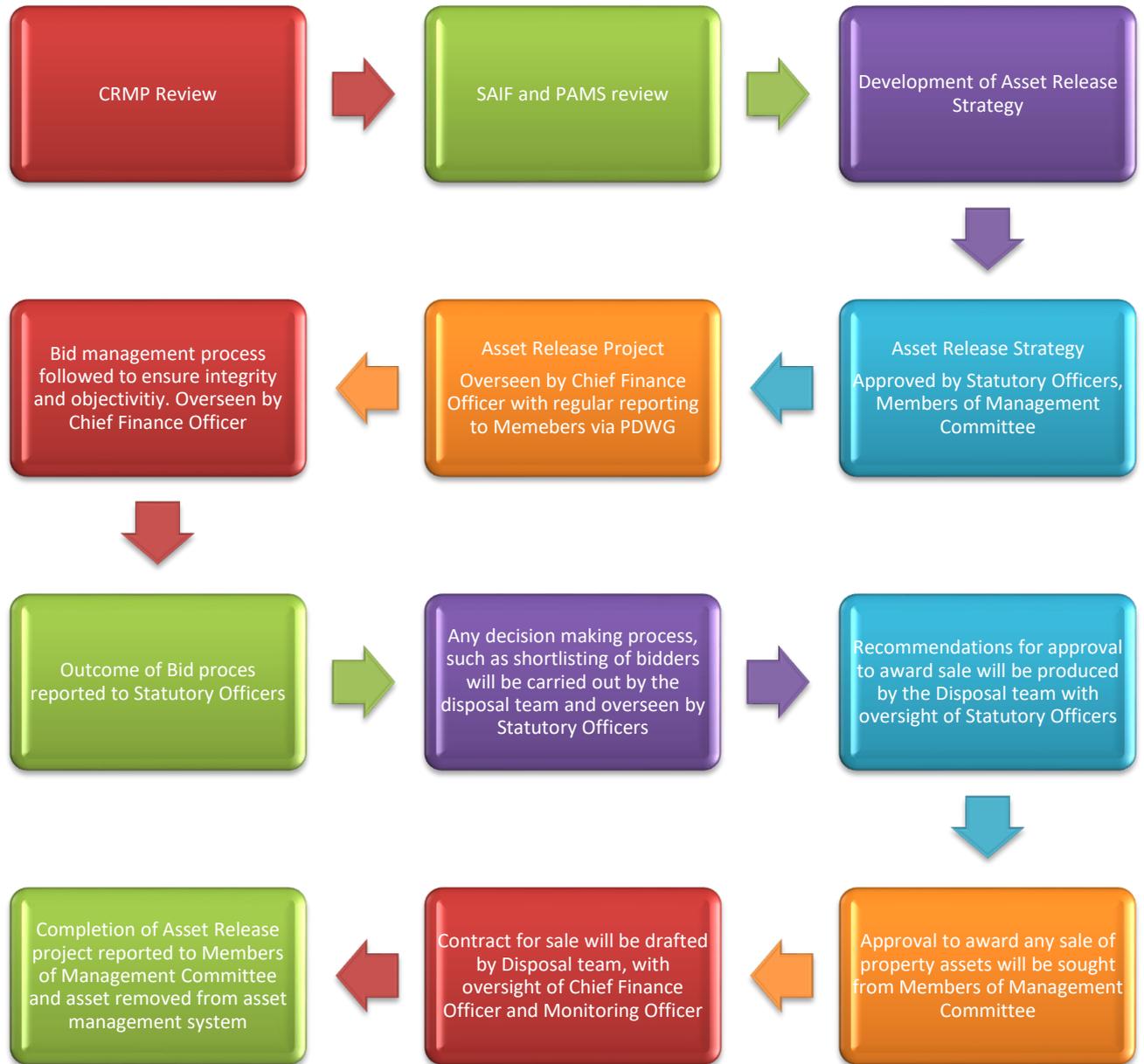
The approval process must demonstrate openness and integrity. Structures should also ensure that power is not overly concentrated in one individual, which can help mitigate any perceived risks. At all times, the decision making needs to ensure a fully transparent process with multiple appropriate decision makers at each stage to clearly demonstrate objectivity. This good governance should promote collective decision making to help the organisation exercise fair and balanced judgement.

In line with the Authority's Financial and Contract Regulations, major financial decisions must be taken by the Members of the Authority based on advice and recommendations from the Disposal team and statutory officers. This ensures that decision makers can be assured of the appropriate breadth of expertise involved at each decision making point through the entire asset release process.

The disposal pathway aligns fully with the Core Code ethical principles as well as the Authority's Financial and Contract Regulations.

At each stage, a written record of any decision making will be maintained and this will be shared with Members via the Property Development Working Group and at a high level with Members of Management Committee as part of regular Capital Projects updates.

Each decision making stage, such as shortlisting of bidders, will be overseen by statutory officers and will follow a process that demonstrates integrity, objectivity, accountability and fairness. The outcome of the asset release process will be reported to Members of Management Committee in order to seek their approval.



Reference to ‘Statutory Officers’ as per the Authority’s Financial Regulations, refers to the Chief Fire Officer/Chief Executive, the Monitoring Officer and the Chief Finance Officer.



8. Appendix B – References

Royal Berkshire Fire Authority, Strategic Asset Investment Framework.

<https://www.rbfrs.co.uk/your-service/transparency-and-governance/financial-transparency/>

Royal Berkshire Fire & Rescue Service, Property Asset Management Strategy

Royal Berkshire Fire Authority, Financial Regulations, November 2020

<https://decisionmaking.rbfrs.co.uk/ecSDDisplay.aspx?NAME=SD321&ID=321&RPID=346831>

Government's Estate Strategy (Cabinet Office 2014):

www.gov.uk/government/uploads/system/uploads/attachment_data/file/360262/Government_estate_strategy.pdf

Cabinet Office Guide for the Disposal of Surplus Land (March 2017)

Transparency - Cabinet Office Report "Making Commercial Terms of Government Land Disposals More Transparent" (December 2016) Government Financial Reporting Manual (2015 - 2016) www.gov.uk/government/publications/government-financial-reporting-manual-2015-to-2016

HM Treasury; Green Book - Appraisal and Evaluation in Central Government:

www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-centralgovernment

HM Treasury; Managing Public Money:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/454191/Managing_Public_Money_AA_v2_-jan15.pdf

Housing and Planning Act 2016: www.services.parliament.uk/bills/2015-16/housingandplanning.

Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards (The Red Book) <http://www.rics.org/uk/knowledge/professional-guidance/red-book>



Royal Institution of Chartered Surveyors (RICS) Public Sector Property Asset Management Guidelines, Version 2, 2016.

Crichel Down Rules: www.gov.uk/government/publications/compulsory-purchase-process-and-the-crichel-down-rules-guidance

Heritage Estate Historic England website: <https://historicengland.org.uk/>

Disposal of Heritage Assets: www.historicengland.org.uk/images-books/publications/disposal-heritage-assets/

Framework agreements Crown Commercial services and Homes and Communities Agency: Homes and Communities Agency:

www.gov.uk/government/organisations/homes-and-communities-agency Crown

Commercial Services: www.gov.uk/government/organisations/crown-commercial-service

Planning National Planning Policy Framework (NPPF):

www.gov.uk/government/publications/national-planning-policy-framework--2

National Property Controls: www.gov.uk/government/publications/cabinet-office-controls

Plain English Guide to the Planning System:

www.gov.uk/government/publications/plain-english-guide-to-the-planning-system

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	LOCAL PENSIONS BOARD ANNUAL REPORT
LEAD OFFICER	LINCOLN BALL, CHAIR OF LOCAL PENSIONS BOARD
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	NOTE

1. EXECUTIVE SUMMARY

- 1.1 This annual report updates the Audit and Governance Committee with:
- The 2020-21 pension schemes' administrator's performance figures;
 - The recent activities of the Local Pensions Board (for all firefighter pension schemes);
 - Relevant aspects of firefighters' pensions administration; and
 - An overview of current national issues.
- 1.2 The Local Pensions Board considers the performance of the local firefighter pensions' administrator as broadly to a good standard. There are a few areas where targets are not met with ongoing interaction to address this, although overall performance against targets is at 95.6%.
- 1.3 Complexity in relation to the administration of firefighters' pension schemes is increasing and this has a commensurate impact on the current risks.
- 1.4 National issues continue to dominate firefighters pensions and in particular:
- The mechanism to provide remedy for the age discrimination created by the introduction of the 2015 pension scheme. Amongst the issues are:
 - Long-term remedy with legislative amendments are awaited.
 - Short-term (immediate detriment) remedy where legal determinations have been made and some, but not comprehensive, guidance has been published by the Home Office.

2. RECOMMENDATION

- 2.1 The Committee is recommended to **NOTE** the contents of the report.

3. REPORT

Background

- 3.1 The Public Service Pensions Act 2013 makes it a legal requirement to have a Local Pensions Board for the various public sector pensions.
- 3.2 Firefighter pensions in RBFRS are administered by a contractor, West Yorkshire Pension Fund, who work with team members in the RBFRS Human Resources department.
- 3.3 The Fire Authority itself is the Scheme Manager for the various Firefighter pension schemes and the local Pensions Board exists to assist the Fire Authority in its role as Scheme Manager.
- 3.4 The Board consists of four members: two management representatives (Lucy Greenway and Mark Arkwell) and two scheme member representatives (Lincoln Ball and Steve Collins). The Chairmanship of the Board rotates between the management and the member representatives. Currently Lincoln is the Chair and Lucy the vice-Chair.
- 3.5 Given the significant knowledge requirements, all members strive to provide a minimum four-year term.
- 3.6 Additionally, to retain knowledge and aid succession, the board members plan for the replacement of its members to be staggered rather than losing all or most of its members at the same time.
- 3.7 The Board reports to this Committee twice per year, one of which incorporates an April to March annual report. The last report to the Committee was on 28 January 2021 and incorporated a delayed 2019-2020 Annual Report. As such, and to get back into 'sync' with the annual cycle, this report incorporates the 2020-2021 Annual Report.

Local Pensions Board Activity

- 3.8 The Board has formally met (remotely) on one occasion since 28 January 2021. At the board meetings reports are received from the responsible managers in the Human Resources department.
- 3.9 Between formal meetings the board members keep in contact as issues arise and where necessary will meet informally.
- 3.10 Since the last report to the Committee, the Pensions Board has not been made aware of any potential breaches that needed to be reported to the Pensions Regulator.
- 3.11 The Board has continued to scrutinise the performance of the Pensions Administrator. As West Yorkshire Pension Fund also provides services to other Fire and Rescue Services, the Board has been able to compare the level of service provided to RBFRS against that provided to other authorities.

- 3.12 The Board maintains a risk register which has recently been updated to align more closely with the primary purpose of the Board.
- 3.13 Members of the Board undertake a variety of activities including attending regional meetings, assisting with surveys and audits and undertaking development activities.
- 3.14 Members of the Board work closely with the managers in the Human Resources department and have assisted in the completion of surveys.

Annual Report Information

- 3.15 The Annual Report covers the period 1 April 2020 – 31 Mar 2021.
- 3.16 The Board has maintained scrutiny in relation to the administrator’s key performance indicators (KPIs).
- 3.17 Overall the administrators managed 418 activities and achieved their performance target on 400 of those occasions equating to an overall performance of achieving the performance target on 95.7% of occasions
- 3.18 These 418 activities for the period are summarised in the table below:

Activity	Target (days)	Sum of Cases	Average of %_Met
Age 55 Increase to Pension	Next payroll	10	100%
Change of Address	20	22	100%
Change of Bank Details	20	5	67%
Death in Retirement	5	13	100%
Deferred Benefits Into Payment of Lump Sum	3	4	100%
Deferred Benefits Set Up on Leaving	10	40	74%
DG Nomination Form Received	20	8	100%
Divorce Quote	40	1	100%
Divorce Settlement Pension sharing order implemented	80	2	100%
DWP Request For Information	10	1	0%
Enquiry	5	2	100%
General Payroll Changes	20	53	100%
Initial letter Death in Retirement	5	13	89%
Life Certificate received	5	8	100%
NI adjustment to Pension at State Retirement Age	20	9	100%
Payment of Spouses Child Benefits	10	6	100%
Pension Estimate	10	27	95%
Pension Saving Statement	20	1	100%
Pension Set Up Payment of Lump Sum	3	15	100%
Respond to ad hoc queries – IAS19 info	10	6	100%
Retirement Actual	10	15	100%
Set Up New Spouse Pension	5	6	70%
Spouse Potential	10	4	75%

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Transfer In Quote	10	10	93%
Update Member Details	20	137	100%

Table 1: Pensions Administrator Performance 2020-21

3.19 When compared with the previous year's performance figures it is seen that the clear majority of performance is comparable to the previous year but that there is a trend of performance getting slower relative to the targets.

Variance from 2019-2020	Number of activities	Percentage variance
25-33% improvement	1	4%
0-5% improvement	1	4%
Same as 2019-20	17	65%
5-15% worse	2	8%
25-33% worse	3	11%
No comparison available	2	8%

Table 2: Variance in Pensions administrator Performance 2020-21 versus 2019-20

3.20 The reasons for KPIs periodically being below their target is addressed through contract meetings or sometimes the administrators will provide a reason in their monthly report to the service or quarterly bulletin to their clients. Broadly, things are tending to take longer as the issues are becoming more complicated given the current landscape. The Pensions Board is satisfied that adequate arrangements are in place to address administrative queries.

3.21 Membership of the various firefighter pension schemes has fluctuated during the year as many firefighters were transferred between schemes as part of the transition period resulting from the closure of the 1992 and 2006 pensions. The numbers also fluctuate as a result of retirements and recruitment.

Pension Scheme	Mar-21	Apr-20	Change
1992 – Active Members	15	24	-9
2006 – Active Members	2	1	+1
2006 – RDS Active Members	2	2	0
2015 – Active Members	388	399	-11
2015 – RDS Active Members	6	6	0

Table 3: Active members of the various firefighter pension schemes, March 2021 and April 2020

3.22 It should also be noted that the figures in the table above take account of what scheme the firefighters were paying into and have not taken full account of the impact of the age discrimination issue. At this stage it is thought that RBFRS will have 275 active members affected by remedy.

Other Significant Issues

3.23 Significant national issues remain in relation to Firefighters Pensions.

- Remedy in relation to the age discrimination employment tribunal remains partially unresolved. Following the Employment Appeal Tribunal's determination the Fire Authority resolved on 17 February 2021

that all eligible firefighters who were members of the FPS 1992 or NFPS 2006 (their old schemes) are now deemed to be members of their old schemes, thus providing the opportunity for such individuals to make this election in relation to and retirement from this date. The lack of technical guidance in some aspects and especially in relation to applying HMRC-related matters, means some cases may not be able to be processed and will mean that every case will require recalculating when new legislation is passed.

- Remedy for firefighters already retired since between April 2015 and February 2021 and subject to the age discrimination issue is yet to be resolved and is currently the subject of a further national legal challenge.
 - HM Government guidance on addressing immediate detriment has already changed once since February 2021 and this adds to the complexity. RBFRS has made adjustments to its processes as a result and the Board have reviewed the correspondence drafted for those members affected.
 - HM Government is proposing new legislation which will come into force effective from 1 April 2022 although the administrative implementation of elements of that legislation may not be in place until October 2023.
 - The Government Actuary's Department has indicated that the revaluation of the firefighters 2015 pension scheme which was paused in January 2019 will now go ahead with the intention of incorporating the costs incurred in remedying the 1992 pension scheme age discrimination case into the revaluation. However, this is also, reportedly the subject of a legal challenge.
 - Guidance on the O'Brien/Matthews case and how retained duty system staff should be treated is still awaited. RBFRS continue to prepare for action associated with this case and the Board will seek to understand the actions required and taken by the Service as more information becomes available.
- 3.24 RBFRS like many fire and rescue services RBFRS has been reviewing and taking action to address the two pension arrangements and how this should be applied to retrospective cases for retirees. The two pension or split pension arrangement provides for retirees in the Firefighters' Pension Scheme (FPS) 1992 and the FPS 2006 between the periods from 1 April 2007 to 1 July 2013. A split pension occurs when there is a drop in pay; due to drop in salary, pensionable allowances, or temporary promotion. The Board has considered the action taken by the Service to be appropriate.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

- 4.1 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

5. FINANCIAL IMPLICATIONS

5.1 The Fire Authority currently makes an allowance of £104 per meeting available to each Pensions Board member. However, not all board members currently choose to receive this allowance.

5.2 The Terms of Reference provide for:

- All reasonable expenses incurred by board members to be reimbursed upon production of a valid expenses claim.
- Adequate resources for the board to fulfil its role including the provision of legal advice and training. The board will seek approval from the HHR&LD for such expenditure.

6. LEGAL IMPLICATIONS

6.1 The provision of the Local Pensions Board is a requirement of the Public Service Pensions Act 2013.

6.2 The Court of Appeal judged in December 2018 that the way in which the transitional provisions of the 2015 pension scheme were implemented amounted to unlawful age discrimination and this has led to the relevant sections of the legislation being overridden by that legal judgement which was clarified by a further judgement made by the Employment Appeal Tribunal on 12 February 2021.

6.3 As stated above at 3.22, guidance is still awaited on how to progress matters arising from the O'Brien/Matthews legal case.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 The public sector equality duty requires public bodies to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.

7.2 The current national issues in relation to firefighter pensions relate directly to age discrimination and the Equality Act 2010 and as such Royal Berkshire Fire Authority's actions and procedures to address these matters also directly relate to being assured that the law is applied.

7.3 To reduce the risk of discrimination, the resolution made by the Fire Authority at its meeting of 17 February 2021 gave effect to the Employment Appeal Tribunal judgement for individuals who meet the eligibility criteria regardless of whether they are a claimant or non-claimant.

7.4 There are no additional equality and diversity implications in relation to this report

8. RISK IMPLICATIONS

- 8.1 If there is a failure to comply with the requirements of The Public Service Pensions Act 2013 and related regulations which may become increasingly likely given the legal determinations, current guidance and complexity with relation to the pension schemes then we can expect that there will be an increase in reports of potential breaches of the legislation, administrative errors, complaints and further legal proceedings leading to reputational and financial loss which are significant given the Fire Authority's strategic commitments.
- 8.2 If local pension board members, who are lay members, possess insufficient knowledge of the various firefighter pensions issues, which is possible given the complexity of the firefighters pensions legislation and guidance, then we can expect that the oversight and assurance provided to the Fire Authority will be negatively affected which is significant given this is a legal requirement of the Public Sector Pensions Act 2013.
- 8.3 RBFRS conducts an annual audit of pension administrator activities, the audit outcomes are reported to Audit and Governance Committee, with the last audit outcome categorised as substantial assurance.

9. CONSISTENCY WITH DUTY TO COLLABORATE

- 9.1 The legislation enables the establishment of joint boards with others. This is not a matter being pursued currently within Royal Berkshire Fire and Rescue Service.

10. PRINCIPAL CONSULTATION

- 10.1 The Chief Fire Officer has been consulted on the contents of this report.
- 10.2 The Chief Finance Officer has been consulted on the contents of this report.
- 10.3 The Monitoring Officer has been consulted and on the contents of this report.

11. BACKGROUND PAPERS

- 11.1 None

12. APPENDICES

- 12.1 None

13. CONTACT DETAILS

- 13.1 Lincoln Ball, RBFRS Pensions Board Chair, 07768 034 856

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	ANNUAL REPORT 2020/21
LEAD OFFICER	KATIE MILLS, DIRECTOR OF CORPORATE SERVICES
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	FOR NOTE

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to present the Annual Report to the Audit and Governance Committee summarising performance in 2020/21.

2. RECOMMENDATION

- 2.1 To **NOTE** the Annual Report prior to external publication.

3. REPORT

- 3.1 The Fire Authority agreed its Annual Plan 2020/21 for delivery of the Strategic Commitments, as set out in the Corporate Plan 2019-2023. Within the Annual Plan were a number of Corporate Measures against which our performance was monitored by Officers and Members via the Audit and Governance Committee.
- 3.2 The Annual Report provides a summary of performance in 2020/21, highlighting a number of challenges and achievements in delivering services for the people of Berkshire.
- 3.3 As part of our commitment to transparency, following consideration by the Audit and Governance Committee, the Annual Report will be published on our website.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS

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4.1 The Annual Report sets out delivery against the Strategic Commitments in 2020/21.

5. FINANCIAL IMPLICATIONS

5.1 No direct financial implications.

6. LEGAL IMPLICATIONS

6.1 No direct legal implications.

7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 No direct equality and diversity implications.

8. RISK IMPLICATIONS

8.1 No direct risk implication.

9. CONSISTENCY WITH DUTY TO COLLABORATE

9.1 The Annual Report highlights a number of areas in which we have demonstrated our commitment to the duty to collaborate.

10. PRINCIPAL CONSULTATION

10.1 The Annual Report has been developed in consultation with the Senior Leadership Team.

11. BACKGROUND PAPERS

11.1 Annual Plan 2020/21

11.2 [Corporate Plan 2019-2023](#)

12. APPENDICES

12.1 Appendix A - Annual Report 2020/21

13. CONTACT DETAILS

13.1 Becca Chapman, Data, Performance and Risk Manager, 07585991629

13.2 Jo Bromham, Communications and Engagement Lead, 07818454756

ROYAL BERKSHIRE FIRE AND RESCUE SERVICE

ANNUAL REPORT 2020-21



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» WELCOME

Welcome to the Royal Berkshire Fire and Rescue Service (RBFRS) Annual Report.

2020-2021 has undoubtedly been a challenging year for everyone. The devastating impact of COVID-19 has been well documented and brought an unprecedented challenge for all organisations across the globe.

While everyone faced and met unrivaled pressures and demands, we established our priorities to maintain our critical core services and the health, safety and wellbeing of our teams, while supporting our communities and partners, through additional activities.

Throughout the year, the Service undertook notable additional activities to support our colleagues across the Thames Valley and an inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) confirmed that RBFRS has "adapted and responded to the pandemic effectively."

Last year, we supported the delivery of over six-million pieces of PPE to frontline care workers, on-call firefighters supported Slough Borough Council to visit over 200 vulnerable residents, a group of firefighters drove ambulances for South Central Ambulance Service and we supported Slough Borough Council's mass rapid testing sites, alongside the community vaccination roll out programme.

In addition to adapting and delivering our services, we also marked some important milestones. In May 2020, firefighters began to serve the local community from the new Crowthorne Community Fire Station, and the build of Theale Community Fire Station has continued at pace.

The following report highlights a snapshot of the significant amount of work that has been completed this year and we are extremely proud of all Members, staff, volunteers and members of our local communities who have made this possible. As we begin to emerge from the restrictions, we believe that the compassion shown will ensure that we come out of this crisis as an even stronger and more united community across Royal Berkshire.



Councillor Colin Dudley

Chairman

Royal Berkshire Fire Authority



Trevor Ferguson QFSM

Chief Fire Officer and Chief Executive

Royal Berkshire Fire and Rescue Service



» YOUR FIRE AND RESCUE SERVICE

Royal Berkshire Fire and Rescue Service is responsible for an area of around 488 square miles, from Slough and Langley in the east to Lambourn and Newbury in the west. It employs more than 600 members of staff, who serve a population of approximately 917,000 people.

The Service's highly-trained fire crews deal with incidents ranging from road and rail accidents to fuel and chemical spills, aviation and waterway accidents, collapsed buildings, large animal rescues and, of course, fires.

Along with providing a swift and effective response to incidents, one of the Service's aims is to educate people on how to prevent fires and other emergencies. It works with schools, businesses, residents and community groups throughout Royal Berkshire to raise awareness and educate people about a wide variety of safety issues.

The Service has joined forces with Oxfordshire County Council Fire and Rescue Service and Buckinghamshire & Milton Keynes Fire and Rescue Service to establish a shared emergency call handling centre.



» YOUR FIRE AND RESCUE SERVICE

KEY



Fire Engine



Number of times mobilised in 2020-21
(including incidents over the border)

Dee Road

West Hub



1 Fire Engine



1 Heavy Rescue Unit



909

Pangbourne

West Hub



1 Fire Engine



1

Lambourn

West Hub



1 Fire Engine



1 Off Road Vehicle



19

Hungerford

West Hub



1 Fire Engine



151

Newbury

West Hub



2 Fire Engines



1,037

Wokingham Road

West Hub



1 Fire Engine



861

Whitley Wood

West Hub



1 Fire Engine



1 Aerial Appliance



1 Hazardous Material and
Environmental Response Unit



1 Mass Decontamination Unit



1 Operational Support Unit



671

Pangbourne

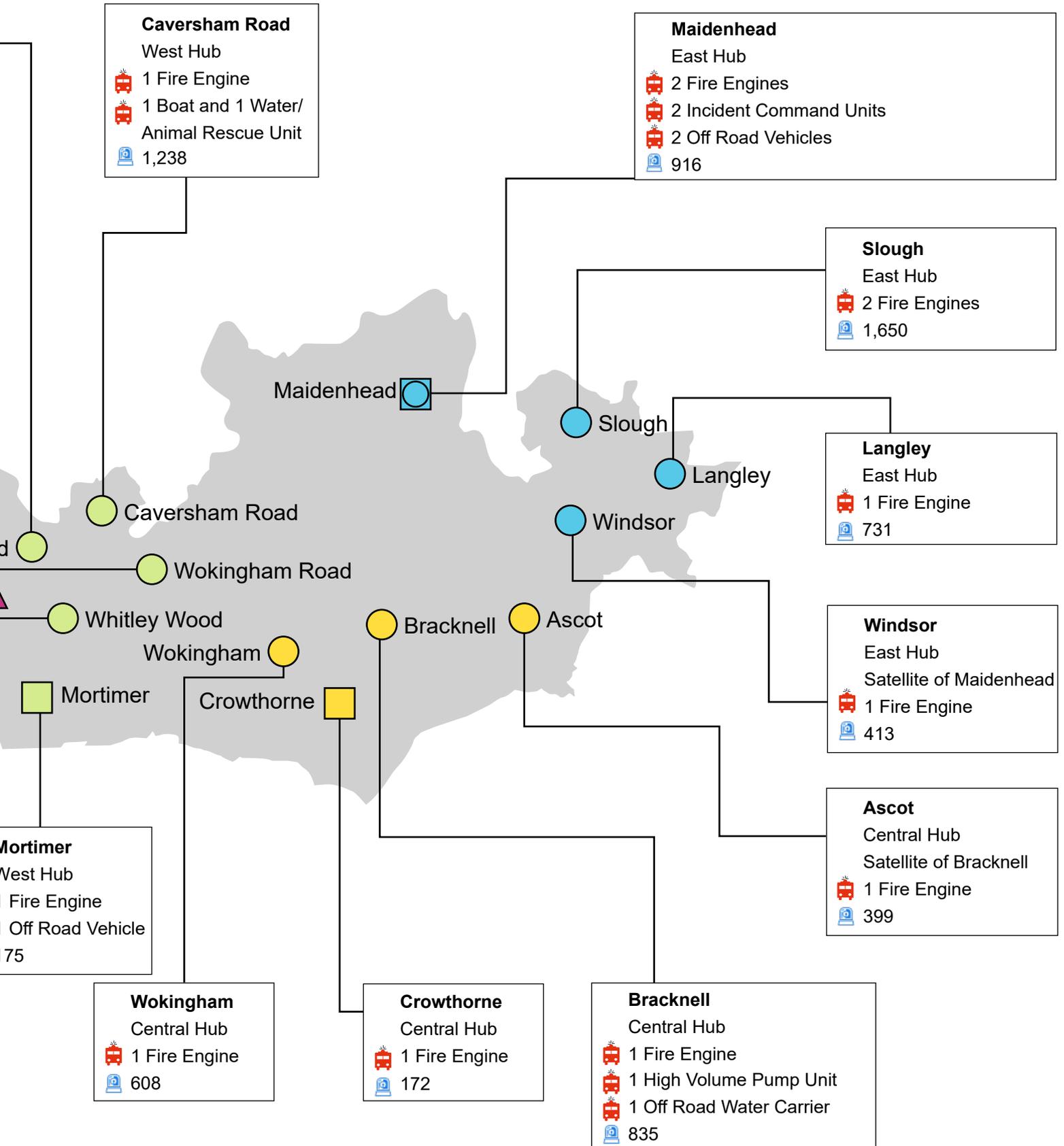
Dee Road

Headquarters

Lambourn

Hungerford

Newbury





» ABOUT US

In our [Corporate Plan and IRMP 2019-23](#), Royal Berkshire Fire Authority set RBFRS six public facing commitments:

1. We will provide education and advice on how to prevent fires and other emergencies.
2. We will ensure a swift and appropriate response when called to emergencies.
3. We will provide advice, consultation and enforcement in relation to fire safety standards in buildings.
4. We will seek opportunities to contribute to a broader safety, health and wellbeing agenda, whilst delivering our core functions.
5. We will ensure that RBFRS provides good value for money.
6. We will work with Central Government and key stakeholders in the interests of the people of Royal Berkshire.

For 2020-21, RBFRS set an additional four objectives:

7. We will recruit, train and develop our people to ensure we create a safe, professional and capable workforce that are supported to become the best public servants they can be for the residents of Berkshire.
8. We will manage RBFRS in accordance with best practice, understanding and continuous improvement, learning from events and being transparent in our compliance.
9. We will be strong and visible in our leadership in developing a diverse and inclusive 'one team' culture where everyone's contribution is valued and positive behaviours are recognised.
10. We will explore collaboration opportunities to ensure we deliver effective and efficient services to the people we serve.



» AWARDS AND ACCREDITATIONS



We are proud to have joined the Business Disability Forum, further solidifying our commitment to supporting disabled people within the Service and our communities.



We are proud to be have received the Asian Fire Service Association Corporate Membership.



Proudly supporting those who serve

We were awarded the Gold Award in the Ministry of Defence's Employer Recognition Scheme, in recognition of our commitment to supporting the Armed Forces.



We are now a Stonewall Diversity Champion, building on our commitment to further building a diverse and inclusive place.



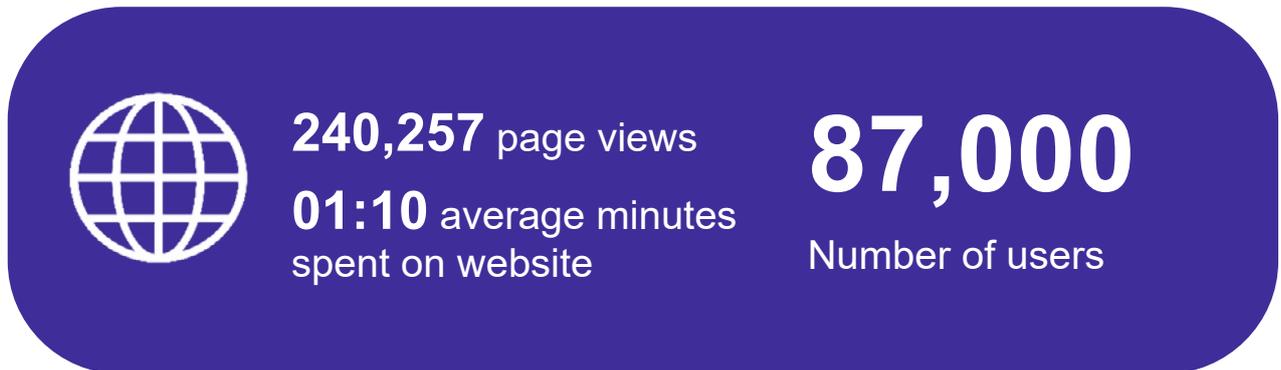
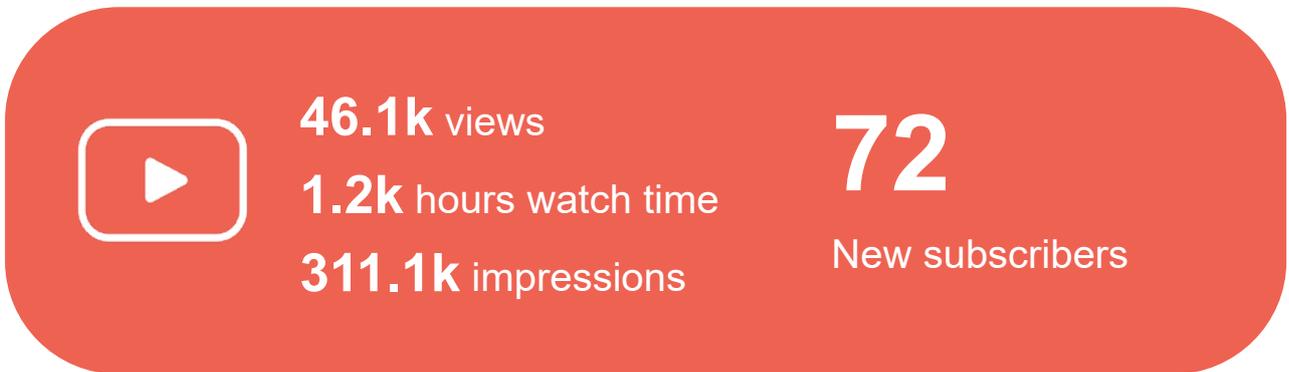
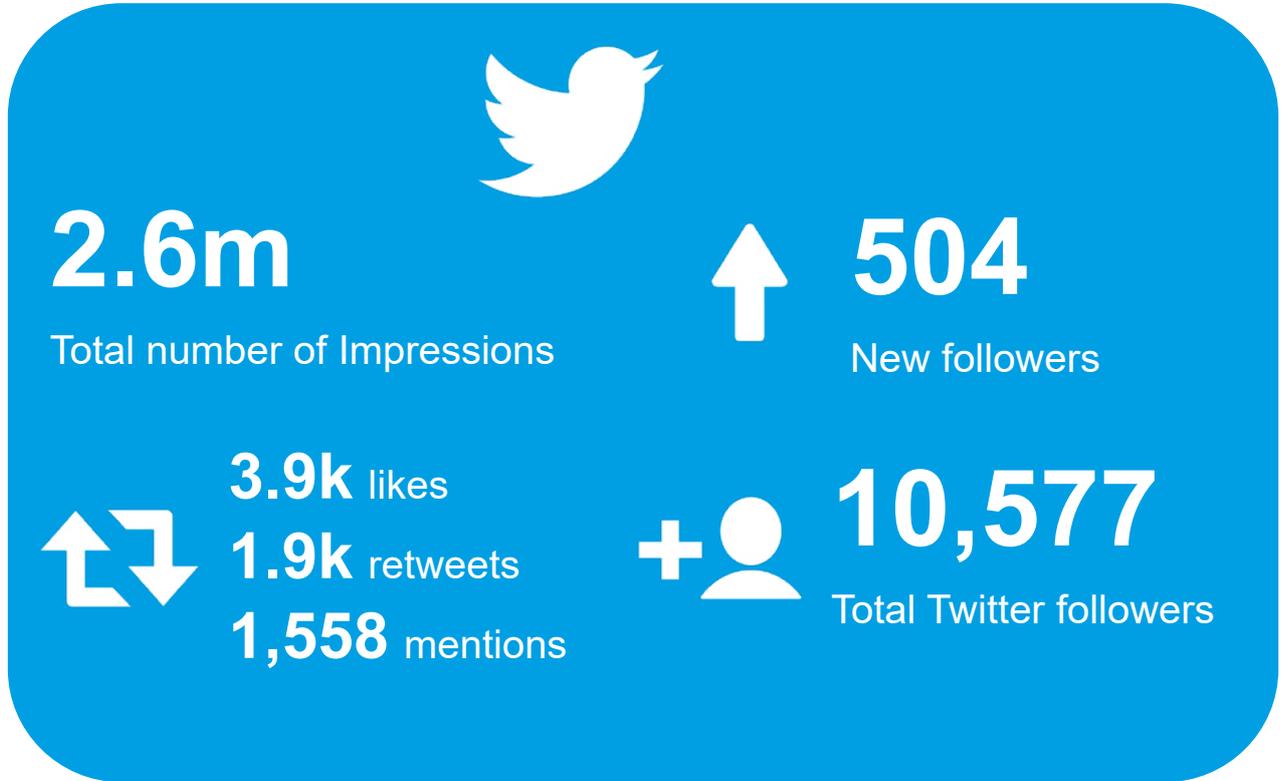
One of our members of staff was nominated for a High Sheriff Award in recognition of the work with the Armed Forces Community.



The work of Royal Berkshire Fire and Rescue Service (RBFRS) was again recognised in the Queen's New Year Honours list and Chief Fire Officer, Trevor Ferguson, was awarded the Queen's Fire Service Medal for Distinguished Service (QFSM) for services to the fire and rescue sector.



» SOCIAL MEDIA HIGHLIGHTS - 2020-21





» **SOCIAL MEDIA HIGHLIGHTS - 2020-21**



1,590
Total followers

359
New followers



1,811
Total followers

474
Total number of posts



240k
Reach

762
New followers

12,566 reactions
3,294 shares
1,447 comments

5,312
Total followers



» TIMELINE OF THE LAST YEAR (APRIL 20 - MARCH 21)



APRIL

In April 2020, we began to adapt the way we delivered our services to the people of Royal Berkshire in response to the COVID-19 pandemic. Where the role permitted, staff moved to homeworking under the Government's 'stay home' order.

Members of the RBFRS team begun work as part of the Personal Protective Equipment (PPE) Logistics Cell which saw the delivery of over six-million pieces of PPE to frontline health care workers.

APRIL

MAY

MAY

On 1 and 2 May, firefighters began serving the community from the newly built Crowthorne Community Fire Station. The facility became the second tri-service community station in our Service, alongside Thames Valley Police and South Central Ambulance Service.

The Integrated Risk Management Plan Strategy Consultation closed on Monday, 11 May and Friday, 8 May was VE Day in which our teams joined the nation paying tribute to those serving during World War II.



JUNE

2020 marked the third anniversary of the Grenfell Tower fire. We have continued our work within the Built Environment Programme as a priority.

Despite not being able to physically celebrate Pride this year, we showed our support virtually and we welcomed a new cohort of Change100 interns, as part of the Leonard Cheshire programme.

On-call firefighters began delivering welfare visits to support our communities and partners from Slough Borough Council and the first virtual Fire Authority meeting was held on 25 June.

JUNE

JULY

JULY

In July, RBFRS successfully brought a prosecution against Mr Sharhan Safie of Paya Restaurant under the Fire Safety Order.

Two children were safely rescued by crews from a fire in their home in Reading after receiving Fire Survival Guidance from Thames Valley Fire Control Service and crews also tackled a blaze covering approximately 40 acres of crops in Swallowfield.

We also welcomed new Fire Safety Inspecting Officers in July supporting our ongoing commitment to provide advice, consultation and enforcement in relation to fire safety standards in buildings.



AUGUST

In August we were awarded the Gold Award in the Ministry of Defence's Employer Recognition Scheme, in recognition of our support of the Armed Forces.

August also marked five years since the official opening of Thames Valley Fire Control Service and we began to provide free flu vaccinations to staff to reduce the winter pressure on the NHS.

AUGUST

SEPT

SEPTEMBER

Wednesday, 9 September, was Emergency Services Day. Staff across the Service showed their support by taking part in the national two-minute silence, remembering the more than 7,500 NHS and emergency services staff who have sadly died as a result of their duties.



FEBRUARY

Two members of the RBFRS team were dedicated full-time to support the project team of five with setting up the mass vaccination site that was at the Madejski Stadium.

As part of Race Equality Week (1-7 February), we launched a project to tackle inequalities with several other fire and rescue services.

Theale Community Fire Station also reached it's highest point and a virtual 'topping out' ceremony was held.

DECEMBER

Chief Fire Officer, Trevor Feguson, was awarded the Queen's Fire Service Medal for Distinguished Service for his service to the fire and rescue sector in December.

This year's Change100 cohort also celebrated their graduation from the programme in December.

OCTOBER

In October, the Service welcomed Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) virtually for the COVID inspection, in order to assess how the Service had adapted and responded to the pandemic.

OCT

DEC

FEB

NOV

JAN

MARCH

NOVEMBER

In November 2020, we launched our Armed Forces Veterans' Hub virtually. The launch event coincided with Remembrance Day, which our staff marked by joining the national two-minute silence and highlighted our ongoing commitment to the Armed Forces community.

We also launched our Trans Equality Policy in November.

JANUARY

On 22 January, Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) confirmed that the Service had adapted and responded to the pandemic effectively."

Our work with our partners continued, with nine Berkshire firefighters deployed to drive South Central Ambulance Service (SCAS) ambulances. Also in January, a member of the RBFRS team worked with Slough Borough Council for over eight weeks, managing the set-up of Lateral Flow Testing Sites in Slough.

MARCH

In March 2021, Wayne Bowcock was appointed the new Chief Fire Officer.

We also became Stonewall Diversity Champions and together with Stonewall, we will build on commitments to LGBTQ+ inclusion.

The new Aerial Ladder Platform (ALP) has arrived into our Service ahead of its deployment, after passing acceptance testing.



>> OUR YEAR IN NUMBERS 2020-21



6,642

Emergency incidents responded to



78.2%

of occasions we responded within 10 minutes



772

Number of primary fires



933

Number of secondary fires



326

Special services (road traffic collisions)



1,053

Special services (other)



1,949

Number of Safe and Well Visits completed



397

Number of full Fire Safety Audits carried out



99%

of eligible staff successfully completing fitness test



3.1%

Working time lost to staff sickness across all groups



100%

Compliant spend as a % of overall spend

COVID-19 Pandemic - COVID-19 posed challenges to some areas of delivery. In some of our key areas of service, we did not set delivery targets as normal, instead committing to monitoring performance and re-introducing monthly targets when this was appropriate. Due to restrictions in place, we were unable to issue and report on customer satisfaction surveys this year.



>> OUR PERFORMANCE

In order to monitor performance and ensure we are working towards our Annual Objectives and IRMP commitments, a number of performance measures were agreed by the Royal Berkshire Fire Authority for the [Annual Plan 2020-21](#).

These measures monitor the delivery of our statutory obligations and services we provide, along with how key resources are managed, including staff, finance and health and safety. At the time of publication of our 2020-21 Annual Plan, the COVID-19 pandemic was in its early stages. Whilst we made some amendments to our plans and targets, we did not know then what the full impacts would be on our ability to deliver the plan. Early in the pandemic, in line with Government guidance, RBFRA suspended non-essential activities to protect our communities, staff and critical functions. Since then, we have continually risk-assessed our activities, reintroducing services when case levels and restrictions have allowed.

Performance is usually monitored on a quarterly basis by the Strategic Performance Board and by the Audit and Governance Committee. However, this year, we suspended the Strategic Performance Board for quarters 2 and 3 in order to focus on our response to the pandemic. Our year end performance against the Corporate Measures can be

seen on pages 40-42.

Our strategy to prevent fires and other emergencies includes the provision of Safe and Well Visits to those who are at heightened risk of dying or being injured as a result of an accidental dwelling fire. During 2020-21, this was an area where we had to take a risk-based approach due to the pandemic. We continued to deliver Safe and Well Visits where the risk of fire outweighed the risk of COVID-19. As a result, we have delivered 1,949 visits this year, around a fifth of the number we usually provide.

We have now completed over 32,000 Safe and Well Visits since April 2017, however the pandemic has made it unlikely that we will be able to meet our five-year IRMP commitment.

In 2020-21, we continued to work closely with our local authority partners to ensure vulnerable members of the public are protected and supported, which has been even more important than usual





>> OUR PERFORMANCE

**Over 32,000**Safe and Well Visits
delivered since April 2017**95.3%**of turnouts met the 90
second target in 2020/21**479**safeguarding referrals
made during 2020/21

during the pandemic, due to impacts on domestic violence, mental health and substance and alcohol misuse. We made 479 safeguarding referrals in the year, an increase of 39%. 100% of these were made within our 24-hour target.

Fire Safety Inspecting Officers completed 397 full Fire Safety Audits in premises falling under the Regulatory Reform Order 2005, which outlines our duty to enforce fire safety in non-domestic premises. This was another area where the pandemic has had a significant impact on our delivery of services. Again, we took a risk-based approach to our decision-making in this area, which resulted in the number of audits completed being around a quarter of the level achieved last year.

In 2020-21, there were 6,642 emergency incidents within Berkshire. This is around 9% fewer incidents than in 2019-20. Road traffic collisions and other special service numbers have fallen due to the reduction of activity during the pandemic. The

number of primary fires have also fallen, but not by as much. However, secondary fire numbers were 5% higher than in the previous year, partly as a result of an increased number of rubbish and refuse fires during the first lockdown when local amenity sites were closed.

In 2020-21, we achieved our Response Standard target of attending 75% of all emergency incidents in under 10 minutes from the time of call. Our overall performance for the year was 78.2%. Our performance in this area may have been assisted by COVID-19 restrictions during lockdown periods – fewer cars on the road mean quicker travel times. However, our performance was consistent across the year, with the target achieved every month.

Although we have been fortunate to have only seen a small number of COVID-19 cases amongst our staff, these, and requirements to self-isolate, have resulted in an impact on the availability of our



wholetime crews, which this year was 96.8%, compared with 99.6% in 2019-20. Fortunately, the pandemic has contributed to an improvement in our on-call crew availability, which was 56.7% compared with 32.9% last year. Many of our on-call firefighters were able to be available more often due to changes in circumstances relating to their primary employment, for example, being on furlough. This improvement in on-call availability has helped to ensure we exceeded our Response Standard target, despite the challenges of the pandemic.

Our performance measures and targets enable us to manage our performance and demonstrate our effectiveness at preventing and protecting against potential risk and responding to incidents to ensure that we provide value for money to the communities that we serve.

Audits

A number of internal audits were conducted in 2020-21:

- Fleet Management
- Firefighter Pension Administration
- Payroll Provider – DataPlan
- Capital Projects
- Key Financial Controls (Annual Pension Return)
- Governance and Risk Management.

Our auditors found substantial assurance

on all six of these audits. In addition, an advisory audit was conducted for Cyber Essentials.

A final audit of Performance Development Appraisals was postponed until June due to the COVID-19 pandemic.

All audit actions are monitored through the Strategic Performance Board and Audit and Governance Committee.

Statement of Assurance

The annual Statement of Assurance is produced to formally confirm to Government, stakeholders and the communities we serve, the adequacy of arrangements for the effective management of financial, governance and operational matters in RBFRS.

The Statement confirms the extent to which the requirement of the Fire and Rescue National Framework for England have been met.

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMIFCRS) COVID-19 Inspection

Following our COVID-19 inspection in October 2020, the Inspectorate published its findings in January 2021. RBFRS was found to have effectively adapted and responded to the additional challenges posed by the pandemic. See page 18-19 for further information about the inspection findings.



>> ADAPTING AND RESPONDING TO COVID-19 EFFECTIVELY



6 million

pieces of PPE were provided to healthcare workers through the Logistics Cell



218

visits were completed with the vulnerable and shielding in Slough Borough Council



9

Firefighters worked with South Central Ambulance Service driving ambulances

An inspection by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) confirmed that Royal Berkshire Fire and Rescue Service (RBFRS) has "adapted and responded to the pandemic effectively", highlighting the additional support the Service has been offering its communities throughout the public health crisis.

In August 2020, the Home Secretary commissioned HMICFRS to examine how fire and rescue services are responding to the pandemic. The inspection focused on activities undertaken by the Service between April and June 2020.

The findings highlight that the Service maintained its critical core services, adapted to the challenges posed by the pandemic, supported its communities and partners through additional activities, continued to manage its resources well and prioritised the wellbeing of its staff



throughout.

Between April and June, notable additional activities that the Service undertook included working with our colleagues across the Thames Valley to deliver over six million pieces of Personal Protective Equipment to frontline health and care workers (further details on page 36) and on-call firefighters supported Slough Borough Council by visiting over 200 residents that were vulnerable and shielding to check on their welfare (further



details on page 38) and supported the Reading coroner with the possibility of a large number of deaths from COVID-19 (further details on page 37).

Since June, this work has continued, with a number of additional activities now underway. These included supporting the community roll out of the vaccination programme, supporting Slough Borough Council with their mass rapid COVID-19 testing and training a group of firefighters to drive ambulances in support of South Central Ambulance Service. For more details, please read page 39.

Chairman of Royal Berkshire Fire Authority, Councillor Colin Dudley, said: “The COVID-19 inspection provides our residents with a clear and independent view on how the Service is responding to the pandemic. The inspection findings highlights a number of areas of good practice from within the Service demonstrating the work we have undertaken to play our part in the response to this dreadful virus.

“I believe that Royal Berkshire Fire and Rescue Service provides a fantastic service. This inspection has highlighted the great work of the amazing staff at RBFRS in ensuring we maintain the delivery of our critical services, providing enhanced and tailored support to our staff, whilst also supporting our partners in the wider response.”

The Service continues to work in support of our local communities, and we have already built on the positive work highlighted in the COVID-19 inspection to ensure that our residents continue to receive the best possible service.



“ The COVID-19 inspection provides our residents with a clear and independent view on how the Service is responding to the pandemic. ”

Chairman of Royal Berkshire Fire Authority, Councillor Colin Dudley



>> ENSURING A SWIFT AND EFFECTIVE RESPONSE

In the [Corporate Plan and IRMP 2019 – 2023](#), one of the Fire Authority's Strategic Commitments is to ensure a swift and effective response when called to emergencies.

Responding to Emergencies - Tackling Outdoor Fires

This year marked 10 years since the devastating Swinley Forest fire, the single the largest incident ever dealt with by our Service in terms of resources and length of operations. The forest fire affected 300 hectares of land, 55% of which was damaged by fire and forestry clearing operations.

10 years on, our Service continues to face the same threat posed by outdoor fires and must act swiftly and effectively to control fires in the open before they spread and threaten lives, property and the local environment.

In the first quarter of the year, from 1 April to 30 June, we attended a total of 300 fires in the open in Berkshire. This is a 50% increase compared to the previous year. In the week commencing 18 May, we attended 38 outdoor fires, meaning that on average we attended more than five outdoor fires per day. This increase in

outdoor fires was attributed to the closure of refuse sites during the first lockdown, combined with the warm weather. Further details about our work to prevent these fires is on page 23.

Improved knowledge, training and equipment ensures that our firefighters are better prepared to face outdoor fires and efforts to educate the public help to reduce the likelihood of a devastating fire taking hold again.

On 7 August 2020, our crews dealt with a number of significant incidents in quick succession, including a fire in the open in Dorney, a house fire in Warfield and assisting Surrey Fire and Rescue Service with a large fire in Chobham Common which they would support over the course of the following days.

At the incident in Dorney, thanks to the quick work of the crews, the fire was brought under control and crews left the scene after just over an hour and a half, which is a remarkable effort from our teams to control a fire which could have quickly escalated.

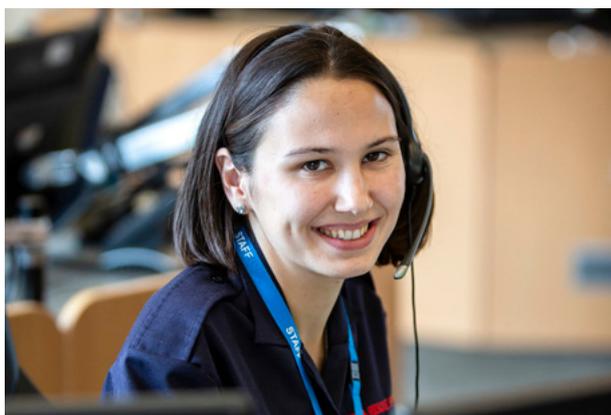
Maintaining Our Emergency Call Handling Services

As COVID-19 developed, plans were put in place to maximise the availability of Control staff. This included restricted access to the Control Room, enhanced



50%

increase in number of outdoor fires between 1 April and 30 June, compared to the same time period in 2019



hand sanitisation and room cleaning regimes and making the Control room COVID-19 Secure. This led to safe crewing levels being maintained at all times through the pandemic.

TVFCS Give Life-Saving Advice

TVFCS are a critical link between crews mobilised to an incident and the person calling 999. They provide a reassuring voice to people experiencing a great deal of distress and often, life-saving guidance.

In the last year, TVFCS responded to 13,886 calls.

An example of one of the many calls received by TVFCS occurred in July 2020, when a call was taken to reports of a house fire in Reading.

Before crews arrived, they were informed by Control that two children were trapped in the property, as smoke left them unable to get out of the building.

TVFCS Crew Manager, Claire Moyses, who took the emergency call maintained contact with the young caller by telephone throughout the incident. Whilst keeping the boys safe, she asked questions to establish where the fire was and where

they were in the property so that this could be relayed to the attending crews.

They were given vital instructions and fire survival guidance, instructing them to go to the furthest bedroom at the back of the property, close the door, place clothing against the bottom of the door to prevent smoke entering the room and go to the open window. This vital advice enabled the children to be rescued by crews using a ladder.

In recognition of this outstanding act of professionalism, Claire was recognised at the annual staff [Awards Ceremony](#) that took place virtually this year. Claire received the 'Emergency Responder of the Year Award'.

“

This was a truly frightening experience for the family involved but, thanks to the professionalism and dedication of TVFCS and RBFRS attending crews, the family are safe and well. I would like to express my gratitude to everyone for their excellent work to resolve this incident.

”

Paul Thomas, Group Manager for Response, Resilience and Assurance



13,886

number of calls TVFCS has taken in the last year



>> PROMOTING COMMUNITY SAFETY

The first Strategic Commitment outlined in the [Fire Authority's Corporate Plan and IRMP 2019-23](#), is that RBFRS will provide education and advice on how to prevent fires and other emergencies. Throughout the COVID-19 pandemic, the safety of staff and communities has been paramount. As such, Prevention activity was reviewed in line with Government guidance and risk assessed.

Adapting the Delivery of Our Services

Our commitment to preventing fires and other incidents includes the provision of Safe and Well Visits to those who are at heightened risk of dying or being injured in an accidental dwelling fire.

During the first wave of the virus and national lockdown, 314 Safe and Well Visits were completed. 71 telephone assessments were also conducted, which, subject to the level of risk may have resulted in a physical visit being completed. When a Safe and Well referral was received, the Prevention team risk assessed the referral in order to prioritise those most at risk.

One firefighter who made support calls, said: "I spoke to a lady as her mother was waiting for a Safe and Well Visit and during the call, we spoke about her own situation and personal circumstances. I explained to her the process for if she felt there was a threat of arson and she later called to express that she did feel a threat. As a result, a crew from Newbury carried out a threat of arson referral which was reassuring to the resident."

Over the year we have seen an increase in the number of Threat of Arson and Safeguarding referrals. A key example of how the Service worked to keep residents safe throughout the pandemic by working

collaboratively with other agencies can be seen in the response to several incidences of car fires in Reading.

A spate of car fires occurred in which eight cars across Reading were set alight. The Service successfully worked with Thames Valley Police in order to investigate the incidents, resulting in the arrest of three people.

In total, we made 479 safeguarding referrals in the year, an increase of 39% and 100% of these were made within our 24-hour target.

Adults at Risk Programme

We offer an Adults at Risk Programme where free training is offered to professionals across Berkshire, supporting them to protect people from a fire in the home.

In line with COVID-19 guidelines, face to face delivery of the programme was suspended in March.

Overall 25 virtual talks were held, attracting a total of 320 people, including representatives from East Berkshire and Ascot, including staff from East Berkshire Primary Care, Social Care and Mental Health teams.



320

people attended the 25 Adults at Risk Programme meetings in 2020/21



33

Fire Cadets attended 18 virtual sessions in 2020/21



314

Safe and Well Visits were carried out during the first national lockdown

Fire Cadets

Fire Cadets is a youth initiative run for 12-16 year olds to help improve physical and mental wellbeing by increasing confidence and developing team working skills.

Usually, Fire Cadets would take part in practical and theoretical fire service activities, but as the sessions had to be suspended, virtual sessions were set up to touch base with the Cadets. These sessions took place weekly and allowed them to continue their training online, covering prevention, first aid, special appliances, water safety and road safety. Overall, 33 Fire Cadets attended 18 virtual sessions during this period.

Delivering Safety Messages

During the COVID-19 period, social media was a key platform for communicating with residents. Our channels were used not only to reassure our communities that we were still responding to incidents, but also to urge them to take care around their homes by following our fire safety advice.

As described on page 20, as we progressed into the lockdown, with people spending much more time at home, coupled with refuse sites being closed

and warm weather, we saw an increase in people using bonfires as a means to dispose of household waste.

On this basis, we issued proactive communications across our social media channels to spread the message that bonfires create an additional unnecessary burden for blue light services, during an already challenging period. This message generated a large amount of support and one single post on the RBFRS Facebook page reached 77,440 people and was shared 455 times.

Our Corporate Plan and IRMP also sets out a commitment to providing Road and Water Safety to our communities.

We promote water safety all year round, but provided increased messaging in line with COVID-19 guidelines as people started to spend more time outdoors again.

We took part in the November 2020 Road Safety Week run by Brake and as part of the #ItsNotWorthTheRisk national campaign, which focuses on the dangers of drinking and driving, crews at Wokingham Road Fire Station once again created an impressive visual display. We shared this on our channels to encourage people to think twice about drink driving.



>> FOCUS ON FIRE SAFETY

One of the Fire Authority's Strategic Commitments in the [Fire Authority's Corporate Plan and IRMP 2019 – 2023](#) is to ensure we provide advice, consultation and enforcement in relation to fire safety standards in buildings.

Fire Safety in the Built Environment

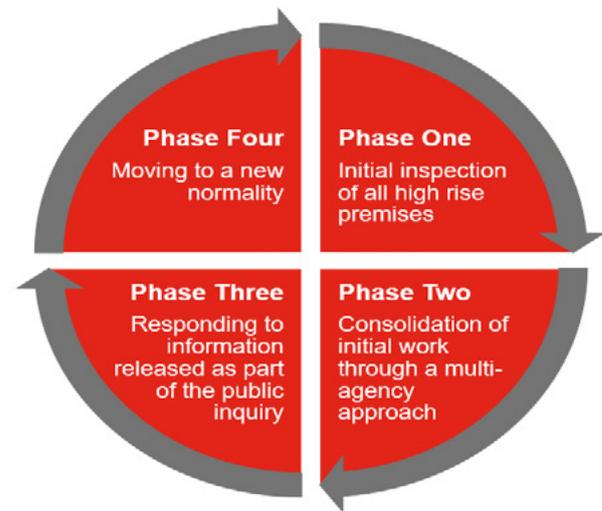
With the Grenfell Tower Inquiry continuing to examine the circumstances leading up to and surrounding the fire on the night of 14 June 2017, our Service has been following proceedings closely to ensure we are putting the safety of our residents and buildings across Berkshire at the heart of everything we do.

In Phase 2 the Public Inquiry is examining the causes of the events, including how Grenfell Tower came to be in a condition which allowed the fire to spread in the way identified by Phase 1.

In previous Annual Reports, we have outlined our own four phase plan firstly for responding to the immediate aftermath of the tragedy, and then learning from and responding to the emergent picture of risk associated with high rise buildings and Aluminium Composite Material (ACM) cladding.

In Phase 1, our Service inspected high rise buildings and gave 4,700 residents valuable fire safety guidance. In Phase 2, we worked with building owners, Local Authorities and residents to ensure compliance with Ministry of Housing, Communities and Local Government (MHCLG) guidance and interim measures.

We remain in Phase 3 of our plan,



where we are learning from the Inquiry and specifically progressing three workstreams: tactics and equipment, call management and risk and information.

Each recommendation from the Public Inquiry is being assessed through a gap analysis in our workstreams. Where areas of improvements are identified, our teams are establishing new processes and providing assurance that the recommendations are correctly embedded in the Service.

A total of 198 High Rise Residential Buildings (HRRBs) have been visited by our Fire Safety Inspecting Officers. Where necessary, enforcement action is being taken and interim measures can be applied where appropriate. Our teams continue to work with the Building Owners and Responsible Persons, alongside our



partners in Local Authority Housing Teams and Building Control Bodies as part of this process.

A number of recommendations from the Grenfell Tower Inquiry have been progressed during the past year. One practical improvement that has been made is the introduction of fire escape hoods, which assist the evacuation of occupants through smoke-filled exit routes. With the introduction of this equipment, training has been provided to ensure that operational crews are able to evacuate occupants effectively from complex and high-rise buildings.

Other areas of focus include information flows between the incident ground and our Control staff and ensuring our operational crews have the knowledge and training required to effectively react to fires which take hold in the external walls of high rise buildings.

We are committed to learning every lesson possible from the findings of the Inquiry and our thoughts remain firmly focused on the victims, families and communities devastated by the Grenfell fire.

Fire Safety Activities

In an effort to limit the spread of COVID-19, the number Fire Safety Audits has been impacted during this past year. However, a total of 397 Fire Safety Audits have been completed and enforcement activity has continued to ensure that business owners comply with fire safety legislation.

Whilst we will always work with business owners to support, promote and ensure

fire safety standards in premises, if we find that anyone is being put at risk by inadequate fire safety standards, we will use our enforcement powers and prosecute.

A total of 22 Enforcement Notices have been issued during the past year, under the Regulatory Reform (Fire Safety) Order 2005. These are notices served against business premises to require them to meet adequate fire safety standards.

Royal Berkshire Fire Authority (RBFA) brought a successful prosecution against a restaurant in Cookham, which resulted in a £85,000 fine following a number of serious fire safety breaches under the Regulatory Reform (Fire Safety) Order 2005.

On 23 October 2020, Reading Magistrates' Court heard that a serious fire broke out in the early hours of 6 December 2016. An investigation found that there were a number of fire safety deficiencies found in the property, including insufficient fire alarm and detection in the residential part of the building and a lack of compliant fire doors.

Separately, in January 2021, a landlord was issued a £66,000 fine over safety breaches including plug sockets next to the shower, and repairs that risked residents being trapped in a fire. Fire Safety Inspecting Officers supported Reading Borough Council with this successful prosecution, following joint inspections and supporting the prosecution.





>> PRIORITISING HEALTH, SAFETY AND WELLBEING

In our [People Strategy](#), we set out our objective to support both the physical and mental health and wellbeing of our staff. During the COVID-19 pandemic, protecting the health, safety and wellbeing of staff remained a priority and a number of offerings were made to support this area of focus.

Protecting the health, safety and wellbeing of our communities and staff was a key priority for the Service from the outset of the coronavirus pandemic.

As part of the initial steps, we took a proactive approach to reviewing access to our sites to ensure that we were protecting our critical emergency functions. In June 2020, our sites were confirmed at [COVID-19 Secure](#).

These control measures not only reduced the risk of members of staff becoming unwell with COVID-19, but also reduced sickness rates in other areas. In 2020/2021, the working time lost to sickness across all staff had reduced by almost a third.

While it is challenging to target exactly why the reduction has occurred, it could be partly attributed to the national trend which has seen an overall decrease in sickness absence* since the commencement of homeworking.

This may have also been supplemented by the additional support and wellbeing offerings given to RBFRS staff.

During the pandemic, in addition to RBFRS' existing policies and sources of support that include a dedicated Health and Safety Team, Health and Fitness

Advisor, employee assistance programme and occupational health, guidance and support was increased to mitigate the uncertainty and health and wellbeing risks that the pandemic posed.

This additional support included guidance tailored around managing bereavement, domestic abuse, financial hardship, living with a vulnerable person and homeworking. A Facebook workplace group was set up specifically for staff to keep in touch and share advice and guidance directly with one another on practical ways they were managing their health and wellbeing throughout the pandemic. Tailored advice and guidance was also offered around marking religious observances during COVID-19 restrictions, including Ramadan, Eid-Al-Adha, Yom Yippur and Rosh Hashanah.

In addition to the guidance offered, RBFRS also provided practical ways to support staff through the pandemic.

Financial uncertainty can also have a marked effect on people's mental health, so, at the end of March, provision was made for staff to apply for an advance of salary loan of up to £1,500. The loans are

* Source: ONS Statistics - Sickness absence in the UK labour market: 2020



14

members of staff applied for the salary loan scheme



165

Flu vaccination vouchers were issued to staff



15

members of staff received alternative accommodation

repaid over 12 months, starting in June 2020. A total of 14 staff applied for a loan.

It was recognised that offering free flu vaccinations to staff would have two benefits. Not only would this benefit the wellbeing of staff and reduce the potential winter pressures on the NHS, but it would also reduce the impact on critical functions if fewer members of staff were absent from the workplace due to flu. Every member of staff was presented with this offering and 165 vouchers were issued.

Additionally, the Service provided alternative accommodation where roles required members of staff to be in the workplace, and they lived with someone who was shielding. A total of 15 members of staff received this wellbeing support.

This offer had a two pronged effect, whereby members of staff were able to continue to remain available to provide a critical emergency response during the height of the first wave of the public health crisis, and it also supported their wellbeing by reducing their anxiety about coming to work and then going home to a family member who could be clinically extremely vulnerable to COVID-19.

During the pandemic, one of the members of staff who received this wellbeing offer from the Service shared:

“My son has a respiratory condition and was considered very high risk by his respiratory care specialists. He was in the care of his mother along with his twin brother. His mother had lost her permanent accommodation at that point and had nowhere to go.

“No hotels were operating and no flats were available to rent. So she moved into my flat with the children. As I was still working, there was significant risk to my son and I needed to relocate.

“As I am an on-call firefighter, the Service managed to provide me accommodation close to the fire station so I could still make my attendance time when the pager went off.

“I am really grateful for the accommodation provided and the whole system was very easy for me to use a time when things were very hectic.”

During the initial response, this offering was just one part of a wider continued focus on the physical and mental wellbeing of our staff.



>> INTEGRATED RISK MANAGEMENT PLAN STRATEGY CONSULTATION

In March 2020, we launched our Integrated Risk Management Plan Strategy consultation, which allowed our communities to have their say on three strategies for Prevention, Protection and Response.

Integrated Risk Management Planning is how we safely and effectively manage risk for the people of Royal Berkshire. With finite resources, we have to make judgements on how best to deploy these resources to most effectively respond to local community risk.

The strategies built on three evidence bases that were produced in 2016/17, and incorporated the data collected in the years since. In order to see that we, as a Service, continue to move in the right direction, we produced and consulted on these three strategies.

However, face-to-face engagement was limited by the COVID-19 pandemic and lockdown measures, which began three weeks into the pandemic. In deciding whether to proceed or postpone the consultation, we followed guidance issued by the Consultation Institute. As a result, we decided to proceed with the consultation and extended the consultation period by an extra two weeks and increased digital engagement to ensure that everyone in our communities could have their say on our proposals.



We adapted our approach to engaging with our residents in the face of a dynamic situation. We increased the amount of content produced in order to reach more people and changed the way we used social media in order to reach different groups of people within Berkshire, which led to 141,918 engagements across our social media channels during the consultation period. We were able to use videos that we had recorded before restrictions occurred, which were released in order to engage residents. In addition, we used Facebook community groups to make sure we were targeting local people.

In addition, we wanted to make our consultation accessible to everyone in our communities. To this end, we worked with an Easy Read specialist to produce Easy Read versions of all three strategies, which were trialled with a group of adults with learning disabilities to ensure that they were fit-for-purpose.

The consultation received a total of 312 responses, which was a positive response given the limits on engagement and the pressures placed upon our services due to the COVID-19 pandemic.



>> COMMUNICATIONS AND TECHNOLOGY

In our [People Strategy](#), there is a commitment to focus on excellent communication, using a wide range of methods. The coronavirus pandemic sped up the adoption of some planned communication and technology developments across the Service.

The ICT Strategy 2019-2024 sets out the Service's ICT areas of focus, which include simplification, collaboration, and virtualisation. The COVID-19 pandemic accelerated the progress of these areas due to the increased need.

When restrictions were imposed, the ICT team were able to supply mobile phones, monitors and additional equipment to staff to support the wellbeing of staff working from home. The ICT team delivered technology to staff who needed to work from home but could not collect the equipment due to being clinically vulnerable.

Our charitable donation work continues with further equipment donations to local schools, and a donation of old mobile phones to a national programme designed to enable families of patients in care home to speak and see their loved ones.

A specific coronavirus area was set up on the staff intranet, which received a total of 2,341 page views. The number of active users on Facebook Workplace also increased by 100%. This included the

establishment of an on-call workplace group, which has more than 90 members across our on-call workforce, which means that nearly all on-call firefighters now use this forum. This is because it was identified early on that on-call firefighters do not work from a fire station and therefore a new strategy would be needed to keep on-call colleagues up to date.

Additionally, a project was delivered which digitised the capture and upload of Safe and Well Visit data rather than the previous paper based processes. All Safe and Well Visits since October 2020 have been carried out using the new technology.

Video technology was introduced and standardised across the Service.

Throughout 2020, RBFRS staff took part in a total of 3,024 virtual meetings between March-June 2020. The Service adapted its use of technology throughout the pandemic to protect staff and the public, as well as engaging with communities in new ways which will certainly be taken forward in the future.



100%

increase in the number of Facebook Workplace users



90

on-call members of staff joined the on-call Workplace group



3,024

virtual meetings took place between March - June 2020



>> MODERNISING OUR SERVICE

In our [Strategic Asset Investment Framework](#), the Fire Authority has set out how we will maintain and renew our vital capital assets. This is supported by the more detailed Property Asset Management Strategy and Fleet Strategy, which provide a high level statement on the overall approach to providing property, fleet and equipment to meet the needs of the Service. Our collaboration work through the sharing of facilities is important in enabling us to provide the best possible service to the people of Royal Berkshire.

Crowthorne Community Fire Station

The rebuild of Crowthorne Community Fire station completed in 2020. Headed by Knights Brown, and directed by the RBFRS Capital Projects Team, the build took just under a year, beginning on Thursday, 9 May 2019 and the practical completion and handover occurring on Tuesday, 28 April 2020.

On-call firefighters moved into the station on Friday, 1 May and Saturday, 2 May, after working out of temporary accommodation in Wellington College while observing COVID-19 guidelines.

One of our main goals with the project was to create a modern space with many facilities for community use, such as a community room available for use by members of the public or community groups, a gym for the firefighters to use to maintain their fitness standard, and a larger fire engine bay that gives enough space to accommodate an extra vehicle, such as a 4X4.

The station also has various energy-efficient features, such as charging points for electric vehicles and roof-mounted solar panels.

It is also the second tri-service community



fire station, after the opening of Hungerford Community Fire Station in July 2017, becoming a shared location for RBFRS, Thames Valley Police (TVP) and South Central Ambulance Service (SCAS).

Crowthorne Community Fire Station serves as one aspect of the Fire Authority’s plans to modernise the fire and rescue service’s buildings over the forthcoming decade, providing purpose-built, high-quality, community-based fire stations across the County.

Theale Community Fire Station

Plans for a new fire station in Theale were approved in December of 2019, and construction on the station began in May of 2020. It will become the third of our tri-service community fire stations.

Once complete, Theale Community Fire Station will offer a shared location for



RBFRS, Thames Valley Police and South Central Ambulance Service.

As well as improvements for all Services in the efficient use of public funds, the relationships and opportunities of working more closely together is expected to support greater collective effectiveness for the services we provide to the public.

The site for the new station was identified during a search to optimise the locations of RBFRS' fire stations, and



We are delighted with the progress at Theale Community Fire Station. During an extremely challenging year, we are really grateful for all the support we've received from the local community.

The progress made with the build in 2020 means that the local community, and indeed communities across Berkshire are much closer to benefitting from a modern, fit-for-purpose blue light hub.



Councillor Angus Ross, Strategic Asset Lead for the Fire Authority

offers improved access to the M4 and A4 corridors. This new location formed part of a public consultation completed in April 2017.

Knights Brown also led construction on this project while observing social distancing measures.

The steel infrastructure of the building was put in place in September of 2020, and the construction topped out (reached its highest point) at the beginning of February 2021. Work is continuing at great pace with external panels, appliance bay doors, staircases, ventilation and air conditioning due to be installed next.

The building is on track to be complete and operational by spring 2022.

Aerial Ladder Platform

The new Aerial Ladder Platform (ALP) arrived in Service in March and is being commissioned before driver and operator training commences in April and May respectively.

The specialist appliance was procured in collaboration with Oxfordshire and Staffordshire Fire and Rescue Services and will replace the existing aerial appliance, bringing with it improvements in height, manoeuvrability, reach and serviceability.





>> EDI AND VALUING OUR PEOPLE

Our Service is committed to supporting and making a positive difference to the communities we serve. Equality and diversity is about understanding differences and ensuring that the right people receive the right services. Our [EDI Objectives](#) are also available on our website.



12

awareness documents produced to aid greater understanding and educate

Our Service is committed to promoting equality, diversity and inclusion (EDI) for all our employees and the wider community. But this is more than just a statement – it's about how we can work towards the society we want to see, both within and outside of our Organisation.

For us, this means valuing every employee as a unique individual. We want to recruit, develop and retain the most talented people, regardless of their background, and make best use of their talents to deliver effective services to our communities.

We also want to work together to create a truly inclusive work environment, where everyone is treated with dignity and respect, and where everyone's contributions are recognised and valued.

Over the past year, we've taken a number of steps to make our Service more equal, diverse and inclusive, both within the



12

members of staff and Fire Authority took part in the Reading Pride #DigitalTogether submission video

Organisation and in our communities.

This work has been recognised with a number of Awards and accreditations this year, including gaining the Gold Award in the Ministry of Defence's Employer Recognition Scheme, and becoming members of the Business Disability Forum and a Stonewall Diversity Champion.

Within the Service, we have an Equality, Diversity and Inclusion Forum, which aims to support developing an inclusive culture by raising awareness of EDI. The group has also set objectives to focus on the broad areas of inclusiveness, leadership, knowing our communities and culture. The published [objectives are available on our website](#).

In June, following the murder of George Floyd, the forum met to discuss ways in which we, as a Service, could work to listen, learn and work to make our Service



the most inclusive, diverse organisation it can be.

As a result, we made a number of commitments which we have delivered on in the past year. These included sharing resources and learning on evolved EDI pages on our intranet, sharing EDI focused article in our staff magazine each month, and reinforcing the importance of our Behaviour Competency Framework in performance reviews for all staff. We continue to look for ways in which we can combat racism and prejudice in our society.

In addition to this work, we also produce awareness documents and articles for staff for a range of religious festivals with the aim of creating a broader understanding of the religions and cultures within our communities, as well as broader awareness months such as LGBTQ+ History Month. These awareness documents also help us to understand when people may face a greater risk of fire, such as when using candles to celebrate, and help inform our Prevention activity.

Supporting Our LGBTQ+ Communities

We have also taken a number of actions to support LGBTQ+ people in our communities within the past year. In November, to coincide with Trans Awareness Week, we launched our Trans Equality Policy, which sets out the actions and provisions required to ensure that our workplaces are trans-inclusive, and reminds us all of our individual roles in making sure that every one of our colleagues and service users feels welcomed and included in our Service. Although COVID-19 control measures meant that Reading Pride was unable to take place this year, we were proud to contribute a video submission to their virtual #DigitalTogether celebration. In addition to this, we have supported a number of events, such as International Pronouns Day, and featured articles in our staff magazine to raise awareness of the issues that many LGBTQ+ people still face in our communities today.



Disability Inclusion

We were also delighted to welcome Change100 interns into the Service for the fourth time. The Change100 scheme is a three-month internship scheme for talented students or graduates with a disability or long-term health condition, which is run by Leonard Cheshire Disability and provides valuable paid internship placements in a range of organisations. Despite the unique challenges that COVID-19 posed, we were happy to be able to take on seven interns in a range of roles across the Service, including in the Communications and Engagement Team, Finance Team, and Fire Safety Legal, Technical and Enforcement Team.

In addition to our work with Change100, we have also set up a Disability Awareness Network within the Service, which aims to help provide support and raise awareness for anyone who has, knows someone or cares for someone who has a long-term health condition or disability. The group is

open to all, and includes staff volunteers who have, know or care for someone living with a long-term health condition or disability. The group meets monthly to discuss a wide range of disability-focused topics, as well as providing the opportunity for staff to gain advice and support from colleagues across the Service.

On 23 September 2020, new Government accessibility regulations came into effect. These regulations aim to ensure that people who have a disability or health condition are not disadvantaged during their online experience. We have worked to ensure our website and intranet comply with these regulations, and you can read our [accessibility statement](#) on our website. We've also worked to create new accessible document templates for our corporate materials, as well as accessibility training for our teams to ensure that everyone knows how and why accessibility is important in our communities.



7

Change100 interns joined the Service in 2020



March 2021

The Disability Awareness Network is set up



Armed Forces

Our EDI work means ensuring that we are accessible to everyone in our communities. As part of this, we have been working to find new ways to support our Armed Forces community.

In 2018, we signed the Armed Forces Covenant and, in doing so, formalised this commitment. Since then, we have worked to make sure that our Service is inclusive of and supportive of all those who have served their country.

On 7 November 2020, Royal Berkshire Fire Authority, with the support of James Sunderland MP, launched the Armed Forces Veterans' Hub in Royal Berkshire. The Armed Forces Veterans' Hub has been designed to offer a place for veterans to come together, listen to speakers and meet organisations who can provide them with advice or support them and meet each

other. Due to COVID-19 control measures, the events have been run virtually, but it is hoped that when restrictions ease, we will be able to welcome veterans into our fire stations for the Hub meetings.

So far, we have been privileged to have had speakers including Colonel Bob Stewart, MP for Beckenham, and organisations such as SSAFA, the Association of ex-Service Drop in Centres, and the Veterans' Transition, Intervention and Liaison Service to provide advice and support to attendees.

As well as the Armed Forces Veterans' Hub, we have supported the Armed Forces through a number of other events, such as Armed Forces Day.

We continue to work closely with the Armed Forces community in order to ensure that we continue to support our veterans, as well as those still serving in the Armed Forces.

10
Organisations attended the launch of the Armed Forces Veterans' Hub in November 2020



>> WORKING WITH OUR PARTNERS IN RESPONSE TO COVID-19

Our Service worked with a number of partners across the Thames Valley, providing support and guidance to assist the response to the pandemic. This was alongside ensuring delivery against [Royal Berkshire Fire Authority's six strategic objectives](#).



Thames Valley Local Resilience Forum Logistics Cell

As part of our ongoing commitment throughout the pandemic to support our partners, a team of seven members of RBFRS staff, with a variety of skillsets and attributes to offer the project, were seconded to support the partnership efforts.

The Logistics Cell was established in April 2020 to coordinate, oversee and manage the PPE supply across the Thames Valley at a time when PPE stock was a national challenge.

The team, alongside partners from Thames Valley Police, Oxfordshire Fire and Rescue Service, Oxfordshire Clinical Commissioning Group and Buckinghamshire Fire and Rescue Service (BFRS) worked together to set up processes for receiving and managing deliveries, completed stock checks, and sorted PPE ready for pick up by the authorities.

The team developed and implemented the structure to assure that we would meet our

goals of turning around and giving stock to partners within 48 hours (earlier if necessary).

The Hub became a central point of contact for many of our partners, allowing for close collaboration and the easy collection of critical data on existing stock, rates of consumption, and expected stock, allowing us to ensure all partners had an adequate seven-day supply.

During the Logistics Cell's operating period, over six-million items of PPE were distributed amongst the many partners, providing crucial support in times of critical shortage.

The team remained in place for five months on a virtual, full-time schedule, gradually reducing as demand for PPE decreased before the Cell finally closed in September 2020.

“

PPE was really difficult to secure in the early days of the pandemic, so it was really helpful to have a coordinated group that was reviewing systematically what was needed and how we might support each other - as partners - to a system in securing and meeting that need.

”

Hannah Mills, Deputy COVID
Director, Oxfordshire Clinical
Commissioning Group



Mass Vaccination Site Set Up

Throughout the pandemic, RBFRS supported the community roll out of the mass vaccination programme, both by offering a RBFRS site and also staff to set up the Madejski Stadium site.

In January 2021, two members of RBFRS staff were redeployed from their roles to serve as the Project Manager and the Logistics Manager on the set up of a mass vaccination site at Madejski Stadium, Reading.

Other key stakeholders involved in setting up the vaccination centre were the Oxford Health NHS Foundation Trust, the West Berkshire CCG and the NHS Commissioning Support Unit.

RBFRS played a vital part in the project set up to make sure the site was staffed, managed and processes were in place to ensure its ongoing management. The Protection Team audited the stadium before the vaccination centre was opened to the public, offering suggestions on how to improve the fire safety and ensure that sufficient evacuation procedures were in place.

The vaccination centre opened on 22 February 2021.

RBFRS was able to support our partners to ensure that the vaccination centre was not only opened on time, but also safe and compliant with fire regulations, supporting with the nation's fight against COVID-19.

By the end of March 2021, the site had

administered over 100,000 vaccinations, supporting the biggest mass vaccination programme in the history of the NHS.



Supporting and Advising Partners

RBFRS entered into discussions with the Reading Coroner in the midst of the first lockdown in 2020 to explore how RBFRS could offer support should there sadly be a large number of deaths in the Berkshire area from COVID-19.

A member of RBFRS staff was assigned to provide emergency planning expertise in an assurance capacity to assess and examine if the current processes in place would be suitable.

This required a member of the team to attend meetings with the Reading Borough Council Emergency Planning Officer and a representative from Wexham Park Hospital.

Following the review, the team was able to provide the required assurance to the Coroner that effective processes were in place.



Lateral Flow Test (LFT) Site Set Up in Slough

At the start of 2021, RBFRS offered assistance to Slough Borough Council and Public Health England to help set up Lateral Flow Test (LFT) sites.

Following initial discussions, a member of RBFRS staff was appointed as the Logistics Manager for the project and he started his eight-week redeployment with Slough Borough Council in January 2021.

As Logistics Manager of the LFT project, the role consisted of sourcing and distributing PPE, stock and testing kits to all of the LFT sites across Slough. They were also responsible, alongside partners, for setting up all 16 of the mobile testing centres in Slough that were moved around the town to sites such as community centres, places of worship and places of work.

RBFRS worked alongside several groups as well as Slough Borough Council and Public Health England.

During the eight-week period that the member of RBFRS staff worked on the project, over 10,000 Lateral Flow Tests were carried out across the sites in Slough.



**over
10,000**

Lateral Flow Tests carried out across the sites in Slough between January-March 2021



218

Shielding Residents Visited in 2020

Firefighters Deliver Welfare in Slough

During the first national lockdown, we received a request from Slough Borough Council, through existing partnership relationships to visit shielding residents that the council were unable to contact.

Five of our on-call firefighters supported Slough Borough Council by visiting 218 shielding residents.

Ketan Ghandi, Service Lead for Communities and Leisure at Slough Borough Council, shared: “The fire and rescue service worked really closely with the Council. The Council were supporting just under 5,000 residents and we managed to contact most of those residents, with the exception of around 250, so it was really important for us to have trusted source, knocking on the door to help residents feel safe and that’s what the fire and rescue service did for us.”

Jo Herring, one of our on-call firefighter who visited these shielding residents, explained: “It was really important that Slough Borough Council had our support to contact these residents. They were busy during this time and we were able to offer a physical presence within the local community to check that these shielded residents were safe and that they were getting everything that they needed.”



Firefighters Support South Central Ambulance Service

During the COVID-19 pandemic, our regular partners at South Central Ambulance Service (SCAS) requested assistance from firefighters to crew as ambulance drivers, in order to help relieve pressures on their emergency response due to the pandemic.

RBFRS is a co-signatory to a Joint Deployment Plan alongside SCAS, Oxfordshire, Buckinghamshire and Hampshire Fire and Rescue Services, which is an arrangement covering the detachment of firefighters to assist SCAS in these types of situations.

The Service received 23 volunteer

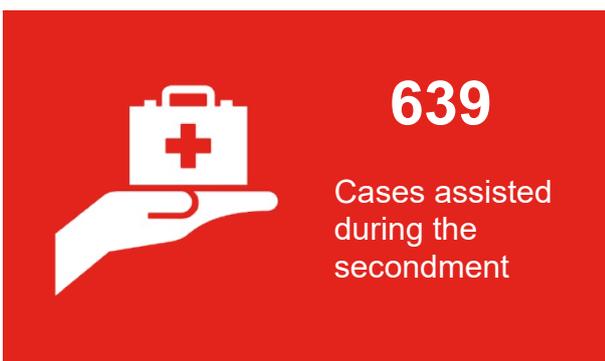
applications over two requests for support, which led to nine firefighters being trained and deployed for the second COVID-19 wave.

RBFRS staff assisted as ambulance drivers from the period of Monday, 11 January 2021 to Sunday, 28 February 2021, being called to 639 cases and logging a total of 1,174 hours.

One of the firefighters who worked with SCAS, Beckie Hamilton, said: "I was detached for eight weeks during the winter period. During my detachment, I thoroughly enjoyed working with such wonderful and accommodating paramedics and emergency care assistants.

"Working alongside them, I was exposed to a variety of different medical situations ranging from falls to panic attacks. We also responded to incidents involving alcohol-induced anxiety, mental illness and cardiac arrest. Every shift brought something different.

"I now understand more about the human body in a medical sense and hope that I can take this forward and use it confidently in any situation I come across, including in my role as a firefighter."





» CORPORATE MEASURES

Here is a summary of our Corporate Measures and how we have performed this year.

In addition, we publish our [Response Standard and key performance measures](#) on our website every month.

Measure	2020/2021 Target	2020/2021 Actual
Number of fire deaths in accidental dwelling fires	0	0
Number of fire casualties in accidental dwelling fires	20 max	24
Percentage of safeguarding referrals made to local authorities within 24 hours	100%	100%
The number of deliberate primary fires	Reduce (from 165)	130
The number of deliberate secondary fires	Reduce (from 269)	265

Prevention

Number of Safe and Well visits (S&W's) delivered to those who are at heightened risk of dying in the event of an accidental dwelling fire	No target	1,915
Number of Safe and Well visits delivered to those who live in households with demographic characteristics associated with higher risk of injury in accidental dwelling fires	No target	34
Percentage of home safety referrals, where there has been a threat or incidence of arson, completed within 48 hours	100%	99.1%

Protection

Total Number of Full Fire Safety Audits carried out	No target	397
Percentage of audits where the results were satisfactory	60% max	49.9%
Percentage success rate when cases go to court	80%	100%
Percentage of statutory fire safety consultations completed within the required timeframes	95%	96.8%
The number of Automatic Fire Alarm calls received	Monitor	2,935



Measure	2020/2021 Target	2020/2021 Actual
Response		
Percentage of occasions where the first fire engine arrives at an emergency incident within 10 minutes from time the emergency call was answered	75%	78.2%
Percentage of full shifts where there is adequate crewing on all 'wholetime' frontline fire engines	100%	96.8%
Percentage of hours where there is adequate crewing on all retained frontline pumping appliances (based on 24/7 crewing)	60%	56.7%
Customer Feedback		
Percentage of domestic respondents satisfied with the overall service	100%	Could not be completed
Percentage of commercial respondents satisfied with the overall service	95%	Could not be completed
Percentage of respondents satisfied with the services with regards to Fire Safety Audits	90%	Could not be completed
Percentage of domestic respondents satisfied with the service regards their safe and well visit	100%	Could not be completed
Number of complaints received	Monitor	22
Number of compliments received	Monitor	8
Human Resources and Learning and Development		
Percentage of working time lost to sickness, across all staff groups	4% max	3.1%
Percentage of eligible operational staff successfully completing fitness test	100%	99.2%
Percentage of eligible staff with Personal Development Appraisals	100%	99.7%
Percentage of eligible operational staff in qualification	100%	96.4%
Number of formal grievances	Monitor	2



Measure	2020/2021 Target	2020/2021 Actual
Health and Safety		
Number of RIDDOR accidents	6 max	1
Finance and Procurement		
Percentage of spend subject to competition	85%	93.3%
Compliant spend as a % of overall spend	100%	100%
Information Rights		
Number of Information Commissioner assessments finding that the Service has breached Information Rights Legislation (Freedom of Information Act and Environmental Information Regulations).	0	0

**RIDDOR is the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2013. Under RIDDOR we have a duty to report certain events, those events being accidents that led to a person being unfit for their normal work for more than 7 days, or 'specified injuries' which are more serious types of injuries. These include injuries such as broken bones, crush injuries and amputations.

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ROYAL BERKSHIRE FIRE AUTHORITY



COMMITTEE	AUDIT AND GOVERNANCE COMMITTEE
DATE OF MEETING	19 JULY 2021
SUBJECT	QUARTERLY PERFORMANCE REPORT 2020-21 QUARTER 4 (JANUARY TO MARCH 2021)
LEAD OFFICER	BECCA CHAPMAN, DATA, PERFORMANCE AND RISK MANAGER
LEAD MEMBER	N/A
EXEMPT INFORMATION	NONE
ACTION	TO NOTE

1. EXECUTIVE SUMMARY

- 1.1 To provide Audit & Governance Committee with an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) fourth quarter (January to March 2021) performance for the 2020/21 financial year.

2. RECOMMENDATION/S

That the Audit & Governance Committee:

- 2.1 **NOTE** the performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2020/21.
- 2.2 **NOTE** the progress made on the two priority programmes.
- 2.3 **NOTE** the position of corporate risk.
- 2.4 **DISCUSS** and **AGREE** any further actions, if appropriate.

3. REPORT

- 3.1 The quarterly performance report supports the Performance Management Framework which provides structure and governance that will enable RBFRS to measure, monitor and manage outputs and outcomes in a timely manner, allowing the organisation to respond and make informed decisions to ensure that statutory obligations and the Fire Authority's Strategic Commitments are successfully delivered.
- 3.2 The Performance Management Framework and normal procedure is for the Strategic Performance Board (SPB) to lead, support and monitor the effective

Agenda Item 13

delivery of the Strategic Objectives by monitoring and reviewing performance. Throughout the COVID-19 pandemic we have focussed on protecting core service delivery, the wellbeing of our staff, and support for our partners. Mindful of the challenges facing us, we have reviewed our Service Plan and Project activity to ensure we retain our focus on the priorities listed above. As such it has been agreed that we will focus on our core data for reporting for the remainder of 2020/21.

- 3.3 Informed by these processes, key data and highlights have been extracted and reviewed by the Senior Leadership Team (SLT) and are presented in this report for scrutiny at the Audit and Governance committee.
- 3.4 The attached report provides an overview of performance for the fourth quarter (January to March 2021) of the 2020/21 financial year. It reports performance in four key areas:
- 3.5 Quadrant one - Service Provision - This section presents data and information which will allow members to monitor how RBFRS are doing at delivering its statutory obligations and any internal services provided between teams, departments and functions.
- 3.6 Quadrant two - Corporate Health - This section brings together all data, information and measures from across the organisation, which will allow members to monitor how RBFRS are managing key resources, e.g. People and Finance.
- 3.7 Quadrant three - Priority Programmes (IRMP, People Strategy, Strategic Asset Investment Framework and the HMICFRS Action Plan) - This section will allow members to monitor progress of work designed to deliver a defined outcome which is different to or improves on current working practices, policies and procedures in support of delivering against the strategic commitments and corporate plan 2019-23.
- 3.8 Quadrant four - Corporate Risk - This section groups provides an assessment of corporate risks that may impact on service delivery. This section will also include data and information from audit monitoring.

4. CONTRIBUTION TO STRATEGIC COMMITMENTS:

- 4.1 Commitment 1 – We will provide education and advice on how to prevent fires and other emergencies.
- 4.2 Commitment 2 – We will ensure a swift and effective response when called to emergencies
- 4.3 Commitment 3 - We will provide advice, consultation and enforcement in relation to fire safety standards in buildings.
- 4.4 Commitment 4 – We will seek opportunities to contribute to a broader safety, health and wellbeing agenda, whilst delivering our core functions.
- 4.5 Commitment 5 – We will ensure that Royal Berkshire Fire and Rescue Service provides good value for money.

4.6 Commitment 6 – We will work with Central Government and key stakeholders in the interests of the people of Royal Berkshire.

5. FINANCIAL IMPLICATIONS:

5.1 This report provides RBFA financial information under the corporate health quadrant.

6. LEGAL IMPLICATIONS:

6.1 There are no legal implications arising from this report

7. EQUALITY AND DIVERSITY IMPLICATIONS:

7.1 This report provides RBFRS equality and diversity information under the corporate health quadrant.

8. RISK IMPLICATIONS:

8.1 This report provides RBFRS corporate risk information under the risk quadrant.

9. CONSISTENCY WITH DUTY TO COLLABORATE:

9.1 This report provides information on RBFRS performance measures and targets, as such there are no identified areas for collaboration.

10. PRINCIPAL CONSULTATION:

10.1 The Chief Fire Officer was consulted during preparation of this report.

10.2 The Head of Finance and Procurement was consulted on the content of this report.

11. BACKGROUND PAPERS:

11.1 Annual Plan 2020/21

12. APPENDICES:

12.1 Included with main report

13. CONTACT DETAILS

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