

FIRE AUTHORITY POLICY AND RESOURCES COMMITTEE



Date: Wednesday, 26 April 2023

14:00hr

**Fire and Rescue Service Headquarters
Hinchingsbrooke Cottage, Brampton Road, HUNTINGDON,
PE29 2NA**

AGENDA

Open to Public and Press

1. **Apologies for absence and declarations of interest**
Guidance on declaring interests is available at
<http://tinyurl.com/ccc-conduct-code>
2. **Minutes of the Policy and Resources Committee meeting held 31st January 2023** 5 - 14
3. **Action Log** 15 - 16
4. **Revenue and Capital Budget Monitoring Report 2022-23** 17 - 22
5. **Commercial and Procurement Activity – Annual Update** 23 - 58
6. **Community Risk Management Plan (CRMP) 2024-29** 59 - 64

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| 7. | Efficiency Plan 2023-24 | 65 - 92 |
| 8. | Cambridgeshire Fire and Rescue Service Unwanted Fire Signals (UFS) Strategy | 93 - 98 |
| 9. | Committee Work Programme | 99 - 102 |
| 10. | Overview & Scrutiny Committee minutes for 19th January 2023 | 103 - 108 |
| 11. | Exclusion of Press and Public
<i>To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information)</i> | |
| 12. | Site of the former Huntingdon Fire Station <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); | |

The Fire Authority Policy and Resources Committee comprises the following members:

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

The Fire Authority is committed to open government and the public are welcome to attend from the start of the meeting.

It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol which can be accessed via the following link below or made available on request.

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer at least three working days before the meeting.

Full details of the public speaking scheme for the Fire Authority is available at:

Councillor Mohammed Jamil and Councillor David Over Councillor Michael Atkins
Councillor Simon Bywater Councillor Bryony Goodliffe Councillor Edna Murphy Councillor
Kevin Reynolds Councillor Philippa Slatter and Councillor Mandy Smith

Clerk Name:	Dawn Cave
Clerk Telephone:	01223 699178
Clerk Email:	dawn.cave@cambridgeshire.gov.uk

Cambridgeshire and Peterborough Fire Authority Minutes of the Policy and Resources Committee meeting

Date: 31 January 2023
Time: 2.00pm – 3.15pm
Place: Fire HQ, Huntingdon
Present: Councillors: S Bywater, B Goodliffe (Chair), M Jamil (Vice Chair), E Murphy, D Over, K Reynolds, P Slatter and M Smith
Officers: Jon Anderson, Dawn Cave, Shahin Ismail, Stuart Smith, Chris Strickland, Deb Thompson and Matthew Warren
In attendance: Rachel Brittain and Wanda Khonjwayo (BDO)

There was a minute's silence for Scottish Fire and Rescue firefighter Barry Martin who had recently died after attending a fire in Edinburgh. The Chair said that the thoughts of CFRS were with the family and colleagues of Mr Martin at this sad time.

25. Apologies for absence and declarations of interest

Apologies were received from Councillor Atkins.

There were no declarations of interest.

26. Minutes of the Policy and Resources Committee held 20th December 2022

The minutes of the meeting held on 20th December 2022 were approved as a correct record.

27. Action Log

The Action Log was noted. All action were completed or in hand.

28. Draft Fire Authority Budget 2023-24

Members considered the draft Fire Authority Budget for 2023-24, the draft Medium Term Financial Strategy for 2023-28, and the detailed medium term capital programme for 2023-27.

The Committee had been briefed at its meeting in December 2022 about the government announcement on how Fire Authority Council Tax levels could be increased. At that meeting, the Committee had agreed the forecast budget for 2023/24, to include public consultation on the maximum £4.95 Council Tax increase. The draft budget had also been shared with members of the Overview and Scrutiny Committee at their meeting on 19/01/23, where no changes were requested. The presentation of the Budget had changed significantly compared to previous years. The main increases related to pay, with budgeted increases of 5% for 2022-23 and 4% for 2023-24. These pay increases could be paid for by the Council Tax increases recommended. If that recommended increase was not realised, the Service would need to revisit its business continuity plans.

A Member observed that inflation was a major unknown, and asked what would be done with the contingency at the end of the year? Officers advised that there were still Reserves, which were sufficient, and all indications were that inflation would reduce. The Member commented that he had not felt that last year's budget was strong enough.

A Member queried the considerable increase in Consultant Fees, from £214,000 in 2022-23 to £414,000 in 2023-24. Officers advised that some of this related to specialist advice in relation to Property, especially around pre-application. The majority of the increase related to a specific technology, where skilled staff had left the in-house team and it was difficult to recruit as it was a niche market. As an alternative, resource was bought in as and when required.

A Member asked whether staff managers at all levels were reviewing costs continuously, particularly in terms of justifying new appointments to vacancies. Officers confirmed that this was the case.

The Committee received a Public Question from Mr Mark Harriss, a CFRS employee, in a private capacity. An officer observed that as FBU representative, it was difficult for Mr Harriss to speak independently on the issues raised:

On page 10 of the draft budget book 2023/2024 (Agenda item 4 Appendix), you write: "The pay award for operational staff is still yet to be determined but it has been assumed to be 5% for 2022/23 for the preparation of the 2023/24 budget." and "we have assumed pay increases of 4% going into 2023/24".

In November 2022, the 5% pay award was rejected and called an insult by firefighters, so much so, that in December a ballot for strike was launched with the result due on 30th/31st Jan.

We know that 2022 inflation hit over 11%. The Office for Budget Responsibility (OBR), which advises the government on its economic plans, forecasts that CPI inflation will be 7.4% in 2023.

Aren't the figures you provide a little low? And have you forecasted for inflation matching (or beating) pay awards for both 2022 and 2023?

The Chair advised that a written response would be sent to Mr Harriss.

Action required: Deputy Chief Executive Officer (*response attached as Appendix 1*) Briefly, officers commented that the assumed pay rises were within the context of the overall funding package, and that the Fire Authority had to live within its means: the 5% and 4% respective annual pay increases represented what was achievable within the financial constraints detailed, and the recommendations set out. In addition, it was noted that government was warning against higher pay awards which could lead to pay inflation.

It was resolved unanimously to:

1. review the budget book attached at Appendix 1 and endorse the recommendations detailed on Page 17 within it:
 - (i) that approval is given to a Fire Authority budget (as detailed in Appendix 1) to the requirement of £33,678,280;
 - (ii) that approval is given to a recommended Fire Authority precept for Tax from District Authorities and Peterborough City Authority of £24,134,451;
 - (iii) That approval be given to an Authority Tax for each band of property, based on the number of Band D equivalent properties notified to the Fire Authority by the District Authorities and Peterborough City Authority (302,095):

Band	2022/23	Authority Tax	2023/24	Band	2022/23	Authority Tax	2023/24
A	£49.98	+£3.30	£53.28	E	£91.63	+£6.05	£97.68
B	£58.31	+£3.85	£62.16	F	£108.29	+£7.15	£115.44
C	£66.64	+£4.40	£71.04	G	£124.95	+£8.25	£133.20
D	£74.97	+£4.95	£79.92	H	£149.94	+£9.90	£159.84

- (iv) That approval is given to the Capital Programme detailed in Appendix 2.

29. Annual External Audit Report

The Committee considered the Annual External Audit Report. Members noted that this late report had been accepted by the Chair for the following reasons for urgency and lateness:

Reason for lateness - finalisation of comments

Reason for urgency – Policy and Resources is the most appropriate Committee to consider the Value For Money report and finalisation of the audit work which has already had significant delay.

Rachel Brittain of BDO introduced her BDO colleague Wanda Khonjwayo, who would be working with the Authority, going forward. She thanked Members for their patience, as this report had been outstanding for some time. The report summarised the key issues arising from BDO's audit of the Fire Authority for the year ended 31/03/2021, and an unqualified opinion of the Authority's financial statements on 14/02/2022 had been issued.

It was noted that the External Auditors were now required to review and report on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, and report on any significant weaknesses in those arrangements. No such weaknesses had been identified, and the report was very positive. The External Auditor advised that the Authority needed to continue to robustly monitor the impact of inflation on its funding position.

In response to a Member question, it was confirmed that there were a number of minor recommendations arising from the Audit, which were set out on the penultimate page of the report. It was also noted that the Auditor's Annual Report would be published on the Fire Authority's website. Action required: Scrutiny and Assurance Manager.

It was resolved unanimously to approve the Audit Completion Report.

30. Revenue and Capital Budget Monitoring Report 2022-23, including a mid-year Treasury Management Update

Members considered an update on revenue and capital spending as of 31 December 2022.

There had been no significant changes since the Monitoring Report had been presented to the December Committee meeting. Many of the budget lines were showing underspends, as the full impact of inflationary increases had

not yet been incurred. It was confirmed that there was no government support for energy costs.

The operational fire budget related to On-Call firefighter expenditure, which fluctuated according to demand. The budget was significantly overspent due to the high levels of operational activity over the summer months. The Home Office had indicated that it may grant funding to cover the financial impact of such spare conditions. It was confirmed that the spare funding, if forthcoming, should be received by the end of the current financial year.

In terms of the Treasury Management review, there had been no major changes, other than cash reserves reducing significantly due to property projects. Many public bodies were opting to no longer invest in banks domiciled in countries with questionable ethical standards, and therefore it was likely that those investments would be reviewed and reinvested in UK based institutions, when they matured in the coming months.

It was resolved unanimously to:

note the position on revenue and capital spending and the mid-year treasury management update attached at Appendix 2.

31. Fire Authority Programme Management – Monitoring Report

Members considered an update against the 2022/23 projects.

The Committee noted issues around the ongoing delays with the Replacement ICCS and Mobilising Solution, where extended timescales for some planned work could cause issues for meeting overall timescales. A decision would be made in early April on when to go live with the new system, which may be after the summer. The likely process, including moving the Control Room to St Ives temporarily whilst the new technology was installed at Service Headquarters, were noted.

With regard to the Review of Operations project (P137), the focus was moving from business continuity to the flexibility and efficiency side of project. This project would mean the Service was well placed to deal with the next HMICFRS Inspection round on productivity and efficiency. The Strategic Brief template for the Inspection had changed four times over the last month, and the advantages of being early in the Inspection process were noted. It was also noted that this should also meet the government's requirement for Fire Authorities to provide an efficiency statement plan to the Minister to justify a decision to increase the precept by £4.95.

It was resolved unanimously to note the programme status report, as of December 2022, attached at Appendix 1.

32. Strategic Risk and Opportunity Management Register

The Committee considered an updated strategic risk report, as of January 2023, highlighting those risks that were considered above the risk appetite of the Authority.

Members noted that the report had been accepted by the Chair for the following reasons for urgency and lateness:

Reasons for Lateness – capacity to complete the report has been impacted by the HMICFRS inspection.

Reasons for Urgency – the Risk review to Policy and Resources is overdue.

Cyber-attacks remained one of the highest risks posed to the Service, and work continued to keep systems protected as new threats came forward, including educating staff on the emerging threats.

There were a number of risks related to fire from electric vehicle battery and large battery energy storage sites, especially as there was a lack of UK guidance and legislation around these issues. Members discussed these issues, noting that proprietors of EV and battery storage facilities should be undertaking their own risk assessments. The key issues were how the risks with electrical batteries were mitigated, and the issue of capacity to deal with these issues. The recent issue of JustEat scooters in Cambridge was noted. The main problem was that the legislation had not yet caught up with the technology. Until that point, a pragmatic approach was being taken, in discussion with partners and governmental departments.

An error was noted on the presentation of Risk Number STA-R221 in the report.

There was a discussion on the increase in solar panel battery storage being housed in attics in domestic properties, which often also housed combustible materials. There was also a question about the proliferation of log burners. Officers commented that log burners were more easily dealt with, whereas battery fires were harder to deal with as the thermal runaway process meant that such fires did not need oxygen. The Fire Service does not have any jurisdiction on domestic properties, so was reliant on appropriate legislation coming forward. A Member suggested greater public awareness and education may be required.

A Member suggested that evidence of attendance at an increasing number of battery fires could be used to put pressure on MPs and government departments. It was confirmed that information on battery fires had to be extracted manually, but it was agreed that this could feed into the community safety messaging. Action required.

A Member suggested that the Fire Service could consider input into the training of apprentices and new workers in emerging green technologies.

It was resolved unanimously to review and note the Strategic Risk report.

34. Estate projects – update

Members received an update on current and proposed estates projects.

It was noted that a full report on the new Huntingdon Fire Station and Training Centre would be considered at the Fire Authority meeting on 10th February. Pre-applications discussions with Huntingdonshire District Council were still ongoing regarding the current site. A positive decision was expected, but it was taking longer than anticipated, due to the site being in both a flood risk area and in a Conservation area.

Cambridgeshire Constabulary had decided not to proceed with the St Neots co-located site, following the procurement process.

Members noted the issues around the last remaining domestic property owned by CFRS, at Upherd Lane in Ely, which is part of the legacy from when Fire Services, like Police Forces, had a considerable portfolio of domestic properties for operational personnel. In response to a Member question, it was confirmed that CFRS was unlikely to offer to sell the property to the District Council, as it had a duty to maximise the return for the property. A Member asked if there was any value in retaining the Ely property, for cashflow/Reserves purposes, so that the return was not realised this year. Officers advised that they were keen to divest of the property as soon as possible, given that it was unoccupied, and the cost burden it incurred.

There was a discussion about joint working with Cambridgeshire Constabulary on co-located sites, given the amount of work that had been put into potential projects at Dogsthorpe, Monkswood, Wisbech and now St Neots, only for Cambridgeshire Constabulary to withdrawal. A Member suggested that whilst opportunities were limited going forward, an earlier and more detailed assessment on the viability of projects may be worthwhile, so that work was not wasted on aborted projects. Officers agreed that this was a source of frustration, and there was a need to learn to “fail early” and put clear timescales on such projects. Often there was initial enthusiasm but this could

dissipate following personnel changes. A Member observed that several years ago, there had been considerable political pressure from government for Blue Light services to work together on projects to save money, but there was now less pressure.

It was resolved unanimously to:

- a) approve the sale of Uphers Lane in Ely;
- b) note the update on other estate projects.

35. Fire and Indemnity Company (FRIC) Update

Members received an update on the insurance and protection arrangements provided by the Fire and Rescue Indemnity Company (FRIC).

The Committee was reminded that FRIC was a Mutual company limited by guarantee, owned and controlled by its twelve Members, with CFRS being one of the original five founder members. The company has been very successful, and one of the key benefits was that CFRS's insurance costs had been minimised in a market where costs had been increasing rapidly, with contribution rising by only 2% in 2022/23, mainly as a result of the reduction in fleet size.

A Member observed that the discounts available to CFRS resulted from the Authority having been proactive in a number of innovative areas such as CCTV in vehicles, Health & Safety and training.

It was resolved unanimously to:

- note the contents of this report and in particular, the ongoing benefits of FRIC membership.

36. Work Programme

Members noted the forward Work Programme.

Appendix 1

Mr M Harriss

VIA EMAIL

8 February 2023

Dear Mr Harriss,

At the Policy and Resources Committee on 31 January 2023 the Chair of that Committee permitted the asking of a late question on agenda item 4 (Draft Fire Authority Budget 2023/24) that had been sent by you as a 'private individual'. The question was;

On page 10 of the draft budget book 2023/2024 (Agenda item 4 Appendix), you write: "The pay award for operational staff is still yet to be determined but it has been assumed to be 5% for 2022/23 for the preparation of the 2023/24 budget." and "we have assumed pay increases of 4% going into 2023/24".

In November 2022, the 5% pay award was rejected and called an insult by firefighters, so much so, that in December a ballot for strike was launched with the result due on 30th/31st Jan.

We know that 2022 inflation hit over 11%. The Office for Budget Responsibility (OBR), which advises the government on its economic plans, forecasts that CPI inflation will be 7.4% in 2023.

Aren't the figures you provide a little low? And have you forecasted for inflation matching (or beating) pay awards for both 2022 and 2023?

I answered the question in my capacity as presenting Officer of the agenda item and Treasurer to the Authority. As you were unable to attend the meeting in person, in accordance with current Standing Orders as to Meetings, my written response is;

The Fire Authority has a duty to set a balanced budget. This service must consider costs against available funding. The proposed budget provides for cost of living pay awards of 5% and 4%, that are affordable within the current funding envelope. If the negotiations regarding pay do create a pressure above that allowed for in the budget, then the Authority will require the Service to identify measures to identify savings that will fund the additional budget.

I would also add that the Monitoring Officer has advised that in future, given that you are the Fire Brigades Union representative, questions from you will only be permitted in your official capacity to properly distinguish such questions from those asked by members of the public.

Your sincerely,

Matthew Warren
Deputy Chief Executive Officer

Cc Policy and Resources Committee Members

Fire Authority
Policy and Resources
Committee

Minutes - Action Log

This is the updated action log as at 18 April 2023 and captures the actions arising from the most recent Policy and Resources Committee meetings and updates Members on the progress on compliance in delivering the necessary actions.

Minutes from the 20 December 2022 Committee meeting					
Minute No.	Report Title	Action to be taken by	Action	Comments	Status
22	Revenue and Capital Budget Monitoring Report 2022/23	Scrutiny and Assurance Manager	It was agreed that both Policy and Resources and Overview and Scrutiny Committees would be held at the new training centre in January, if possible.	The facilities were not ready to host meetings during January 2023 however a site visit for all Members is being planned for 10 February 2023. Update 26 April 2023 Site visit completed and well attended by Members. Meeting spaces will be booked for Committee meetings when available.	Completed Completed
Minutes from the 31 January 2023 Committee meeting					
28	Draft Fire Authority Budget 2023/24	DCEO	Written response to the public question posed by Mr Mark Harriss required.	Written response sent via email on 8 February 2023; attached as an appendix to 31 January 2023 Committee Minutes.	Completed
29	Annual External Audit Report	Scrutiny and Assurance Manager	It was also noted that the Auditor's Annual Report would be published on the Fire Authority's website.	Published under Finance/Financial Audits/Audit Letter 2020/21.	Completed
32	Strategic Risk and Opportunity Management Register	Media and Communication Team	A Member suggested that evidence of attendance at an increasing number of battery fires could be used to put pressure on MPs and government departments. It was confirmed that information on battery fires had to be extracted manually, but it was agreed that this could feed into the community safety messaging.	Subject matter information currently being collated for publication on the website and social media channels. The information will also be used as content in a new Home Fire Safety booklet issued during visits to vulnerable people.	Completed

To: Policy and Resources Committee

From: Deputy Chief Executive Officer (DCEO) - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren

Telephone 01480 444619

matthew.warren@cambsfire.gov.uk

Date: 26 April 2023

Revenue and Capital Budget Monitoring Report 2022-23

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on revenue and capital spending as of 31 March 2023.

2. Recommendation

- 2.1 The Committee is asked to note the position on revenue and capital spending.

3. Risk Assessment

- 3.1 Economic – the greatest risk to the in-year budget is the impact of inflation on prices and pay. The Authority may have to use reserves to balance spend at the end of the financial year.

4. Background

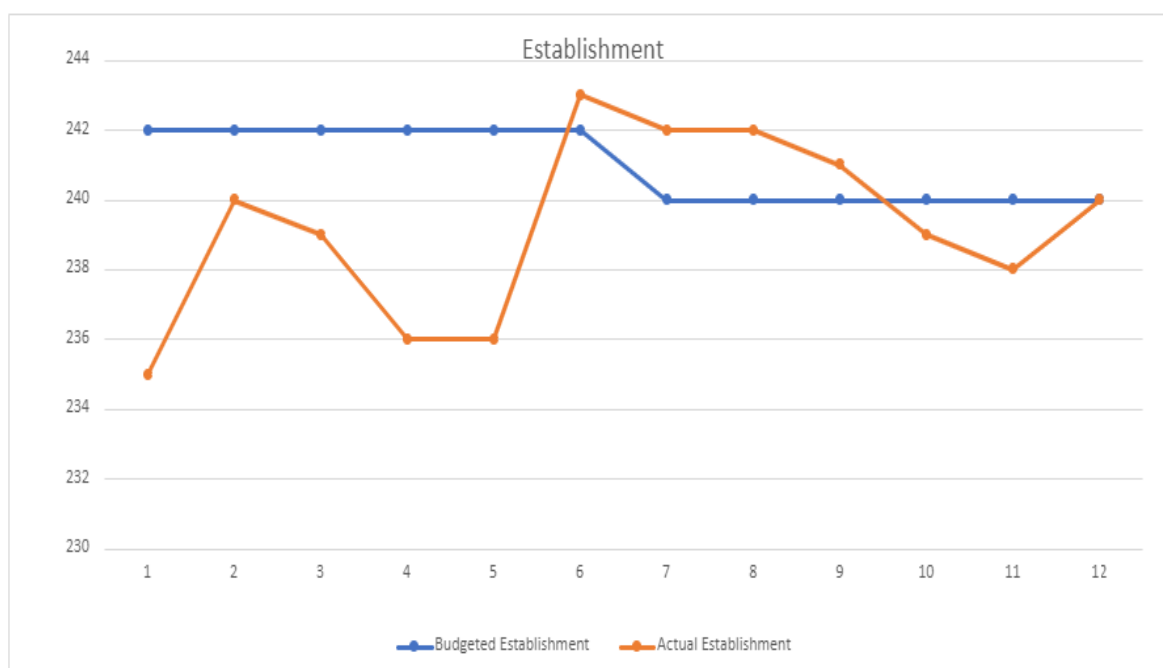
- 4.1 The budget for 2022/23 was approved at the Fire Authority meeting held in February 2022. The total budget was set at £31.226m with a total precept of £22.215m.
- 4.2 At its meeting in June 2022 the Authority approved a revenue carry forward of £1.676m. The carry forward included grant income of £0.641m. The revised revenue budget for the 2022/23 financial year is therefore £32.902m. Further adjustments have been made in respect of revised business rates income, savings on rateable values and additional income. This totals an additional £77k, making the revised budget £32.979m.
- 4.3 A budgetary control summary showing the main variations to the end of November 2022 is attached at Appendix 1. The carry forwards highlighted in Paragraph 4.2 above have been incorporated into the current year budgets.

5. Inflationary Pressures

- 5.1 As highlighted through the budget setting process for the 2022/23 financial year, inflation was deemed the greatest risk to the financial sustainability of the Authority in the short to medium term. Many of these inflationary pressures have now materialised with significant impact on pay and energy.

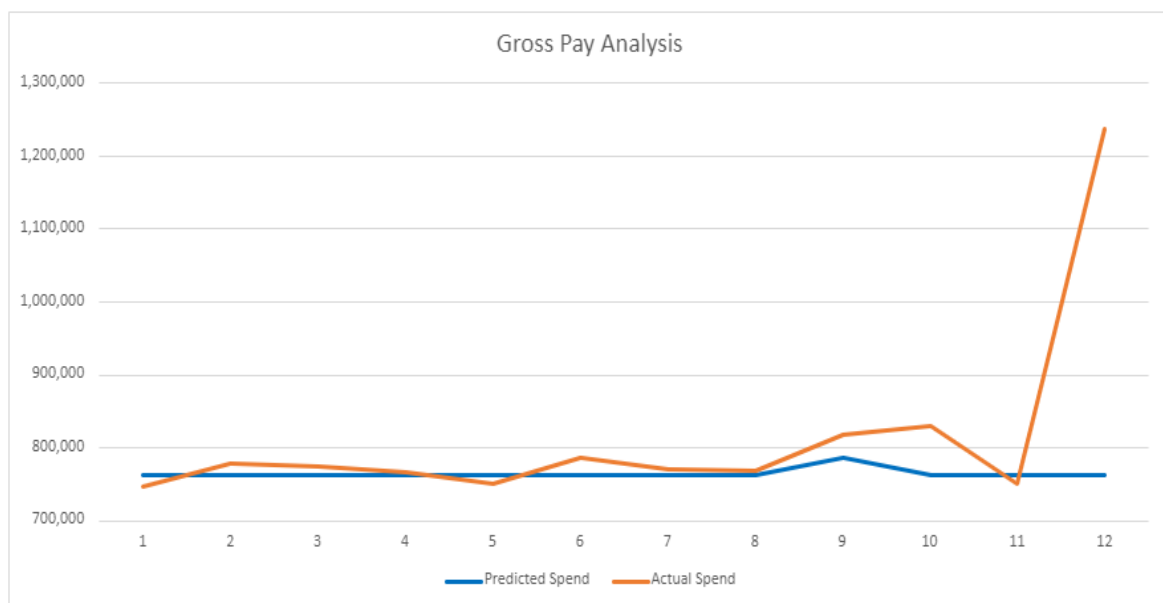
6. Update – Revenue Expenditure

- 6.1 The budget for full-time firefighters is now overspent owing to the pay award for 2022/23 being agreed at 7%. The Service did budget for a 2% pay award. The management of the firefighter establishment remains robust with actual firefighter numbers matching the budgeted establishment in March 2023.



- 6.2 The pay award for professional support employees has now been agreed, averaging 6% for NJC employees and 5% for management band employees. This is significantly greater than the 2% budgeted and will result in an on-going budget pressure. This pressure is offset in-year because of higher than usual staff turnover and challenges currently being experienced when attempting to recruit to vacant positions. The turnover of professional support employees is impacting on delivery within certain aspects of the organisation and requires prioritisation of workloads and projects accordingly.
- 6.3 The premises budget is currently overspent by £19k. Energy cost pressures represent £15k of this overspend as a result of previous fixed tariffs ending in October 2023.
- 6.4 Vehicle running expenses are showing a significant change in position. This is owing to supply challenges within the silver fleet resulting in higher maintenance costs. This, alongside higher fuel prices, has resulted in an overspend before any year-end adjustments of £62k.

- 6.5 The supplies and services budgets are showing an underspend. Specific grants will be carried forward from this budget through closedown that will reduce this underspend. This budget is also where all savings identified as part of the comprehensive spending review (CSR) preparation project are held. These savings will be used to fund the budget gaps caused by inflationary increases at year-end.
- 6.6 The operational fire budget relates to On-Call firefighter expenditure. This expenditure fluctuates according to demand and is monitored through the financial year. The current budget is overspent significantly. This overspend was caused by the high levels of operational activity over the summer. The Home Office had indicated that it may have funding available to cover the financial impact of 'spate conditions' on the Authority. However it has now been confirmed that no additional funding is available. The Service will seek to use in-year savings identified as part of the CSR work or its general reserve to fund this overspend.



7. Update - Capital Expenditure and Financing

7.1 The revised capital programme, together with spending to date, is shown in the table below:

			Original Budget	Carry Forwards	Revised Estimate	Total Committed to Date
			£000's	£000's	£000's	£000's
Expenditure						
Vehicles	7.2		1,655	1,216	2,871	2,341
Land & Buildings	7.3		4,220	54	4,274	5,524
Equipment	7.4		269	169	438	392
IT and Communications	7.5		775	2	777	818
						0
			6,919	1,441	8,360	9,075
Financing						
Capital Receipts			-543	0	-543	-457
Loan			-3,019	0	-3,019	0
Application of Reserves			-3,000	-1,441	-4,441	-8,261
Revenue Contribution			-357	0	-357	-357
			-6,919	-1,441	-8,360	-9,075

7.2 This budget covers the purchase of operational and non-operational vehicles. The purchase of new vehicles is in line with the revised fleet strategy and plan. It also considers the new sustainability strategy. The revised forecast provides for seven new fire appliances of which three have been carried forward from the previous financial year. The Service has seen significant delays in replacing parts of its silver fleet with £226k of the carry forward budget relating to the prior year capital programme.

7.3 This budget covers the maintenance of existing properties and the remaining investment in the new Huntingdon fire station and training centre, which will be funded from the property development reserve.

7.4 The equipment expenditure relates to heavy duty rescue equipment, thermal cameras and defibrillators. The carry forward relates to expenditure committed in the last financial year for new battery-operated cutting equipment.

7.5 The IT and communications capital budget covers the purchase of major IT systems, hardware and the upgrade of communications equipment. The purchase and implementation of the new ICCS and mobilisation system is included within this budget.

Source Documents

Location:

Revenue and Capital Budget Position 2022/23 Reports
Service Headquarters
Hinchingsbrooke Cottage
Brampton Road
Huntingdon
PE29 2NA

Contact Officer:

Deb Thompson, Scrutiny and Assurance Manager deb.thompson@cambsfire.gov.uk

Appendix 1

Description	Paragraph Reference	Revised Budget £	Budget to Date £	Actual to Date £	Variance £	Variance %
Full Time Firefighters		13,413,884	13,413,884	13,766,356	352,472	3%
Control Room Staff		1,739,633	1,739,633	1,870,877	131,244	8%
Local Govt. Employees		3,414,219	3,414,219	3,616,840	202,621	6%
Senior Management (Hay)		4,210,507	4,210,507	3,838,028	-372,479	-9%
Recruitment & Training		640,350	640,350	535,062	-105,288	-16%
Fire Allowances		697,719	799,859	791,247	-8,612	-1%
EMPLOYEE COSTS	6.1 - 6.2	24,116,312	24,218,452	24,418,409	199,957	1%
Property Maintenance		435,221	427,954	419,146	-8,808	-2%
Insurance		62,840	62,840	66,050	3,210	5%
Energy Costs		428,810	410,983	426,197	15,214	4%
Cleaning		48,587	48,587	37,695	-10,892	-22%
Rents & Rates		657,729	657,729	677,576	19,847	3%
PREMISES	6.3	1,633,187	1,608,093	1,626,664	18,571	0%
Car & Cycle Allowances		38,533	38,533	36,410	-2,123	-6%
Vehicle Running Expenses		179,978	179,978	241,762	61,784	34%
Vehicle Insurance		157,620	237,813	239,887	2,074	1%
TRANSPORT AND MOVEABLE PLANT	6.4	376,131	456,324	518,059	61,735	0%
Office Expenses		305,607	305,607	211,850	-93,757	-31%
IT & Communications Equip.		2,368,741	2,405,940	2,305,781	-100,159	-4%
Fire Equipment		324,213	337,372	295,578	-41,794	-12%
Uniforms & Clothing		502,725	502,725	369,683	-133,042	-26%
Other Supplies & Services		1,802,481	1,804,414	1,258,492	-545,922	-30%
SUPPLIES AND SERVICES	6.5	5,303,767	5,356,058	4,441,383	-914,675	
CONTROLLABLE EXPENDITURE		31,429,397	31,638,927	31,004,516	-634,411	-2%
Other Income		-1,717,236	-1,405,736	-1,305,615	100,121	-7%
Other Government Grants		-2,260,533	-2,260,533	-2,647,632	-387,099	17%
CONTROLLABLE INCOME		-3,977,769	-3,666,269	-3,953,247	-286,978	
NET CONTROLLABLE EXPENDITURE		27,451,628	27,972,658	27,051,269	-921,389	-3%
Debt Charges		1,377,451	153,525	157,986	4,461	3%
External Interest		-90,000	-75,213	-150,971	-75,758	101%
CAPITAL FINANCING		1,287,451	78,312	7,015	-71,297	
Pensions - Lump Sums		766,140	766,140	774,915	8,775	1%
Operational Fire Budget		3,505,897	3,376,277	3,644,440	268,163	8%
SAFETY-NETTED EXPENDITURE	6.6	4,272,037	4,142,417	4,419,354	276,937	
NET EXPENDITURE		33,011,116	32,193,387	31,477,638	-715,748	-2%

To: Policy and Resources Committee

From: Head of Commercial and Business Support – Tracey Stradling

Presenting officer(s): Deputy Chief Executive Officer – Matthew Warren
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Date: 26 April 2023

Commercial and Procurement Activity – Annual Update

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on the commercial activity of the organisation for the financial year 2022/23 (including exemptions), the key priorities for 2023/24 and an overview of changes to public procurement.
- 1.2 The last update was presented to this Committee at its meeting on 28 April 2022.

2. Recommendation

- 2.1 The Committee is asked to note the contents of this report and make comment as appropriate.

3. Risk Assessment

- 3.1 Economic - throughout all commercial activity ensuring the management of costs remains a priority as some uncertainty due to current conflicts, scarcity of supplies and increased pricing prevails.
- 3.2 Ethical – ensuring fair-trade practices throughout commercial and procurement activity which includes modern slavery issues, increasing demand for conscious business models and ensuring corporate social responsibility. Ethical procurement also considers risks associated with bribery, fraud and corruption and has plans and mitigations in place to keep the Authority free from risk or perceived risk.
- 3.3 Political – considering how government policy, guidance and changes to best practice can impact on commercial activity and the markets we operate within.
- 3.4 Sociocultural – ensuring due regard is given to social value and safeguarding in all commercial activity by considering the impact on local

communities. We must also ensure our supply chains can support maximising social value for the communities we serve and the economy.

Changing demographics - ensuring goods, works and services procured are flexible enough to meet changes within the workforce, our communities and supply chains.

- 3.5 Legislative – ensuring all commercial activity is compliant with Public Procurement (Amendment etc) (EU Exit) Regulations 2020, the Trade Co-operation Agreement as well as other relevant legislation for example General Data Protection Regulation and Freedom of Information, ensuring the basic principles of transparency, fairness and equal treatment are adhered to at all times.
- 3.6 Technical – ensuring as an authority we are compliant with the requirements for e-sourcing and build appropriate measures into all commercial activity to mitigate risk and cost to the Authority, meeting all compliance requirements in relation to transparency as well as the potential to deliver increased savings. Standardising bidding and opening up opportunities to bigger and more diverse markets. This also leads to a reduction in the administrative burden and therefore returning a cost saving.
- 3.7 Environmental – ensuring as an authority we deliver sustainable procurement. There is a requirement for the Authority to deliver sustainable outputs through all commercial activity and improving social impact through the supply chain (Social Value Act 2012).
- 3.8 Demographics and people - ensuring as an authority we are compliant with sustainability, diversity and inclusion and social justice.

4. Equality Impact Assessment

- 4.1 A high-level equality impact assessment (EqIA) will be undertaken for all procurement and commercial related policies, strategies and statements. Full EqIA's will be undertaken for those procurements which become full implementation projects or changes to items that have an impact on end users for example, equipment, clothing and training.

5. Background

- 5.1 The Procurement Team is now referred to and named the Commercial Team to better reflect its wider core function which is ensure our managers and stakeholders are aware of their commercial responsibilities and seek to drive value for money, ethical commercial dealings, sustainability, social value and innovation as well as transparency and equal and fair treatment in all commercial dealings. This continues to remain a high priority at a time of continuing global uncertainty within supply chains and rising inflation.

- 5.2 The team continues to operate and work well under a category management arrangement, aligned to the National Fire Chiefs Council (NFCC) National Procurement Hub categories and the structure of the team remains as follows with no turnover of staff;

Head of Commercial and Business Support

Category Lead	Category Lead	Category Lead
Fleet	Clothing	ICT
Professional Services	Operational Equipment	Property and Estates

- 5.3 This category management approach enables the fostering of good commercial relationships with key suppliers within the market to deliver goods and services in the best way for the Authority. It also means the commercial category lead gains and maintains a good understanding of the supply chain and therefore early identification of risks and opportunities within the market.
- 5.4 The category structure also enables the team to build relationships with key stakeholders within the Service to best deliver their requirements whilst ensuring compliant routes to market and therefore reduce the risk of challenge, or perceived risks of fraud or corruption for the Authority.
- 5.5 As stated above, the category structure is aligned with the National Procurement Hub category structure. The Head of Commercial and Business Support continues to be the NFCC National Category Lead for Professional Services with the Chief Fire Officer continuing as Category Sponsor. Working as part of the National Procurement Hub as well as the wider blue light commercial organisation means we are able to influence national procurement frameworks across all blue light categories by regular stakeholder engagement to ensure the requirements of this Service are included where possible.
- 5.6 The wider Commercial Team also work closely with the National Procurement Hub and other public buying organisations to ensure sufficient and fit for purpose frameworks and supplies are available for the sector and partner agencies.

6. Key Priorities 2023/24

- 6.1 Delivery of the procurement pipeline – whilst pipeline planning is a business-as-usual activity along with the requirement to publish our five-year procurement pipeline, the focus of this year's planning meetings will be those procurements that will fall into the latter part of this calendar year and early next as they will fall under the new regime.

The pipeline is a rolling live document amended as and when changes and new requirements come to light through regular meetings with our integrated risk management plan (IRMP) team and key stakeholders as well as information and decisions passed to the Head of Commercial and Business

Support following Programme Board. This pipeline will be shared with the IRMP team, Chief Officers Advisory Group and Heads of Group to ensure that all planned projects which involve a procurement and/or commercial activity have been captured. After this the draft pipeline will be finalised and published.

- 6.2 Preparing and embedding the new Procurement Act – the major focus for the team this year will be preparing for the implementation of the new Procurement Bill. Royal Ascent is expected late spring, followed by secondary legislation and supplementary guidance in readiness for a six-month lead in with expected adoption of the Act by contracting authorities in early 2024. We are currently drafting our implementation strategy which will be finalised once the Act and secondary legislation is published. The priority for the Head of Group and the wider team will be to amend our policies, guidance and training materials, tender documentation and contracts to ensure compliance in all commercial dealings. There are a number of known and expected changes which the team are preparing for by gaining an understanding of them and the impact for the team and wider authority.

The new Procurement Bill is designed to consolidate the current four sets of regulations into one, with the aim of saving money, boosting domestic productivity, spreading opportunity, improving public services, empowering communities, taking social value into account as well as;

- simplifying procurement and enabling flexibility to better meet the needs of suppliers and contracting authorities,
- reducing bureaucracy for suppliers with the introduction of a single digital platform,
- creating a fairer system, more open and competitive system for suppliers and authorities, taking into account removing some of the barriers for SME's and voluntary organisations,
- increased transparency, with more recording and reporting throughout the procurement and contract management lifecycle,
- support transition into more sustainable procurement and net zero carbon emissions,
- further embed ethical trading, in relation to modern slavery, fraud, bribery and corruption, placing a further duty on contracting authorities to take all reasonable steps to identify actual or potential conflicts and keep them under review.

Some amendments to public procurement have already been introduced both as a result of Brexit and also Cabinet Policy Notes. These have been in relation to;

- advertisement of tender opportunities,
- inclusion of VAT in thresholds,
- modern slavery,
- supplier qualification also known as conditions for participation,

- ethical trading,
- sustainability.

All of the above have been adopted by the Authority and incorporated into our current practices.

The National Procurement Policy Statement will be issued once the Bill has received Royal Assent setting out the government's strategic and policy priorities. As a contracting authority we must also have regard to this when planning our commercial activities and build it into our transition.

The Cabinet Office will be providing a comprehensive learning and development programme to support commercial teams in the transition to the new regime and as a team we have signed up to these sessions in readiness. We have drafted "*An Overview of the Changes and Impact*" for the Commercial Team as a starting point and a copy of this is attached at Appendix 1 which will provide further information on the proposed changes and preparedness.

- 6.3 **Commercial awareness training** – we will pause commercial awareness training for the first half of this year to focus on understanding the impact of the regulations and prepare for transition to the new regime. The redraft of training materials will commence once there is certainty on the new legislation and statutory instruments and training will be delivered to key stakeholders.

Where a need for some commercial training is identified for example at the commencement of a procurement related project or a tender evaluation panel training, this will be delivered.

Once the impact of the new regime is fully known a basic commercial awareness e-learning course will be developed which will be a mandatory course for middle managers to complete and will include key areas such as basic commercial principles, value for money, sustainability, ethics, bribery, fraud and corruption.

- 6.4 **Value for Money** – we do know that value for money is one of the seven procurement principles at the heart of the new regulation. Therefore a priority for the team will be to further embed value for money into all commercial activity and contract management.

To be as efficient as we can in undertaking procurement activity, where possible the Authority aims to undertake joint procurements and make use of framework agreements and permissible direct awards.

- 6.5 **Embedding ethical procurement into each procurement process** – in addition to the new Bill, the Public Services (Social Value Act) also places an obligation on public sector organisation to ensure delivery of social impact through public money. As stated above a key driver within public sector

procurement reform is to further embed social value into all procurement activity and our processes, evaluation criteria and guidance will be further revised to ensure this is an integral part of our tenders.

- 6.6 **Sustainability** - is an integral part of the proposed new regulations and in readiness for this and to support the wider sustainability agenda for the Authority a sustainable procurement strategy has been drafted and will be finalised over the coming weeks. Sustainability award criteria will be incorporated into all relevant tenders and will be embedded into contract management.

The Commercial Team will be ensuring that sustainable procurement and the Authority's aims are addressed early with the supply market at premarket engagement stage and that all tender documentation and contract management provides for achieving our targets.

- 6.7 **Modern slavery** – it is a requirement of each public sector organisation to publish a modern slavery statement and work is underway to finalise ours as part of our wider ethical procurement statement which is currently being drafted. Ethical procurement will be fully embedded into all procurement and contract management activity particularly where there is a supply chain.
- 6.8 **Embed EqIA's** – we will continue to ensure EqIA's are carried out for every procurement and policy change within the commercial function.
- 6.9 **Off contract spend** – monitoring the off contract spend will continue to be a high priority for 2023/24. There are still some areas across the Service that can be identified as not having contracts in place for regular purchases. Through further engagement, the Commercial Team will work with the stakeholders to implement contractual arrangements, identify opportunities to make potential savings through aggregation of requirements whilst ensuring compliance with legislation.

7. Current Challenges

- 7.1 **Changes to policy and legislation** – the proposed new legislation sets out to bring more flexibility and improve efficiency in public spending by simplifying the rules and regulations. Commercial awareness and value for money are very much the focus within the proposed regulations and this is a key driver for upskilling staff across the organisation in these areas.

In addition to this, the new regulations provide considerably more flexibility with routes to market and increased transparency requirements. This does however bring the risk of challenge and therefore the need for upskilling across the wider organisation to ensure we don't fall foul of the requirements. For the Commercial Team it means a significant review and rewrite of our guidance, processes, reporting and contracts.

- 7.2 **Supply chain uncertainty** – challenges facing the Commercial Team currently relate to increasing prices within our supply chain and the work being undertaken to understand cost breakdowns within our contracts and where applicable rises are justified and negotiate accordingly.

Scarcity of supplies means we are having regular discussions within our supply chains about potential delays, not being able to meet our order quantities and making our stakeholders aware of the situation and putting appropriate resilience in place should this happen.

The Commercial Team maintains a risk tracker to help keep abreast and record risks which may arise due to for example, the aftermath of the pandemic, issues post Brexit, domestic and foreign industrial action and power outages as well as risks relating to the current conflict within Ukraine. Recent events in Turkey have impacted the manufacture of some of our firefighting PPE items and although we haven't encountered an issue due to the nature of our contract it is something which requires monitoring.

- 7.3 **Financial austerity and increased prices** – this continues to be a challenge for the team. Whilst the financial situation remains uncertain, the Commercial Team are continuing to work with suppliers and key stakeholders to review contractual pricing and requirements and to identify opportunities to minimise price increases. With the fall of sterling and economic conditions still unstable, this has impacted severely on some of our supply chains and in particular costs have risen where goods and services are imported from overseas or due to the Ukraine conflict. Rising fuel prices and labour costs, mean the team have to find ways of mitigating these through the drafting of requirements and review meetings with contractors.

- 7.4 **Technical specifications** – the rules on technical specifications have been amended in the new Bill. Specifications must not refer to any specific UK standards unless they adopt an internationally recognised equivalent. A significant amount of fire and rescue service specifications contain standards, therefore prior to any re-procurement these will need to be amended.

There can be a tendency to over specifying for both goods and services, which again is something which the new regulation appears to be explicit on. Requirements and subsequent contracts being too prescriptive can limit competition and innovation within the markets and restrict the Authority from making best use of market information and achieving value for money. In addition to this there is a tendency to re-use or re-issue specifications therefore the team must engage with stakeholders to ensure these are amended.

- 7.5 **Ensuring early engagement** – it is now more important than before when embarking on a procurement process to understand what the market can deliver and again is something the proposed regulations are explicit on. The Commercial Team will need to be involved early to be able to consider the market position prior to any commercial decisions. This will help determine

best routes to market, design the procurement process, publish accurate volumes and contractual terms from the outset.

- 7.6 Recruitment of category lead – the category lead for property and estates and ICT intends to retire at the end of the year. Filling commercial vacancies is challenging within the sector. Without sufficient handover, this could impact the delivery of some of our priorities.

8. Summary of Progress and Review of 2022/23

- 8.1 Work is progressing well with keeping abreast of potential supply chain issues; forecasting attrition rates and forward planning for potential interruptions has meant little disruption. As an example, a significant piece of work was undertaken to ensure continued supply of smoke detectors for the Authority so that we could maintain our programme of safe and well checks.
- 8.2 Negotiations with suppliers on proposed price increases has resulted in more realistic uplifts based on a true breakdown of costs some examples of good commercial conversations and monitoring are included at Appendix 2.
- 8.3 The team are undertaking a review of the off contract spend and third party spend, although this is challenging due to our current financial system. The new system will be in place from October 2023 which should make interrogation of this information much more achievable.
- 8.4 The work plan for this year (2023/24 and rolling five-year plan), based on pipeline information has been drafted in readiness for discussions with the IRMP team and Heads of Group.
- 8.5 There has been more robust challenge to exemptions, with a revised request form in place to provide more transparency and detail of the request. That said there will be times when the exemption route provides more assurance and value for money to the Authority.
- 8.6 Commercial awareness training has continued to be priority, training packages have been devised and delivered or are in the process of being finalised covering:
- what the new Procurement Act means for us as a contracting authority,
 - general commercial awareness,
 - pre-procurement and market engagement guidance,
 - specification/requirements drafting,
 - tender evaluations,
 - achieving value for money,
 - ethical and sustainable procurement,
 - innovation,
 - contract management.

Some of the above have been shared with other fire and rescue services for adoption within their organisations.

- 8.7 In readiness for the new Bill and to provide more robust contract management the new supplier onboarding checklist and contract management checklist have been revised and updated with an expected 'go live' date of 1 June 2023. This is to ensure critical supplier checks are undertaken and recorded to provide assurance to the Authority and to meet transparency requirements, value for money, sustainability, ethical trading, safeguarding and financial due diligence. The 'go live' date is to enable us to include any other requirements that are within the Bill to be incorporated; should there be delays to the final publication of the Act this will move to a later date. Tender documentation and contract documents have been amended to take account of this.
- 8.8 Strategies are in draft and will be finalised shortly relating to sustainability, ethical procurement and modern slavery as well as the next wider commercial strategy to run from 2023 to 2026.
- 8.9 Significant work has been undertaken supporting the National Procurement Hub and which recently successfully let a national framework for all blue light services for pre hospital emergency medicine and first aid training. We have actively supported the national framework for apprenticeships and are working on its successor and fire specific training. Support has been provided to the Fire and Rescue Indemnity Company through their transition to a new structure and fund management company and supporting wider fire and rescue services looking to onboard. The Commercial Team are actively working with the National Clothing Category Lead for the next generation of firefighter clothing.

Source Documents - None

TRANSFORMING PUBLIC PROCUREMENT

1. INTRODUCTION AND OVERVIEW

This Appendix provides a brief overview in relation to some of the expected key Changes to the Public Procurement Regulations, the expected timescales and preparation for these.

The new Bill aims to consolidate the current 4 sets of regulations into one, with the aim of saving money, boosting domestic productivity, spreading opportunity, improving public services and empowering communities, taking social value into account as well as:

- Simplifying Procurement and enabling flexibility to better meet the needs of suppliers and Authorities
- Reducing bureaucracy
- Creating a fairer system, more open and competitive system for suppliers and Authorities
- Increased Transparency
- Support transition into more sustainable procurement and net zero carbon emissions.
- Further embed Ethical Trading

The Procurement Bill aims to provide procurement professionals in the public sector much more flexibility to use their commercial skills and allow us to move away from some of the rigid rules which don't currently allow for the design of the procurement process to meet the requirements or negotiation with suppliers to get the best deal. It also aims to make procurement processes quicker, simpler and more transparent.

The majority of the Bill will apply to both above and below threshold procurements. However, some of the Bill's most consequential provisions will only apply to "covered procurements – in essence those that previously fell under OJEU requirement – now known as (Find a Tender Service) FaTS

The Draft Secondary Legislation is expected to come out for consultation soon which will put more context around some aspects of the Bill and enable us to fully prepare.

The Cabinet office are currently finalising a training offering to Contracting Authorities and as an Authority we have signed up to be included in this.

2. TIMELINE



Following its introduction in May 2022, the Procurement Bill has now completed its passage through the House of Lords and is now well on its way through the House of

Commons, with amendments and an updated draft published in February which has formed the basis of the information we are now preparing for.

It is currently expected the Bill will be finalised and receive Royal Assent during the Spring of 2023 with a six month notice period following this, therefore that the Bill will come into force early in 2024 becoming the Procurement Act.

3. KEY PRINCIPLES

The proposed Regulations set out 7 Key Principles to be Enshrined in Law meaning these are explicit in law rather than implied and Authorities will be held to account for non compliance:

- Value for money
- The Public Good
- Transparency
- Integrity
- Efficiency
- Fair treatment of suppliers
- Non-discrimination

In addition to the above, a Social Value Model must be applied in all relevant procurements with a Minimum weighting of 10% of the weightings (scores).

The Bill also places a greater emphasis on sustainability and ethical procurement including modern slavery, fraud and corruption, with appropriate scoring mechanisms and contract management arrangements in place.

A greater emphasis is placed on evidencing Value For Money throughout the contract lifecycle.

The requirement for greater transparency means more records and reporting of decision making throughout the whole procurement lifecycle through to the end of the contract.

The New Act also provides for reservation of Below Threshold Contracts for:

- Supplier Location (meaning we will be able to specify local suppliers)
- SME / VCSEs (meaning we are able to specify that small companies and voluntary organisations will be treated favorably)

The new Bill is also designed to reduce bureaucracy in bidding for public sector contracts which is covered off below. General feeling amongst suppliers is welcoming of the new proposals.

4. PREPARATION AND TRANSITION

There are some key important changes that we are monitoring and this appendices seeks to highlight these from the information we have so far with the caveat that there is still scope for a further amendment prior to the Bill's last reading and the Secondary Legislation being drafted and published.

The Head of Commercial and Business Support will draft an implementation strategy which will:

- Develop an action plan and detail key milestones of the transition
- Identify benefits and potential risks of the changes
- Ensure the Commercial Team are fully trained and confident in the application of the new regulations
- Ensure all procurement and contract management documentation is amended accordingly and in readiness for the transition
- Develop targeted awareness sessions for all levels of the organisation
- Deliver commercial awareness training at the conception stage of each procurement / project
- Fully embed commercial awareness and Value for money principles across the organisation.
- Update and embed the Commercial Awareness Strategy across the organisation
- Finalise and embed sustainable procurement strategy and awareness across the organisation and the supply chain
- Further develop and embed ethical procurement strategy and awareness across the organisation.

The Commercial Team will:

- continue to be actively engaging in webinars, information events,
- sign up to Cabinet Officer Briefing Documents to gain as much knowledge and understanding of the new regulations
- continue lunch and learn sessions to run through to full implementation in 2024 to review an area of reform,
- Address any risk or issues as an authority we need to deal with to mitigate.
- reviewing the procurement pipeline to identify which procurements for the coming year will commence under the new regime as there are significant changes to the way procurements will be advertised (further details are covered below)
- Finalise revisions to all our procurement documentation, guidance, contracts and contract management documentation
- Engage with our key suppliers and markets to keep them abreast of the changes.

From published information the Head of Commercial and Business Support has looked at areas of benefit and risk and what some of the proposed changes mean for the Authority and the Commercial Team and these are detailed below again with the caveat that the Act and secondary legislation haven't been finalised and therefore may be subject to change.

Where changes have already been communicated by the Cabinet Office by way of policy notes, best practice guidance these have been adopted by the Commercial Team and incorporated into our processes and documentation for example the new Supplier Questionnaire, changes around debarment, thresholds, VAT, social value and sustainability etc.

5. KEY PROVISIONS

5.1 Preliminary Market Engagement (PME)

Early market engagement is provided for and explicit and mandatory in the Bill, giving us more freedom to talk to suppliers much earlier in the process and throughout the process to problem solve, build in innovation that enable the best outcome through the procurement process.

As a contracting authority we will be required to either issue a PME notice prior to issuing a tender notice; or provide reasons in the tender notice for why the authority didn't do so.

The Bill also proposes a more targeted set of objectives of pre market engagement which may provide both the Authority and bidders more confidence when engaging in PME.

It also appears to allow a PME Notice after conducting some pre marketing engagement which will reduce the number of stakeholders, however this also brings a risk that using a narrower stakeholder group means we are not treating suppliers equally.

More detail around this is expected in the secondary legislation.

What does it mean for us?
<ul style="list-style-type: none">• Commercial Team must be involved early in discussions about potential procurements to ensure the appropriate notices are published• There will be a set of requirements to satisfy during pre market engagement and records kept and published of this stage, therefore again it is essential that the commercial team are engage in all elements of commercial discussions to ensure we don't fall foul of the regulations and leave ourselves open to challenge.• The commercial team and authority must ensure fair and equal treatment of all suppliers involved or not involved in the pre market engagement activity.

5.2 Procedures (Routes to Market)

The current 8 routes to market have been reduced to three and these are covered briefly below:

Open Procedure

- This appears to have been retained in its current form
- This route generally will be used for simple purchases where an initial selection stage is not required
- Procurement notice will directly invite bidders and have all the details of the process
- There will be no shortlisting or negotiation provision

New Competitive Flexible Procedure (Most likely to be the default Procedure for the Authority)

- This procedure will be subject to minimum detailed rules, therefore bringing flexibility into the design of the procurement process to best meet market conditions and the requirements of the Authority
- This is a similar procedure to the existing light touch regime reserved for some organisations and types of procurement
- Advertisement of the opportunity will be via contract notice which will detail all the rules for participation
- This notice must also provide specifications, timelines, conditions for participation, evaluation criteria, performance measures, – once published cannot be deviated from.
- Any subsequent stages of the process, tendering rounds, negotiation must be consistent with published notice and not deviate from this

- There must be compliance with the rules on specification and evaluation throughout the process
- Time limits will be as detailed in the Government Procurement Agreement and recent consultation document.

What does it mean for us?	
Advantages to Us	Risks to Us
<ul style="list-style-type: none"> • Provides greater flexibility to design a process that meets with our timeframes, and requirements • Allows commercial team to build in stages of negotiation • Allows bidders to better understand requirements of the Authority • Facilitates opportunities for innovation to be built into the contract lifecycle • Facilitates opportunities for value for money initiatives and VE throughout contract lifecycle 	<ul style="list-style-type: none"> • Time to familiarise with what is permissible in designing a process to ensure compliance • The more diverse approach we take the greater the cost of running a procurement and increased timescales • Greater use of negotiations could increase timescales and needs to be fully documented • Need to be commercially aware to undertake negotiations to be in a strong position • May provide window for more legal challenges, particularly if we deviate from published process and information • Not engaging with commercial team pre- any activity could leave us open to challenge for falling foul of the process

Limited Tendering Procedure (This can now only used in Extreme Circumstances)

- New name for negotiated procedure without prior publication – whereby we can engage directly with a supplier to provide urgent goods and services.
- Only available in extremely limited circumstances
- Significant safeguards in place for using it
- No general assumption that this is a single source appears it must be evidenced
- Current regulation 32 grounds will be retained meaning it can be used if the following are met: -
 - No suitable tenders from previous notice
 - Artistic / technical or exclusive rights
 - Extreme urgency – covered later
 - Change of supplier would cause extreme technical difficulties which cannot be overcome
 - Repetition of works provided it is detailed at the outset
- There is a new ground for using this added to the above which is in case of crisis which is covered below.

Crisis Grounds

This came about because of Covid 19 and the letting of significant contracts without process due to urgency:

Crisis Grounds are defined as: -

- Exceptional event substantially endangers public health
- Required to protect public order or safety
- Required to protect human animal or plant life

These Grounds: -

- Supplements Grounds of extreme urgency
- HMG power to declare a crisis for the purpose of using this ground
- Provides greater certainty for Authority in national or local crisis
- Applies only to contracts meeting immediate need posed by the crisis
- Even in Crisis we must consider holding competition (shortened timescales)
- Contract is excluded from risk of automatic suspension however a 10 day standstill period will be required before signing contract

Dynamic Purchasing System

This route to market was historically used for commodity items and as an Authority / commercial team we have not run this process to date only used a DPS for purchases.

Proposal in the Procurement Bill is to reform this and it will be referred to as DPS Plus (also referred to as Dynamic Market Place): -

- It will be appropriate and encouraged for any procurement, goods and services
- A notice will be required to be published in Find a Tender Service which describes conditions for participation.
- Suppliers meeting criteria must be able to join at any time.
- There will be no maximum number of suppliers on the portal.
- The Authority must invite all suppliers on DPS to submit a tender.
- Uses the new Flexible Award Route to let the DPS
- An Award notice must be published.

What does it mean for us?

- Its use is being actively encouraged in the Bill and we therefore need to build this into procurement route decisions
- It provides more flexibility than a framework
- Suppliers will want us to use it
- Enables us to keep up with new entrants and add them to the system
- More administrative burden to manage the number of suppliers and on-boarding
- Our current e-tendering system has a module to do this and commercial team will familiarise themselves with this
- There will be a greater need to undertake regular checks that suppliers continue to meet criteria for participation
- The Commercial Team could potentially be managing a large number of suppliers if CFRS are the lead authority for a DPS

Frameworks

Currently frameworks are only open for 4 years and are closed to new entrants during this term.

Proposals in the new Procurement Bill are as follows:

- Longer periods (up to 8 years)
- Opened at least once (after 3 years) for new entrants to join
- If documented in original notice can be opened up multiple times
- Each opening must be advertised in FaTS
- All new applicants must be assessed using same original criteria
- Existing suppliers can update their offering and retender

What does it mean for us?
<ul style="list-style-type: none">• For complex procurements we can have a longer framework in place saving the cost of re-procurement• With this comes the need to think longer term to ensure framework provides opportunities for innovation and value for money through the lifecycle• Greater administrative burden with regards to re-opening the framework and the required documentation• Could have a large supply base to manage.• Need to be clear from the outset of the criteria and potential opening up timescales meaning more planning.

5.3 Procurement Stages

Participation (Selection) Criteria Stage

To reduce barriers for SME's the Authority can no longer request at selection stage the submission of audited annual accounts or ask for required insurance to be in place prior to the award of a contract.

A new Supplier Questionnaire has already been introduced for two or more stage approach and also to the selection criteria incorporated into the single stage open procedure – these changes we have adopted following a Cabinet Office Policy Note and it includes focus on the following:

- Financial capability
- Technical ability
- Relevant experience
- Proposal –
- To have a centralised supplier registration system (replace ESPD) meaning suppliers only have to register once and keep their information updated, reducing the burden of having to submit selection criteria for each tender.
- Removal of the limits on information that the Authority can request to verify that a supplier meets the selection criteria set.

The Bill proposes new exclusion grounds / debarment for participating in procurement activity – it is expected that a centrally managed debarment list will be produced and published by the Cabinet Office. (covered later)

Mandatory Exclusions include:-

- Non-disclosure of bidders' beneficial owners
- Ties with Russia and Belarus
- Tax evasion
- Deferred Prosecution Agreement (DPA) to resolve cases of fraud, bribery, or economic crime
- Relevant convictions
- Aid Authorities to identify suppliers excluded
- Rights of appeal for listed suppliers
- Appropriate self-cleaning measures

Past Poor Performance

- It is proposed to drop the criteria “only if led to early termination, damages or sanctions” meaning contractors can now be excluded for: -
 - Persistent or significant deficiencies in performance of contract
 - If these occurred anytime within the last three years
- The Bill also proposes to introduce:
 - Introduction of new central monitoring system (covered below)
 - Contracting Authorities will need to monitor and evaluate contract performance on agreed performance measures set out in the procurement
 - Data held and published from central system which the Authority will need to notify poor performance to a central body.
 - Government may set a minimum threshold for contract performance for higher value higher risk contracts
 - Suppliers below threshold could be excluded from being penalised for past poor performance, but the Authority should demonstrate how they have worked with small suppliers to improve their performance and contract delivery.
 - Duration will be set or a period to enable self-cleaning before suppliers go on the poor performance register and will have an opportunity therefore to come off it.

What does this mean for us?
<ul style="list-style-type: none">• Overall, this could be seen as a good thing as it provides greater clarity around the selection stage and permissible exclusions, leaving less open to interpretation.• We have already adopted most of the above into the new Selection Questionnaire• Once up and running the Centralised Supplier Registration would cut down on paper submissions or electronic submissions for each procurement.• The Authority can request more appropriate relevant information where an area of clarity is needed

Tender Stage (Award Stage)

With the introduction of the new competitive flexible procedure, this enables us as a contracting authorities greater discretion when determining procurement time limits as opposed to the rigid time limits in the current regulations, provided the shortest minimum periods are adhered to.

That said there will be a published list of factors to consider when determining time limits for each separate procurement which takes into account:

- the nature and complexity of the procurement;
- the extent of the potential market,
- the need for site visits,
- physical inspections and sub-contracting;
- any trials and physical evaluations
- any modification to the tender notice or tender documents;

whilst minimising any unnecessary delays for the participants (which is an addition within the Bill).

However, whilst the new flexibility of the award stage brings increased effort prior to commencing a procurement it provides for more complex procurements to be better designed and run by contracting authorities.

We must set in a tender notice how the procurement process will run and this must be adhered to. Whilst it will enable the commercial team to design a process to suit the requirements it could cause confusion within the markets with each contracting authority designing a different process for similar requirements and could ultimately lead to increased challenges – particularly as the Bill expresses that procurements should not be over complicated or unnecessary lengthy.

The Bill appears to propose that the elements of the tender can be run in any order, for example trials may be undertaken first and suppliers excluded if they don't meet the criteria etc.

This procedure now allows for negotiation which it appears could be used pre-tender, during the tender stage or post-tender, or even in a combination of those options but it is still unclear how this will work in practice.

Pre-tender negotiation will allow the commercial team to condition the market to their expected outcomes and to identify critical success factors and minimum requirements that the bidders must comply with pre procurement to therefore be better prepared (particularly SME's and diverse markets).

Negotiation can also be undertaken during the tender stages if more than one, which looks to mirror the dialogue stage in the current Competitive Dialogue route and the negotiation stage in Competitive Procedure with Negotiation.

Giving the Commercial Team and Stakeholders an ability to discuss issues and clarify aspects of the bids at an early stage will be useful both to all parties and particularly in ensuring value for money and innovation.

The Bill also provides for an ability to have final clarifications around the proposed solution for complex procurements which will ensure that the successful bidder fully understands

their role and responsibilities prior to contract commencement and is intended to ensure the authority achieves value for money.

Timescales

Procurement	Minimum Period
<i>The contract being awarded is a light touch contract</i>	<i>No minimum period</i>
<i>A qualifying planned procurement notice has been issued</i>	<i>10 days</i>
<i>The contracting authority considers there to be a state of urgency that means any other applicable minimum tender period is impractical</i>	<i>10 days</i>
<i>Tenders may be submitted electronically, and the tender notice and associated tender documents are <u>all provided</u> at the same time</i>	<i>25 days</i>
<i>Tenders may be submitted electronically, but the tender notice and associated tender documents are <u>not all provided</u> at the same time</i>	<i>30 days</i>
<i>Tenders may <u>not</u> be submitted electronically, the tender notice and associated tender documents are <u>all provided</u> in the same time</i>	<i>30 days</i>
<i>Tenders may <u>not</u> be submitted electronically, the tender notice and associated tender documents are <u>not all provided</u> in the same time</i>	<i>35 days</i>

The Bill currently looks to allow contracting authorities to defer publication of tender documents until after the publication of an initial tender notice, but must allow for an additional 5 days to the minimum time period for the return of tenders.

Under the current procedure all tender documents must be released when the contract notice is published as part of the suite of procurement documents; the Bill therefore provides new flexibility to defer the release of tender documents but allow the timescales to commence from publication.

However nothing must change from the publication of the notice with regards to process and time frames etc.

What does this mean for us?
<ul style="list-style-type: none"> • This will be the most difficult area of the proposals for the commercial team to implement. • will require more consideration at the outset of a procurement in determine how to run the procurement/procedure. • could introduce more complexity into procurements as it requires design and tailoring to the procurement being undertaken (it is hoped there will be guidance around this) • undertaking negotiation without appropriate skills could end up being costly to all parties through:- <ul style="list-style-type: none"> ○ a failed procurement ○ increased challenges ○ increased time spent on the tender exercise if negotiation stage was an unnecessary element that delivered no benefit.

- Could lead to more challenges if the design of the process is seen as unfair or disproportionate
- Could increase the timescales of a straightforward procurement if more than one stage is built in or unnecessary processes.
- Suppliers could complain if one authority uses a different process to others for the same goods or services
- A greater degree of note taking, reporting and transparency will be required.
- Commercial team must be involved at the outset

5.4 Conclusion of A Procurement Process

There appears to be changes to the conclusion of a procurement however, this will be clearer once the Act and Secondary Legislation are published, indications at this stage are that a standstill letter will be replaced by: -

- An assessment summary will be required for all participants in the tender
- A requirement to publish a contract award notice
- The standstill period will be 8 working days from publication of contract award notice
- A contract details notice will be published following award of the contract following standstill
- For high value contracts (£2m) there will be a requirement to publish a copy of the contract within 90 days of entering into such arrangements. It is not yet clear what or how much of that contract can be redacted.

What does this mean for us?

- Whilst we capture this data for regulation 84 reports there will be a greater administrative burden to publish notices at regular frequencies throughout the process
- It is unclear whether there is still a requirement to do a standstill letter there is some indication that it will be deemed best practice to do so - this is something we currently do successfully and have had no challenges to date on our published information.
- If we don't send out a standstill letter it could still come through as a recommendation from the central review office and may be seen as not being open and transparent as it generally provides more information than the assessment summary, therefore it is anticipated we will continue to do this for above threshold procurements.
- There will therefore be some duplication as we will be recording information that would normally go into the letters into the portal also.
- This could be more time consuming as we have to report at each stage and ensure we capture all relevant information.
- Scope for complaint if we don't upload sufficient information in the first place
- Possibly there will be some test cases where debrief letters are not produced as the norm.

5.5 CONTRACT MANAGEMENT

Prompt Payment of Suppliers

There are a number of areas proposed within the Bill relating to contract management which will now be regulated and will include an obligation on The Authority to investigate the payment records of a supplier at any tier within our supply chain.

Contracts must provide for payment of undisputed invoices within 30 days
This term must be passed down the supply chain and the Contracting Authority will be responsible for enforcing this,

The Bill also proposes a requirement for us to publish all payment performance data on Gov.uk for access by the public each year showing our compliance to this requirement.

There is a proposal further down the line to align public and private sector reporting requirements on payments within the supply chain.

Further information around this is expected to be part of the secondary legislation.

Changes and Modifications

The Bill has introduced a number of enhanced transparency requirements including in relation to contract modifications.

The Bill proposes a redraft of the current regulations to make it clearer in relation to what is a permissible modification and has included a new ground permitting amendments to existing contractual arrangements in situations of crisis or extreme urgency. However there will be greater transparency around this with the introduction of contract amendment notices

Contract Amendment Notices

Under the current regulations a notice is only required to be published in certain circumstances. The Bill proposes that Notices will be required for almost every contract amendment and the scope for contract amendments other than for extreme urgency must be:

- under 10% of the original contract value for goods and services or 15% for works.
- The Increase / decrease of term is less than 10% of the original contract term
- The overall scope or balance of the contract does not change

Standstill Requirements for Contract Extensions and Variations

The Bill places a requirement on contracting Authorities:

- to publish amendment notices
- The amendment must not be entered into until 10 days after notice published (except if it meets criteria for extreme urgency)
- By publishing the standstill notice limits to 30-day period for challenges
- Replaces the VEAT notice requirement

Suspending Award of Contract

Currently a procurement challenge triggers an automatic suspension of letting the contract and during this period the Authority would extend the existing incumbent supplier.

The Bill proposes to limit the amount payable to an incumbent supplier under the extension period if the incumbent supplier is the challenger.

For all challengers the Bill proposes to introduce a standard government rate of profit for calculation of payment of damages with a cap of damages being introduced.

What does this mean for us?

- We must have robust contract management in place for our key contracts
- We must have in place clear lines of capturing and reporting performance
- Ensure robust checks of appropriate registers are undertaken as part of our due diligence, prior to onboarding and throughout the contract lifecycle
- We must be clear from the outset / pre procurement what the contractual requirements are and future proof prior to procurement and particularly prior to award.

Risks

- The Authority needs to be as clear as possible at the outset of future requirements and ensure these are provided for within the notices, tender documentation and contracts
- Ensure that innovation opportunities and forecasting are provided for and carried out prior to award of contract and incorporated and managed.
- More opportunity for challenges if we fall foul of the publication of notices
- The Authority must have greater transparency from key suppliers of the supply chain associated with a contract.
- Must have in place well documented contract management.

Benefits

- Existing arrangements could provide an incentive for incumbent supplier to challenge – proposed amendments remove this with a cap being place on damages and the amount payable during an extension period.
- Contractors are aware at the outset of the long term requirements of the Authority and are able to plan for these pre procurement.
- Higher prices being paid by the authority during this period of extension would be removed and any extensions should be provided for.
- Should reduce the risk of hidden / additional costs throughout the life of the contract due to requirements having to be clear from the outset including future technical refresh etc.

5.6 Most Advantageous Tender

The Bill looks to introduce a dual assessment for determining the most advantageous tender by awarding the contract not only with regard to which tender scored highest in accordance with the award criteria (as is the case under the current procurement regulations), but also taking into account which tender best meets the authority's requirements.

The requirement to use Most Economically Advantageous Tender (MEAT) has been replaced by Most Advantageous Tender (MAT)

- Therefore “economically” has been removed to encourage wider consideration of other areas such as Social Value, Sustainability, innovation etc.
- Also Intended to encourage wider value for money principles throughout the contract as opposed to initial known costs, this will enable cost reduction opportunities through the contract lifecycle.
- The Award criteria must include some % weighting / scoring for social value
- Removes need for criteria to link to subject matter of tender regarding
 - Prompt payment of suppliers
 - Plans for achieving environmental targets
 - Sustainability

What does it mean for us?	
Advantages to Us	Risks to Us
<ul style="list-style-type: none"> • Overall, this could be seen as a good thing as it provides greater clarity around the award criteria and broadens the scope to include the above initiatives and score accordingly • We have again already adopted most of the above into tender processes and award criteria • 	<ul style="list-style-type: none"> • Work will need to be undertaken to ensure these are measured throughout the contract lifecycle • There is a risk that in procuring something which meets the Authority’s requirements against the award criteria now has potential to conflict – ie it isn’t clear what as an Authority we do if the tender that best meets the requirements and the tender that scores the highest against the wider criteria are not the same. • Requirements will need to be accurately and fully identified and weighted at the start of the process to ensure the award criteria aligns with the requirements. • As “economically” has been removed, there is a risk that the bid which best meets the requirements is unaffordable.

There will be more detail around this in the secondary legislation.

5.7 Transparency

Within the current legislation, prior to award and standstill the Authority publishes data under Reg 84 and Contract Award Notice detailing: -

- Bidder identities
- Basis of award decision
- Basic disclosure of tenders submitted
- Evaluation reports
- Basic evaluation disclosure information

Proposed Requirements

Under the Bill, the detailed debrief requirements of the previous regulations have been replaced with a requirement for an assessment summary throughout the process. This means in relation to an assessed tender, information about the contracting authority's assessment of the tender and, if different, the most advantageous tender submitted in respect of the contract must be published at each stage of the procurement process.

It is expected that clear detail about what this assessment summary must contain will be detailed in the secondary legislation.

What we do know is the legislation is expected to embed transparency by default throughout the procurement lifecycle and proactively publish relevant data at timely intervals as opposed to on request including data normally disclosed under FOI, EIR or DPA

The Bill proposes the following:-

- Transparency notices will be published at each stage of the procurement process, detailing the conclusion of each stage, scoring and reasoning.
- Standstill letters therefore are no longer mandated at contract award stage, however it will be best practice to do so.
- There will be a reframing of the current approach to provide more detailed information based on the bidder's proposal and the information detailed within the evaluations
- With the introduction of the transparency requirements, this information will be published as a matter of course that bidders can access through the process and see how they did and why they were unsuccessful or not scored as highly if there are more than one round of tendering –
- This information will continue to set out the relative advantages of the winning proposal

It is anticipated that the default position will be to publish all data other than

- Bidders profit margins,
- Overheads
- Financial models
- Elements of proposal which reveal IP / innovative solutions USP's etc
- Trade secrets
- Personal information capable of identifying a living person

The new regulations however continue to recognise FOIA (Freedom of Information Act) Exemptions:

- Where disclosure would cause harm to commercial interests
- Information is provided within "permissible" confidence

There will therefore be a revised set of notices required for publication consisting of 15 different notices (including for example but not limited to)

- Pre Procurement Planning notices
- Pipeline notices
- Premarket engagement notices
- Payment terms notices

- Tender Notices or DM Notices and conditions for participation (could be two notices if all documentation does go with the first notice)
- Tender Assessment Summary (Evaluation outcomes) for each stage
- Contract award notices
- Contract Detail Notice (containing the full contract)
- Procurement Termination Notice (if no contract is let – detailing the reasons)
- Contract amendment notices (if negotiation from original contract at award of contract)

Other Notices which must be published during the life of the contract include

- Payment Compliance Notices
- Contract change notices
- Contract Performance Notices (for certain contracts)
- Supplier failure notices
- Various Transparency Notices

In addition to the above Below Threshold Tender Notices must be published for all tenders above £30k up to the threshold which currently sits at c£213k (including VAT)

•

What does this mean for us:

- All stages of the procurement process from premarket engagement through to end of contract will need to be documented and reported meaning accurate notes kept of what were previously unregulated stages.
- Currently between three and 5 notices are produced throughout the procurement lifecycle, depending on its complexity and route to market - this will increase to a minimum 15 throughout the procurement and contract lifecycle
- Significant increase of administrative burden
- Will need to be aware of all future projects to enable timely publication of the pre procurement notices.
- Risk of challenge if adhoc conversations with suppliers aren't documented
- Risk of more opportunities to fall foul of the legislation if we do not publish a notice or publish within required timescales.

5.8 Single Digital Platform

The Bill proposes the creation of a single digital platform for all public procurement, meaning all public procurement opportunities will be published and viewed in one place. This aims to simplify the procurement process, particularly for suppliers, improve transparency and data sharing with the added intention of reducing public sector procurement opportunities to a wider diverse range of suppliers including small companies due to the current number of platforms and submission of forms and information for participation in each procurement opportunity.

It is proposed the New Central Platform will facilitate:

- Public access to all published data for suppliers and other public bodies
- Notices from Find a Tender Service (Replacement OJEU) and Contracts Finder
- Price and performance data in relation to suppliers

This will include a New Central Register to enable visibility of:

- Suppliers with SQ (Selection Questionnaire) type data and capabilities recorded to reduce submission for each tender opportunity
- Debarred suppliers (covered later)
- Commercial tools – DPS and Framework Agreements (covered above)
- Contract performance, including data on spend and KPI's
- Procurement pipelines for every contracting authority
- Complaints details against suppliers and public bodies

What does this mean for us: -

- Positive for the Authority and Commercial Team as there will be access to readily available information
- Reduction in the number of qualification submissions as suppliers will be obliged to keep their qualification information updated – also reducing the administrative burden on suppliers.
- Pipeline will be clearly available meaning opportunities for collaboration, economies of scale and standardisation and interoperability within the sector
- With the debarment list – information will be readily available to reduce some of the due diligence burden

5.9 Technical Specifications

The “rules of technical specifications” have been amended and are an important part of constructing a procurement design. When detailing requirements they must be “sufficiently clear and precise”, the award criteria must relate to the subject matter of the contract and again be sufficiently clear, measurable and specific. Procurement specifications must not refer to a UK Standard unless the standard adopts an internationally recognised equivalent or there is no internationally recognised equivalent.

What does this mean for us?

- As a contracting authority we must be able to accurately identify whether a UK Standard “adopts an internationally recognised equivalent” and be able to give clear thought to why they are asking for the UK Standard and therefore which other standards might be considered equivalent
- Those writing technical specifications will need to engage with the commercial team to understand what is permissible and ensure it is measurable at evaluation stage
- Reduce the number of mandatory requirements in a specification
- Ensure clear and precise wording is used.

5.10 Modern Slavery

The Bill incorporates Modern Slavery safeguarding into procurement processes and contract management. The expected guidance is that – particularly for procurements deemed to be at ‘high’ risk of modern slavery – the level of supply chain

transparency, and extent to which bidders might be expected to interrogate risks further down their supply chain, will increase.

Commercial Teams will need to work with potential bidders and supply markets to make them aware of these requirements and to prepare them for the level of potential enhanced scrutiny through the bidding processes and contract management.

The Modern slavery considerations below are expected feed into each stage of the procurement and contract lifecycle:

- a) Identifying the need and initial approach
- b) Determining the contract specification
- c) Selection criteria
- d) Award criteria
- e) Terms of contract
- f) Contract management,

There will be an additional focus on pre market engagement, both to aid understanding of where risks might lie and to test whether selection and award criteria relating to modern slavery are achievable for the relevant market, proportionate, and properly targeted.

Conviction of a modern slavery offence remains a mandatory ground for exclusion at selection stage, and evidence of modern slavery in a supplier's supply chain may be discretionary grounds for exclusion.

5.11 Key Performance Indicators

The Bill proposes that for high value contracts, Contracting Authorities will be required to set and publish at least three KPI's, which must be reviewed at least annually and publish information if the supplier has breached these and also at the conclusion of the contract performance against these.

The Authority can exclude a supplier who has seriously breached the contract and includes where the contractor has not performed a contract to the Authority's satisfaction, as long as they have been given opportunity to remedy performance.

As a contracting authority we will be required to notify when a supplier has failed KPI's and further investigations will be undertaken to ascertain whether the supplier would be added to the debarment list, stating the exclusion grounds.

6. CHALLENGES TO A PROCUREMENT

Within the Green Paper there was a proposal for New Court Rules, however to date have seen no further confirmation of the following and is an area for us to keep an eye on: -

- A new fast track system for public procurement challenges was proposed in the Green Paper on the basis of written pleadings only for review
- Clearer rules in relation to disclosure of documents used in litigation
- More use of TCC's outside of London and the appointment of a designated procurement only judge
- Requirement for Contracting Authorities to undertake a time limited formal review of procurement complaints in the first instance

- A review of the procurement being challenged to be conducted by stakeholders not directly involved in the procurement process

The Green Paper also talked about appropriate procurement challenges being referred to a tribunal-based system which would now also include: -

- Lower value claims
- Challenges to the procurement process
- Discriminatory specifications
- Wrongly excluded bidders
- Lack of transparency

It is expected that further details of the above will be contained within the Secondary Legislation

7. REMEDIES FOLLOWING SUCCESSFUL CHALLENGE

Damages

It is proposed to offer a shift of focus from monetary damages to:

- Measures to allow for a rerun of procurement
- Decisions to be set aside
- Documents to be amended
- Capping of Damages to:
- Recovery of legal fees
- Plus 1.5x bid costs
- Exemptions to Damages Rules: -
- Illegal direct awards – crisis
- Where malfeasance has been demonstrated

Some successful challenges led to an Automatic Suspension of contract, and it is proposed:

- Changes to the test of whether to lift suspension to tailored procurement specific tests
- Introduction of fast track tribunal court procedure – hoped will reduce need to rely on test for lifting the suspension
- Contracts let under new crisis and extreme urgency are excluded from automatic suspension risk – however note - this will not apply if correct process has not been followed with justification.

Again further information on the above is expected within the Secondary Legislation

8. PROCUREMENT OVERVIEW BODY

Part ten of the Bill proposes that an appropriate authority has an oversight over contracting authorities' procurement activity giving them the power to investigate their compliance with the new Act, as part of a new Procurement Review Unit and further details around this are expected in the coming weeks.

9. FIRE AND RESCUE REFORM

In addition to the above proposed changes to the Public Contracting Regulations the Fire and Rescue Reform Paper talks about Fire Commercial Transformation and some of the key points in relation to commercial activity are detailed below:

- Each fire and rescue authority must demonstrate that it is achieving value for money for the goods and services it receives.
- Every fire and rescue authority should look at ways to improve its commercial practices including whether they can aggregate their procurement with other fire and rescue authorities and other local services and blue light organisations to achieve efficiencies.
- Fire and rescue authorities must demonstrate and support national and local commercial transformation programmes where appropriate.
- Each fire and rescue authority should be able to demonstrate full awareness of the objectives to standardise requirements, aggregate demand and manage suppliers of products and services within their commercial arrangements.
- Fire and rescue authorities must ensure that their commercial activities, be that the placement of new contracts or the use of existing contracts, is in line with their legal obligations, including but not limited to the Public Contracts Regulations, the Public Services (Social Value) Act 2012, the Modern Slavery Act 2015 and transparency commitments.

What does this mean for us?
<ul style="list-style-type: none">• All of the above we have already built into our procurement processes and therefore will have little impact on us.

10. CONCLUSIONS AND OPINION

Whilst there are still several unknowns overall the reform does modernise outdated procurement practices and enables Commercial Teams to use skills they are trained for and frequently used in the private sector. However this is the biggest overall in Public Procurement since the original regulations were introduced and to date have been incremental changes very much aligned to previous versions, therefore this will be a huge undertaking for commercial teams.

Once the Bill has received Royal Assent and the secondary legislation is in place it will be a lot clearer as to what we need to do. The Cabinet Office will commence training and there will be much more available guidance to assist commercial teams implement changes. From what we do know the Regulations will: -

- Overall provides more flexibility and a more streamlined approach to procurement however, the administrative and resource burden on the Commercial Team will be significantly increased.
- The reduction of the routes to market to three make it simpler for bidders however the onus on the commercial team to design the procedure when using the new competitive flexible procedure and ensure it is adhered to by all stakeholders could be challenging and could lead to increased risk of challenge if stakeholders are not fully aware of the boundaries.

- There is now an opportunity to build negotiation stages into an increased number of procurements to drive value and innovation, however those undertaking negotiations must be equipped and competent in negotiating best practice and be fully commercially aware. (Basically, starting from a blank sheet of paper)
- The proposed significant changes to the remedies available to suppliers including the cap on the level of damages, if these are adopted into the regulations could reduce the temptation of sabre rattling challenges, however ascertaining the level of damages will require a robust formula and there is more scope to challenge
- Conducting an internal review at initial stage of challenge will also be resource intensive as well as an independent stakeholder review if necessary.
- Changes to the debarment lists and exclusion criteria are welcomed but will only be as good as the information recorded, which includes the onus on us as a contracting authority to report on these criteria
- Changes to framework arrangements and DPS will be welcomed by suppliers however will place a greater administrative burden on the commercial team. That said, they do provide for longer term fit for purpose and updated framework arrangements.

11. **NEXT STEPS**

- Develop Implementation Strategy and timescales
- Research information and secondary legislation when published
- Upskill Commercial Team
- Redraft procurement documentation accordingly
- Design template process documents
- Design Procurement Processes Accordingly
- Deliver Awareness to the wider organisation

ACHIEVED EFFICIENCIES /DELIVERED SAVINGS (some examples over last 12 months)

- **iLearn Licences** – saved 4% year each year for 3 year contract by going direct award to the company rather than through G-Cloud 12 – this was done via an exemption but supports that argument why it isn't always good practise to use a framework – we need to be able to demonstrate value for money (value was £98k over 4 year contract)
- **LAN Refresh** - Used SBS NHS Digital Workplace Solutions we were able to award directly to SCC PLC to make significant savings through awarding direct and contracting with SCC PLC for 5-year contract which also includes the installation of the hardware working with ICT staff as they will be carrying out some of the work.

This procurement was to purchase the LAN equipment on behalf of CFRS and BFRS, but circumstances required for each service to be responsible to create 2 parallel contracts. To achieve savings of around £160k in total (around £80k + US\$/GBP exchange rates allowed more saving for CFRS.

Both agreements were dependant on each service to agree a contract by cop 31 July 2022 to get the savings as CISCO were due to raise their prices as from 1 August 2022.

This demonstrates the importance of market intelligence and understanding the market and supply chain within the category – this again supports the move made a few years ago to a category management approach as opposed to a general procurement approach. (This was achieved through a permissible Direct Award through the NHS SBS Framework) - again showing the need to understand the various routes to market and options available to the Authority.

- **MDT Software** – we identified a framework that could accommodate our requirement as this was an existing requirement. It was decided to do this through a permissible direct award exemption as Airbus offered us a 6% discount which they would have paid to the framework owners instead they offered it to us if we go direct award for an extension. We could only agree a 3-year contract as Airbus would not agree for a shorter period.
- **IP Phones** – ITQ went out for the purchase of the phones inviting 6 companies to submit a quotation and a saving of 7.52% on each handset was made compared to buying the IP Phones through the CCS Catalogue. (again this demonstrates knowing your market and routes to market)
- **Legionella Contract** - A 9.8% saving on the recent 12 month contract extension of our Legionella contract was achieved following negotiations with the supplier. (This was done in 2 parts – halfway through first year extension the contractor wrote asking for a price increase which was challenged by the category lead, we then agreed for a second year extension where we were quoted an 18%

inflationary uplift. Once again the Category Lead undertook negotiations looking at various factors of the contract and this was then proportionately applied bringing the increase down to 8.2% - the supplier was then asked to provide the rationale – NI Contributions and salary with a proportionate increase relating to fuel which will be used for future engagement.

- **Assessment/Verification Training** Saving of approx £30k following an ITQ process rather than awarding a permissible contract to an existing supplier – on the flip side of direct award and exemption by knowing the market it was proposed by the category lead that we should test the market following a benchmarking and indicative costings exercise, which then resulted in the above saving quoted by the incumbent supplier (who does other work for us) originally quoting £60k to do the work.
- **BSI Management Improvement Contract** – The supplier has agreed to hold the price for the next 12 month extension period following negotiations with the supplier at the annual contract extension date/ anniversary – due to meetings on line, reduction in travel and time etc it was agreed not to increase as per their original request.
- **Lone Worker Alert System** – The supplier agreed to fix the price of the contract for the initial 3 year period following clarification conversations at contract award stage. The original terms and conditions stated a year on year increase in line with CPI rate. - general terms and conditions had a year on year increase we negotiated and asked them to hold the price with a rationale as to why. (that said it was a low value contract)
- **BA Compressor purchase** – 10% saving achieved - going out a quick call for quotes and not just moving forward with incumbent supplier. This was following a sense check, aware of the market and options by going through Air services UK – we only had a contract for servicing and not for purchase, for St Johns – no contract in place for purchase, told by BA supplier if purchased by Air Service UK who we have a contract with for servicing, got a quote – how do we know it is accurate, get a quote from Interspiro and get a quote from manufacturer. Did save 10% - supplier market intelligence
- **Dry Suits** - OSG recently advertised for sale our old dry suits following the introduction of the newly purchased dry suits into the Service. All monies will be put back into the equipment budget. DC to update how much money was raised at the next VFM meeting. - awaiting savings information from Finance. This was a refresh of drysuits – some were at end of life for our use but usable for general purpose use (more leisure) offered to service personnel and people purchased with any money made going back into the budget

- **ICT Shared Service** - Following an ITQ process rather than awarding the contract to the incumbent supplier for the Cyber Penetration Testing a saving of £6,430 was saved for CFRS and as this was a combined procurement for ICT Shared Service BFRS also made some savings of £4,130
- **Savings Smoke Alarms** - In light of the current supply chain issues causing delays to the delivery of smoke alarms across the country, work has been undertaken by the Commercial team to ensure continuous supply of alarms to the Service for 2022. Previously due to scarcity of supply we had to purchase alarms from a local reseller at heavily inflated costs to bolster our stock levels.

Following discussions and review of alternatives available under the National Framework we have now placed an order with Fire Blitz using the Framework terms.

The decision to purchase an alternative alarm rather than continuing to place orders with re-sellers has realised a saving to the organisation of approx. £6 per alarm unit.

For context: the recent order placed was for 720 alarms (3 month supply).

Fireblitz costs **£3,780**

If we had purchased via a re-seller the costs would have been **£8,280** (based on our previous unit price from 2021).

On this order alone the Service has achieved a **saving of £4,500**

An additional order for smoke alarms was placed with our new supplier in February to ensure a continued supply of alarms for the remainder of 2022/23. Using the Framework rather than the local supplier used at the beginning of the supply issue has again resulted in a saving to the Authority, this time of **£13,500**.

Since placing those orders we have seen increases in the costs of smoke alarm units on the National Framework due to the current supply chain issues being faced in the industry. However the Authority has been able to avoid the impact of this due to the forecasting work undertaken at the beginning of the year resulting in our orders being placed for the remainder of 2022 prior to the cost increase. This has resulted in further savings to the authority of **£720** bringing the total savings to date to **£18,720**

- **DREAM replacement financial software**. We might not have made any financial savings as the last time we went to tender for this software was in 2001 so we had no real comparisons. We certainly achieved saving in time, resources used to run the procurement through G-Cloud rather than going out to open tender. As above knowing the market can save time, resource, and money, these therefore are also savings.

Team Savings

Continuing to work on a reduced capacity the savings made from this will enable us to bring in a replacement prior to the incumbent category lead leaving to ensure sufficient handover and training to minimise the impact of category lead leaving.

Commercial team have a number of meetings as part of their role, by working from home and reducing travelling time this has enabled them to be able to absorb some of the impact of reduction to the team and increase productivity due to less travel time to suppliers and therefore non productive time.

This has also resulted in a cost saving of travel costs and subsistence costs as well as at times overnight hotel costs and reduces our carbon footprint and that of the suppliers at the same time.

Cleaning

In addition to initial savings being achieved through insourcing, through not paying TUPE or redundancy costs, savings continue to be realised through low attrition rates of staff, purchasing products ourselves for use and no mark up on contract rates generally a high turnover of staff in cleaning but because they are integral to BSG we haven't seen this. TDS to do some benchmarking of costs against other FRS's and Public Sector organisations during financial year 2023 -24.

To: Policy and Resources Committee

From: Deputy Chief Executive Officer (DCEO) - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren

Telephone 07768 023436
matthew.warren@cambsfire.gov.uk

Date: 26 April 2023

Community Risk Management Plan (CRMP) 2024-29

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an update on the creation of our Community Risk Management Plan (CRMP) for 2024/29 and seek approval for our CRMP creation plans.

2. Recommendations

- 2.1 The Committee is asked to:

2.1.1 note the contents of this report and make comment as they deem appropriate;

2.1.2 approve the approach to CRMP creation.

3. Risk Assessment

- 3.1 **Political** - the CRMP process, outlined in the Fire and Rescue National Framework for England, requires the Authority to look for opportunities to drive down risk by utilising resources in the most efficient and effective way. The CRMP has legal force and it is therefore incumbent on the Authority to demonstrate that its CRMP principles are applied within the organisation.
- 3.2 **Economic** - the management of risk through a proactive preventable agenda serves to not only reduce costs associated with reactive response services but also aids in the promotion of prosperous communities.
- 3.3 **Social** - the CRMP outlines how we will deliver services to our community. It is important that we engage with our communities to shape our activities and help to inform our understanding of risks.

- 3.4 Legal - the Authority has a legal responsibility to act as the enforcement agency for the Regulatory Reform (Fire Safety) Order 2005. As a result, ensuring both compliance with and support for business to achieve are core aspects of the fire and rescue service function to local communities.

4. Equality Impact Assessment

- 4.1 Due to the discriminative nature of fire, those with certain protected characteristics are more likely to suffer the effects. Prevention strategies aim to minimise the disadvantage suffered by people due to their protected characteristic; specifically, age and disability.

5. Background

- 5.1 Government has placed a legal requirement on each fire authority to produce an easily accessible and publicly available CRMP covering a three-to-five-year time span. The plan must;
- Reflect up to date risk analysis of foreseeable fire and rescue related risks that could affect Cambridgeshire,
 - Show how the Fire Authority will balance prevention, protection, and response activities to reduce the impact of risk on communities in a cost-effective way,
 - Outline service delivery outcomes and how resources are allocated to mitigate risks,
 - Show that the Fire Authority has a management strategy and a risk-based programme for enforcing fire safety legislation,
 - Show how the Fire Authority will meet the needs of the community through working with partners.
- 5.2 Our CRMP will cover all the activity we are engaged in to exploit opportunities and reduce risk. The current Integrated Risk Management Plan (IRMP) 2020/24 is in its final year with an action plan in place for 2023/24. Planning work has been conducted to outline our approach to building a five-year CRMP, spanning 2024 to 2029.

6. Changes to the CRMP Process

- 6.1 Since the creation of our previous IRMP, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) made recommendations in the State of Fire 2019 that the services should seek greater consistency in four areas. One of these being how services identify and determine risk and identifying and measuring emergency response standards. HMICFRS said ...

"Services are under no legal duty to comply with standards produced by the Fire Standards Board. While the Fire and Rescue National Framework for England requires services to do so, this requirement is less than an obligation to comply. Also, some services are still some way from implementing National

Operational Guidance. This guidance is intended to standardise how services respond to operational incidents, which is vital when it comes to cross-border working and responding to major incidents with others. Services should intensify their efforts to implement these national arrangements. Otherwise, Parliament should make them do it.”

- 6.2 The NFCC (National Fire Chiefs Council) has created the Fire Standards Board, as part of this there have been standards produced that outline how a CRMP should be created. The standards relevant to CRMPs advocate the change in terminology from IRMP to CRMP, which Cambridgeshire Fire and Rescue Service (CFRS) will adopt from 2024/25.
- 6.3 The community risk management planning fire standard has been released along with guidance to enable services to implement those standards. We have completed the gap analysis against this guidance and our approach is compliant with the standard for creating the CRMP.
- 6.4 In our HMICFRS inspection report for 2021/22 they said.

“The service has a good integrated risk management plan (IRMP). It makes clear links to its prevention, protection, and response strategies. And the service aims to continuously improve.”
- 6.5 We also received positive feedback on our IRMP in our 2018/2019 inspection report.
- 6.6 We are confident in our approach to building our CRMP through our colleague engagement, the positive independent feedback we have received from HMICFRS and our compliance with the fire standard. Therefore, we are proposing to follow the same structure again with the addition of public engagement activities.
- 6.7 The key change to our CRMP creation relates to how we engage with our communities in the risk identification and exploration phase of our planning process. Historically we consult with the community once we have created our IRMP to gather feedback and input. In creating our previous IRMP we conducted organisation wide engagement to gather thoughts once we understood our risks. This worked well for the Service and enabled us to gather a wide range of potential solutions to mitigate our risks or to realise our opportunities. We will be conducting this exercise again with our people but will also be widening this to engage with the community.
- 6.8 Our community engagement will work with partner organisations to use established connections to hard-to-reach communities as well as utilising our newly established community engagement forum and social media platforms. Our intention is to engage at this early stage to explore risks and identify opportunities.
- 6.9 Through our engagement activities we will be exploring topics such as;

- risks and opportunities identified,
- how could these be mitigated or realised?
- preferred engagement methods,
- what is important to our communities?
- response standard expectations.

7. Work completed so far

- 7.1 We have reviewed our vision, values, and excellence statements; these continue to be relevant to CFRS. However we have updated the language of these to reflect today's culture.
- 7.2 Our approach and risk profiling activities for the current IRMP were positively highlighted by HMICFRS as providing us with a clear, well-rounded understanding of our risk. Work is nearing completion for the gathering of this information. A review of our community demographics has been conducted utilising the latest census data to ensure that we understand our communities.
- 7.3 We have reviewed both our strategic and tactical risks as well as the national risk registers to create a snapshot of our current risk and opportunities profile.
- 7.4 We are a data driven organisation, our data is continuously under review to enable us to target and evaluate our activities. This means that as an organisation we have a good understanding of our community social demographics and risk profile. It is a continuous process, reviewed on a quarterly basis. For the creation of our new CRMP we will take a snapshot of the data to baseline our understanding and plan activities. Our new CRMP will continue to maintain our quarterly data reviews to ensure continued targeting and evaluation our activities.
- 7.5 Work is ongoing on the Operational Response Review project. This has conducted in-depth data analysis using modern modelling techniques. The project has reviewed how and when our resources are used. This has enabled us to study in greater depth the capability of our response and to consider future changes to how we manage resources to deliver greater efficiency and effectiveness.
- 7.6 A previous consultation activity with the public identified that the public believed that we prioritised our calls in a similar way to the ambulance and police services. It also identified that this was looked upon positively. Work conducted under the Operational Response Review project has looked at the impact of this on our response times. This topic will be further explored as part of our community engagement activities.
- 7.7 At the time of writing, HMICFRS are carrying out their third major inspection of CFRS with results from this expected later in the year. We will take any recommendations from this into consideration when constructing our new CRMP.

8. Equality Impact Assessment and our CRMP

- 8.1 An Equality Impact Assessment is an important part of our CRMP process. We will be conducting an assessment of our CRMP process including our engagement activities. It is important for us to understand the barriers that our process may present to those we are trying to engage with so that we may look at ways to overcome these. We will also assess our CRMP engagement responses as a measure of evaluation of our approach to engagement with our diverse communities.
- 8.2 Our CRMP will present our high-level plans for the five-year period. Each project or work strand will be subject to an equality impact assessment once we initiate the delivery work as part of our standard practices and in line with our equality impact assessment processes.

9. Next Steps

- 9.1 Once the data work is completed, we will commence our community and colleague engagement activities.
- 9.2 After this is completed at the end of July 2023 we will begin to consider the feedback received and formulate our draft CRMP to be presented to the Authority in November 2023.
- 9.3 Subject to this being approved we would then commence a consultation period on our draft with the intention of presenting the final CRMP to the Authority in February 2024. If approved we will seek to publish our new CRMP on 1 April 2024; our existing IRMP expires on 31 March 2024.
- 9.4 The diagram below outlines the high-level schedule of activities.



Source Documents

Consultation plan for Community Risk Management Plan (CRMP) 2024/29
Community Risk Management Planning - Fire Standards Board
Cambridgeshire - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) – Inspection report 2021
Cambridgeshire - His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) – Inspection report 18/19

Location:

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Hinchingsbrooke Cottage
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To: Policy and Resources Committee

From: Deputy Chief Executive Officer (DCEO) - Matthew Warren

Presenting officer(s): Deputy Chief Executive Officer - Matthew Warren

Telephone 01480 444619

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Date: 26 April 2023

Efficiency Plan 2023-24

1. Purpose

- 1.1 The purpose of this report is to provide the Policy and Resources Committee with an overview of the Efficiency Plan for 2023/24.

2. Recommendation

- 2.1 The Committee is asked to note the plan and the compliance action, taken on behalf of the Authority, by the Service.

3. Risk Assessment

- 3.1 **Economic** – The Authority has a responsibility to secure best value and a mechanism for securing this is through the Service having robust and effective efficiency plans.
- 3.2 **Political** – The Authority needs to be able to demonstrate to the local electorate that it has control of its funds and is properly scrutinising its budgets so that it can justify council tax increases.

4. Service Efficiency Planning

- 4.1 The Service has worked extremely hard over the last two years preparing itself for potential financial challenges. The planning was done in the form of an extensive financial business continuity plan (FBCP) that looked at organisation wide scenarios to save money. The impact of implementing such scenarios was then assessed before savings were prioritised with those having the lowest impact on service delivery being prioritised for removal first.
- 4.2 Alongside the FBCP, the Service has also been analysing its operational risk to understand if operational resources can be utilised more effectively.

- 4.3 All of this work was undertaken prior to Government providing fire and rescue authorities the ability to increase its Band D council tax by £5. The increase for Cambridgeshire meant that, whilst some efficiencies identified as part of the FBCP were taken out of the 2022/23 budget, many more draconian cuts were avoided.
- 4.4 The increase in Band D council tax by £5 did come with a requirement from Government for all fire authorities to provide a detailed efficiency plan for 2023/24, by 31 March 2023. All the work undertaken over the last two years has made the completion of this requirement very straightforward. The detailed return is attached at Appendix 1 and was returned to the Home Office well in advance of the deadline.

Source Documents

Location:

Various Fire Authority Reports and Minutes 2022/23
Fire Service HQ
Hinchingsbrooke Cottage
Huntingdon

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CAMBRIDGESHIRE
FIRE & RESCUE SERVICE

Working together to improve community safety

CAMBRIDGESHIRE FIRE & RESCUE

EFFICIENCY PLAN

2023/24

Overview

Cambridgeshire Fire and Rescue Service (CFRS) has worked hard over the years to continuously strive to work more efficiently and effectively whilst maintaining a good if not outstanding service to the community, providing a value for money service.

With the unpredictable increases in costs and unknown pay settlements over the year, the service has concentrated even more to see where further efficiencies can be made and put contingency plans in place should the costs outweigh the funding.

The cost of materials and services as well as the cost of living pay increases have been higher than those budgeted for 2022/23 and going into 2023/24, where the budget was set before the pay award for 2023/24 was agreed.

The increase in precepts will help the Service recover from the £1.2m budget deficit in 2022/23 and provide a stable platform for 2023/24 and in the medium-term assuming inflation rates reduce back to 2-3%. For future years we have assumed a 1% growth in housing year on year and a 3% increase per annum on precept per household, with inflation and pay increases expected to be between 2-4%; although there is still much uncertainty whether and when inflation will reduce back down to the rates, we were used to experiencing in the recent years leading up to 2022/23.

Background to Efficiency in Cambridgeshire

Cambridgeshire has been a service focussed on its efficiency since 2010. As a service, it has changed its wholtime shift system multiple times, saving significantly whilst improving operational availability and productivity. Alongside these efficiencies, the Professional Support functions were re-structured also saving considerable amounts from the budget. Aside from these cashable savings, the service has also implemented shared service functions focussed on enhancing the efficiency of the service and enabling the use of technology. All of these savings and the Services standing as a high performing low-cost service should be properly considered to understand the scope for making further efficiencies and savings when compared to services that haven't been through the same levels of change.

Budget for 2023/24

Below is our budget for 2023/24. Our complete budget book which includes our medium-term budget (capital and revenue), reserves policy and financial strategies can be found on our website [Financial documents \(cambshire.gov.uk\)](https://cambshire.gov.uk/financial-documents)

BUDGET EXPENDITURE	2023/24 £'000
Firefighters and Control Room Staff	20,269
Support Staff	7,731
Training	391
Other Staff Costs	38
Employee costs	28,429
Repairs and Maintenance	462
Heating and Lighting	593
Cleaning Contract	47
Rents and Rates	760
Premises costs	1,862
Office Equipment and Furniture and Fitting	58
IT Equipment	1,222
Clothing and Uniform	398
Communications	860
Mutual Protection	403
Subscriptions	63
Corporate Support	19
Community Safety	76
Fire Protection Exps	54
Health and Safety	179
Members Fees	100
Audit Fees	112
Legal Fees	48
Consultant Fees	419
Printing and Stationery	21
Postage	14
Travel and Subsistence	46
Advertising	14
Hydrants/BA Maintenance	141
Operational Equipment/Infrastructure	210
Project Delivery Costs	99
Other Supplies and Services	752
Supplies and Services costs	5,308

Continued on next page

BUDGET	2023/24
EXPENDITURE	£'000
Car Allowances	38
Petrol, Oil and Tyres	504
Repair and Maintenance of Vehicles	181
Transport costs	723
Fire Services Charges	144
Service Level Agreements	25
Agency charges	169
Capital Financing	638
Capital charges	638
Control Room Recharge	-1,028
Section 33 Grants	-1,863
Other Income	-567
Income	-3,458
Net Revenue Expenditure	33,671
Revenue Support Grant	-3,191
Retained income from Rate Retention Scheme	-6,343
Settlement Funding Assessment (SFA) Total	-9,534
Funded by Fire Authority Precept	24,137

Reserves

Our reserves more than have halved in the last two years, this is due to CFRS utilising the Property Development reserve to fund the building of our new Huntingdon Fire Station and state of the art Training Centre.

We expect to utilising our Operational reserve and help fund some of the pay increases for our operational staff for 2022/23. The balance has been funded from in-year savings, where many non-operational activities were stalled pending outcomes of pay awards and funding information.

Although we are not showing any utilisation our general reserve or our Finance Business Continuity reserve over the medium-term, we are very conscious the reality could be that we will have to utilise some of it. If we see precepts reduced back down to 2% from the 3% initially indicated for 2024/25, with the pay award for 2024/25 having already been agreed over and above that budgeted, we will see a knock on effect which will impact our reserves.

	2022/23	2023/24	2024/25	2025/26
Estimated reserves at start of each financial year	£'000	£'000	£'000	£'000
		5,275	5,425	5,397
Property Development Reserve	1,319	1,469	1,441	1,574
Capital Property Improvements		-2,809	-1,982	-2,072
Capital Receipts		2,959	1,954	2,205
General Reserve	2,433	2,433	2,433	2,433
Capital Financing		0	0	0
Underspends		0	0	0
Finance Business Continuity Reserve	1,000	1,000	1,000	1,000
Operational Firefighter Reserve	0	0	0	0
Pension Reserve	523	523	523	523
Estimated Reserves at year end	5,275	5,425	5,397	5,530
General Reserves at year end	2,433	2,433	2,433	2,433
Earmarked Reserves at year end	2,842	2,992	2,992	2,992

Reserve Narrative

The Property Development Reserve is earmarked to fund major property improvement and new capital schemes. The new Training Centre and Fire Station at St John's in Huntingdon became operational in January 2023, reducing this reserve from £8.3m to £1.3m. Future capital expenditure is being partly financed through the expected sale of land at St Ives and the old Huntingdon Fire Station. Investing in sustainability is now a key consideration and this reserve will also support that in the medium-term.

The General reserve will be used for expenditure that cannot be budgeted for such as spare conditions, maternity leave, unexpected cost increases, etc.

The Finance Business Continuity Reserve is a new reserve generated by the underspend in 2021/22 as a result of consciously holding back on spend to help manage future budgetary pressures and expected cuts in grant income.

The Operational Firefighter £400k reserve will be used to cover the overspend as a result of the unbudgeted pay increase in 2022/23.

The Pension reserve is held to fund ill health retirements that are often unexpected and to fund any current funding shortfall owing to the revaluation of the Firefighter Pension Fund in addition to the uncertainty around the Matthews, McCloud and Sargent remedy cases.

Efficiency Table

Below is a summary of the cost savings that have been made from our 2022/23 budget going forward into 2023/24.

Description	Saving £000's	Validation	Risks and Barriers
Telecommunications & technologies	251	Review of technologies and contracts	Mid-year renewals may be higher than expected
Reduction in number of Operational and support staff and canteen costs	210	Operational staff and professional support staff have been reduced across the service	Staff may be over-worked in order to achieve the same outcomes
Flexible working & working methods	160	Improved use of ICT to reduce travel, postage, printing and stationery costs	
Community Safety	82	Revised ways of working	New processes may not be as effective
Insurance premiums	50	Quick reporting and investigation of incidents, carrying out relevant checks and providing relevant security measures to drive premiums down and reduce claims	Mid-year renewals and number of claims may be higher than expected
Business Rates	47	Property portfolio rating review carried out during 2022.	
Operational & Support Training	69	Bringing Operational training inhouse, utilising new Training centre & upskilling internal staff. Using remote/ on-line training for professional support staff.	Less remote/on-line training options may be available as more face-to-face (location based) options become more prominent, increasing costs
Occupational Health	34	Aligning services to where they are needed and renegotiating health cover	
Sale of Property to fund capital expenditure	167	Reducing the need to fund capital out of revenue	Costs of capital and/or sale proceeds may be different to estimates
Total Savings	1070		
Total Net Budget 2022/23	31,226		
Savings as a % over 2022/23	3.4%		

Productivity

The following tables highlight areas of where productivity has been enhanced and directed or recorded and the expected levels of productivity.

TRAINING
Crews are expected to align training activities within the Whole-time (WT) Training, Record and Competency System (TRaCS) Training Planner. There is an appreciation that operational incidents and other commitments may mean occasional deviation from the planner. All WT and On-call (OC) staff are expected to attend up to 4 training days per year as allocated by the Training Centre. TRaCS is used to record training and capture any additional evidence from incidents, Operational Support Group (OSG) exercises etc.
OPERATIONAL SURVEY (OPS) JOBS
OSG allocate a number of operational review and operational survey jobs at the start of the year with watches able to self-allocate operational familiarisation jobs and operational exercises (OPX) via CFRMIS. The OSG Team provide any additional support and guidance as required. OPX link reduced the Automatic Fire Alarm (AFA) policy (see below), which creates capacity within the current working time available.
AFA POLICY
CFRS has undertaken a review of its attendance of AFA's, from 1st April 2023 there will be an increase in productivity hours available across the establishment. OPX has been identified as a tangible activity to increase operational readiness. The requirement will be one OPX per watch per month. This will be achieved in the completion of tabletop exercises or the preferred option (where possible) a practical exercise at the risk venue.
TECHNICAL FIRE SAFETY (TFS) JOBS
Crews can now self-allocate TFS jobs using the designated CFRMIS quick screen. There is an expectation that Watches will select a variety of premises types to gain a broad understanding of inspecting premises. The Fire Protection Team will provide any additional support & guidance as required.
COMMUNITY FIRE SAFETY JOBS
Watches are allocated Safe and Well visits based on the appropriate data sets via CFRMIS. Additional Safe and Well visits may arise from incidents and ad-hoc requests. The Fire Prevention team provide any support and guidance as required.
COMMUNITY ENGAGEMENT
Utilising census data, we are able to identify hard to reach communities, make links, engage with them, target recruitment, and have local events.
WATCH ACTIVITY
There is currently no recording of watch activity however, vehicle checks' and health and safety tasks continue to be recorded on the MIQUEST platform. Monthly cost reports, detailing the cost of different pay activities, such as overtime, and numbers in establishment are monitored closely and corrective action taken if necessary.
FITNESS TESTING
All operational staff are required to complete a fitness test every 12 months. This will be monitored by Occupational Health Unit with reminders sent to staff accordingly.

PERSONAL DEVELOPMENT REVIEWS (PDRs)

Watch management and Professional Support management should ensure staff attend regular PDRs. These meetings should include a quality conversation around all aspects of welfare, training, and personal development. The People Team are available to provide support in the delivery of PDRs.

CONTAMINANTS

It's critical for the welfare of our staff to ensure we are managing and monitoring contaminated Personal Protective Equipment (PPE) accordingly. There is clear messaging to all operational staff around our expectations around this issue, backed up with policy and procedure. Station Commanders should inspect PPE regularly and check Bristol return records. The Service continually reviews these risks and makes changes to policies and procedures to maintain the right level of protection.

Targets on next page

OPERATIONAL TARGETS
WHOLETIME WATCH TARGETS
TRAINING - 8hrs per week
OPS JOBS - 12 per year
TFS JOBS - 30-60 per year (depending on station)
DAY CREWED STATION TARGETS
TRAINING - 8hrs per week
OPS JOBS - 12 per year
TFS JOBS - 60 per year
ROAMING PUMP TARGETS
TRAINING - 14hrs per week
OPS JOBS - None (unless requested)
TFS JOBS - 2 jobs/hours per day
ANTICIPATED TIME ALLOCATION
WT STATIONS (hours per tour)
Total Available: 29hrs (8.5 hours per day / 6 hours per night)
46 tours per year
Training: 8hrs minimum
CFS: 3hrs minimum Community Engagement: 2hrs minimum
TFS: 3hrs minimum
OPS: 4hrs minimum
Ops Calls: 5hrs (10% of all time)
Available: 4hrs (to include routines, emails, admin, bookings, personal study and additional hours for any of the above)
7 DAY CREWING (Hours per week) (2 Watches)
Total Available: 59.5hrs (8.5hrs per day)
Training: 8hrs minimum
CFS: 4hrs minimum Community Engagement: 2hrs minimum
TFS: 3hrs minimum
OPS: 4hrs minimum
Ops Calls: 5hrs (10% of all time)
Available: 7.5hrs (to include routines, emails, admin, bookings, personal study and additional hours for any of the above)
5 DAY CREWING (Hours per week)
Total Available: 42hrs (8.5hrs per day)
Training: Minimum 8hrs minimum
CFS: Minimum 8hrs minimum Community Engagement: 3hrs minimum
TFS: 6hrs minimum
OPS: 4hrs minimum
Ops Calls: 5hrs (10% of all time)
Available: 8hrs (to include routines, emails, admin, bookings, personal study and additional hours for any of the above)

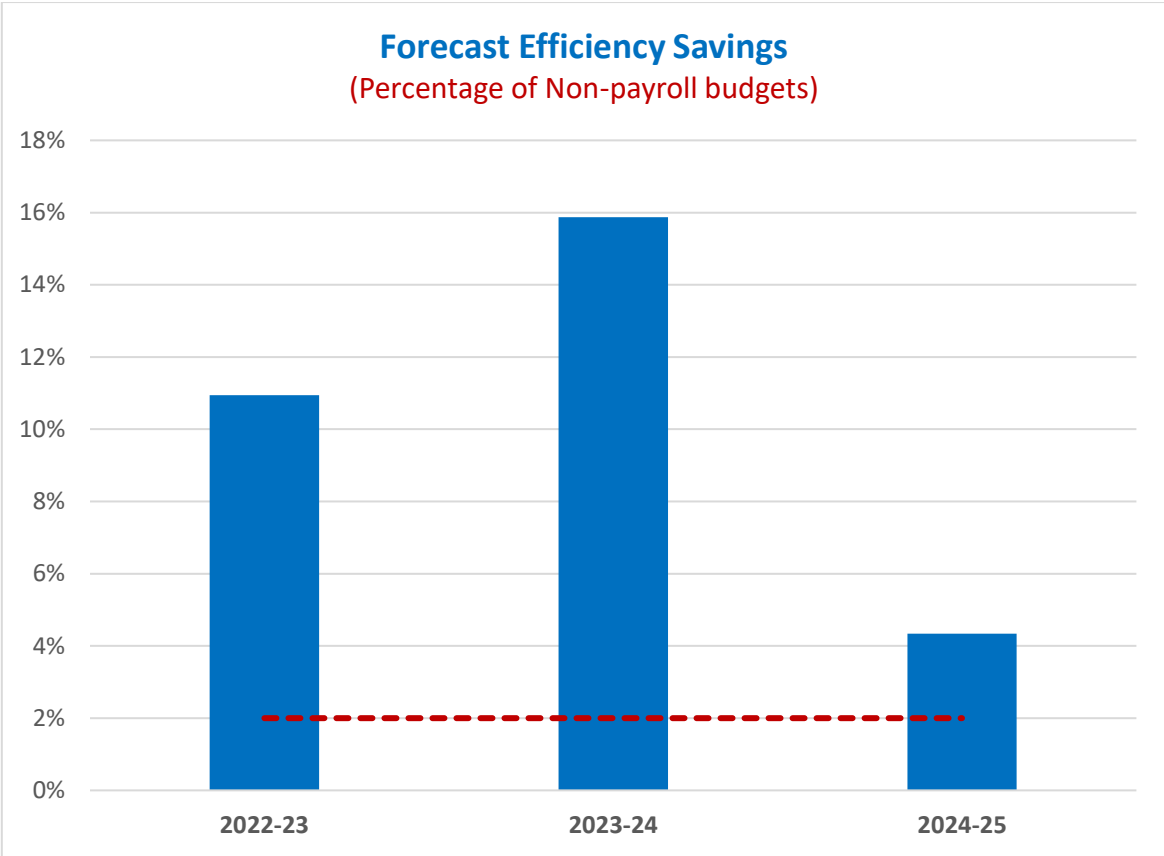
Efficiency Savings Budget Review

The table below highlights the savings already made or expected to be made in 2023/24 by CFRS, leaving very little scope for any further savings in the medium-term without reducing our Operational service.

	Budget £000's			
	2021-22	2022-23	2023-24	2024-25
Revenue Support Grant	-2,811	-2,897	-3,191	-3,286
Retained income from Rate Retention Scheme	-6,471	-6,115	-6,343	-6,392
Settlement Funding Assessment (SFA) Total	-9,282	-9,012	-9,534	-9,678
Specific and special grants inside AEF	-1,537	-1,963	-1,863	-1,602
Appropriations to(+)/ from(-) reserves	-94	56	-33	0
Other Income	-1,674	-1,563	-1,595	-1,590
Sub-Total	-3,305	-3,470	-3,491	-3,192
Collection fund surplus(-)/deficit(+)	94	-56	33	0
Council Tax Base	291,045	296,307	302,011	305,182
Band D Precept (£)	73.53	74.97	79.92	82.26
Increase in Council Tax Base		1.81%	1.92%	1.05%
Increase in Band D Precept		1.96%	6.60%	2.93%
Council Tax Requirement	-21,401	-22,214	-24,137	-25,104
Total Income and Funding	-33,894	-34,752	-37,129	-37,974
Opening Revenue Expenditure Budget		33,894	34,752	37,129
Investment/Cost Pressures				
Direct Employee				
Pay Awards		751	1,535	840
Employers Pension Contributions				
Increase in Prevention/Protection/Response Staff		0	361	0
Increase in Support Staff		161	0	0
Indirect Employee (training, travel etc.)				
All Indirect Employee Costs		27	45	78
Premises				
Utilities		7	13	0
Rent/Rates		0	11	0
Other Premises Costs		64	30	0
Transport				
Fleet		0	24	0
Fuel		25	65	0
Other Transport Costs			0	0
Supplies and Services				
Increased Usage/Enhanced Provision		401	463	13

Efficiency Savings Budget Review continued:-

	Budget £000's			
	2021-22	2022-23	2023-24	2024-25
Other Non-Pay Inflation		160	868	244
Capital Financing				
Revenue Expenditure Charged to Capital				
Net Borrowing Costs		95	34	30
Total Cost Pressures		1,690	3,449	1,205
Efficiency Savings				
Direct Employee				
Reduction in Prevention/Protection/Response Staff		-42	-106	0
Reduction in Support Staff		-20	-84	-13
Indirect Employee (e.g. training, travel etc.)				
All Indirect Employee Costs		-93	-89	0
Premises				
Utilities		0	0	0
Rent/Rates		-98	-47	-1
Other Premises Costs		-155	-4	0
Shared Premises				
Transport				
Fleet		-29	0	0
Fuel		0	0	0
Other Transport Costs		0	-3	0
Supplies and Services				
Procurement Savings				
Other Technology Improvements				
Decreased Usage		-115	-572	-157
Capital Financing				
Revenue Expenditure Charged to Capital		-280	-167	-189
Net Borrowing Costs				
Total Efficiency Savings		-832	-1,072	-360
Closing Revenue Expenditure	33,894	34,752	37,129	37,974
Efficiency Savings as a Percentage of Revenue Expenditure		2.45%	3.08%	0.97%
Non-Payroll Budgets £000's		7,600	6,752	8,302
Efficiency Savings as a Percentage of Non-Payroll Budgets		10.95%	15.87%	4.34%
Efficiency Savings Target		2.00%	2.00%	2.00%



Collaboration

CFRS has many collaborations with other organisations, some of these have benefitted the services for many years and we strive to look at the potential for new opportunities as a matter of business as usual whenever we review or change a process or need to procure a new contract.

The table below identifies these collaborations along with any savings or efficiencies.

Activity	Description	Other Party	Host	Cost savings/efficiencies
Control Room	Joint control room function	Suffolk FRS	CFRS	£400k (in 2011) per annum for each service, over £546k at current pricing.
ICT support	Joint information technology internal support	Bedfordshire FRS	CFRS	Provided resilience and enables greater resourcing at the same cost
Gazetteer Manager Service	Managed database service	Bedfordshire FRS	CFRS	Sharing of skills and expertise with Bedfordshire.
Safeguarding	Provision of safeguarding oversight and support	Essex FRS	Essex	£28,000 per annum
Drone & Operational Training	Joint training	Cambs Constabulary	CFRS	Allows for training of pilots to be shared with Police and shared governance of drone use provides significant savings on costs to train and certificate.
Shared space	Use of meeting rooms	Cambs Constabulary	CFRS	Allows greater flexibility and reduces room and venue hire costs through allowing use and access to other services facilities.
Shared space	Use of fire station facilities	East Ambulance Service	CFRS	No cost saving for CFRS. Welfare for other blue light service providers.
Co-responding	Currently two stations delivering co responding	East Ambulance Service	CFRS	Cost recovery for co-responding activities, allowing the EEASt to use capacity and at no extra cost to CFRS.
Internal Audit	Joint contracting of internal audit programme	Bedfordshire FRS & Essex FRS		Knowledge shared, endorsing best practices
Shared network contract	Shared VMB contract for network provision	Beds FRS	CFRS	£500K over the 5-year contract period for CFRS.

Activity	Description	Other Party	Host	Cost savings/efficiencies
Fire and Rescue Indemnity Company (FRIC)	Insurance consortium - mutual management of risk, provide discretionary cover and purchase external insurances.	12 FRS's	FRIC	Savings on insurance premium tax (5-7%), enhanced management support and risk management. Aims to optimise each Member's risk transfer programme and reduce costs. Reserve pool surpluses are distributed back to members.
S.151 Officer	Shared finance officer	Cambs PCC	CFRS	The income for CFRS is currently £9k per annum and further savings will have been made by Cambs PCC.
Incident Command & Cross-border Working	Common basis for the actions of FRS's undertaking their responsibilities as a result of agreements made under S.13 and 16 of the Fire Rescue Services Act 2004.	Beds, Herts, Essex, Norfolk & Suffolk FRS's		No cost saving but increased resilience
Specialist Operational Equipment sharing	Share Equipment across all 3 services	Cambs Constabulary & East Ambulance Service		Allows greater access to resources if the service requesting does not have the resources available. Cost saving of recalls to duty and increased asset availability.
Supporting the most vulnerable	Working with Adult Social Care teams to support services through the Safe and Well visits. Identify data that will assist our vulnerable risk profiling.	Peterborough Plus, Solutions for Health, Everyone Health, Insight, Leap (local energy assist programme), Health and Wellbeing network (VOLORG), Peterborough County Council, Camquit		Improved targeting of activities

Activity	Description	Other Party	Host	Cost savings/efficiencies
Multi Agency Safeguarding Hub (MASH)	working together on safeguarding concerns in the following key areas: Child Protection, Vulnerable Adults & Domestic Abuse	Cambridgeshire constabulary, Probation Service		Improved safeguarding
Shared information	share information on vulnerable individuals in order to provide support	Anglian Water	AW	Improved success rate for Home Fire Safety Checks.
Shared rota for Area Commanders and principle officers.	Provision of officer cover across both counties	Beds FRS	CFRS/BFRS	Allows for services to manage the rota with one less resource.

Transformation Plans

The following projects are currently in progress or planned for 2023/24.

Activity	Description	Key Benefits	Saving £
New Finance System	New finance system is being implemented during 2023/24 - improvements and expected efficiencies in budgeting and reporting, potential to reduce staffing by £15k in 2024/25, eliminate the need for 3 different systems as well as multiple spreadsheets, saving a further £5k pa	Improved financial planning, reporting and efficiencies	20k
ICCS and Mobs	This is the replacement of the Mobilising and Integrated Command and control system.	Replace aging critical system Ensure compliance with new technology requirements, e.g. DCS and ESN	None
Review of Operational Response	Reviewing all current resources for Operational delivery, and the impact of these resources looking to identify how greater efficiencies and effectiveness can be achieved to meet the needs of the communities.	Ensuring evidence based case for effective and efficient use of operational response resources to inform the CRMP 2024/29	
TRIM review	Review of the provision of post critical incident support provision to staff	Ensuring appropriate mental health and wellbeing support is in place for staff involved in incidents.	
Huntingdon New stations and training centre	Build a new Fire station and up to date training facilities within Huntingdon. The training centre is the new facility for the delivery of operational training to the whole service.	Fit for purpose state of the art training facilities to enable operational effectiveness. Expect reductions in training costs and potential income generated by training firefighters from other services.	
Review of SHQ	Review to look at the use of Service Headquarters and review ways of working	Project initiating April 2023	

This table is continued on the next page.

Activity	Description	Key Benefits	Saving £
On Call review project	5 work strands - Removal of 13.5 ladders from on call appliances Business hubs Crews of 3 Expansion of Co-Responding Station move from Papworth to Cambourne	Efficiency in training time to allow for increased training in other areas. Allowing on call staff to use our buildings as their office to improve response availability Increased availability and speed for initial response Cost recovery and utilising available capacity Building running costs saved and site sale (sale income net £306k)	£10k pa running costs
Microsoft Office 365 and cultural change	Ensuring maximised benefits and efficient ways of working through the exploitation of technology sets in particular the toolsets offered as part of MS365	Looking to improve effectiveness through increased use of technology.	None
Training centre review.	Review of the shift system in place for the operational training centre staff to ensure more certainty of working hours and delivery at a range of times to enable on-call and Wholetime staff to access courses at appropriate times.	Greater accessibility to training courses A revised shift system that provides guaranteed training courses at evenings and weekends without the use of overtime.	Increased course availability at no extra cost.

Charging Policies

The table below lists the charges the Service makes to recover our costs. There is a reference to Special charges which can be found on our website, [Special service charges \(cambsfire.gov.uk\)](http://cambsfire.gov.uk)

Activity	Description	Charging Basis
Special Service Charges	Attending special service operational incidents e.g. lift release, locked out of properties, where a charge is due (charges do not apply to vulnerable persons).	Set fee based on costs to provide the service
Hire of equipment	The loan of salvage sheets at incidents such as roof fires or house fires where the equipment needs to be left in situ	Set fee based on costs to provide the service
Hydrant testing	The testing, examination and repair of private fire hydrants	Set fee based on costs to provide the service
Photocopying	A charge set for printing in both black & white and colour at CFRS site for non-authority use	Set fee based on costs to provide the service
Fire Reports & Fire investigation reports	To provide Insurance companies and private clients with a fire report when requested.	Set fee based on costs to provide the service
Cylinder recharge	The costs to private companies and other Fire & Rescue Services to recharge a cylinder of air	Set fee based on costs to provide the service
Automatic Fire Alarms charges for collecting Stations	An annual charge for access to dedicated telephone lines to our combined control for automatic fire alarms	Set fee based on costs to provide the service
Interviews with fire investigation officers and incident commanders	Charges for interviews between fire investigation officers and incidents commanders for the purpose of insurance and loss adjusters	Set fee based on costs to provide the service
Cross border charges	Charges for providing assistance to and from other Fire & Rescue for the provision of fire and rescue activities	MOU agreements - charging based on previous LGA charging Mechanism (Average of 3 years incidents - set rate per incident) unless agreed differently otherwise
Charging to other Local Authorities	Charges to other local Authorities for shared services and collaboration activates	MOU's with specific agreements. Charging based on actual costs incurred
Activity	Description	Charging Basis

Firebreak Course	Charging to provide 1 day or 1 week fire cadet courses to schools	1 day - £45 per student 1 week - £4,500 per course based on costs incurred to deliver courses
Primary Authority Scheme	Charging to local organisations for primary authority activities	Costs based on actual activity delivered
Portable Misting Systems	Charges for the installation and maintenance of portable misting systems installed into properties	Installation costs shared with house owner for the installation of the unit. Maintenance and call charges based on actual costs.
Co- Responding	Charges due to East of England Ambulance Service for attendance to co-responding incidents	Charges based on actual costs incurred by authority to attend the incident
Staff costs	Charging for costs incurred by the authority for an employee. E.g. private mileage	Charged based on expenditure incurred
Rents	Charging for rents for use of Authority properties	Charges based either on market value of property or nominal amount agreed
Cycle scheme	Charges to Employees for the provision of a salary sacrifice cycle to work scheme	Charges based on cycle scheme agreement
Awards sponsorship	sponsorship packages available for specific supplier to contribute and attend the annual Authority Awards evening	Gold Package - £2,500 Silver Package - £1000 Bronzer Package - £500 Only provide packages up to the cost incurred for holding the event.
Road Safety Officer	Host the post for the vision zero partnership	We charge the Cambridgeshire Police and Crimes Commission for this post at £45K per annum for 2 years

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Equipment and Assets

Our capital investment programme can be found within our Budget Book 2023/24 on our website.

Below we have highlighted areas which we are actively working on improving productivity and/or efficiencies.

Activity	Description	Benefit
Equipment and appliance checks and inventories	Checks are carried out and recorded on our asset management system every time equipment is used and/or repaired. Any defects are recorded.	This is not a new process, so no new benefit or saving, but continued monitoring of equipment and inventories ensure efficient ways of working.
Mobile/hybrid working	Covid19 meant the issuing of laptops and working away from the office happened during 2020-2021. The adoption of hybrid working during 2021/2022 and 2022/23 is now the accepted way of working. The introduction of Office 365 enables files to be shared easily, reducing the need to print documents and travel for meetings. For 2023/24 this is driven further by focusing on sustainability, erasing unnecessary cost drivers and working efficiently.	Reduction in printing and postage and travel.
Investments	Description	Cost
Investment in Rescue & Emergency Vehicles	Extra 3 rescue pumps purchased in 2022/23 rather than 2023/24, due to availability/lead times/cost benefits. One foam carrier planned for 2023/24	£300k
Silver Fleet - cars	Expanded life policy (increased by one year). Moving to hybrid and electric support, officer and pool vehicles - expect fuel savings outweigh increase in electricity costs. Electric charging points have been installed at some of our key sites. 13 fleet cars planned for 2023/24	£435k
Silver Fleet - small/medium vans	Expanded life policy (increased by one year). 8 vans planned for 2023/24.	£160k

Alternative Staffing Models

Part of the operational review and focus on improved productivity, a review of the operational staffing models was undertaken and resulted in some changes.

Title	Description	Saving/efficiency
crews of 3	Reducing the minimum number of retained firefighters from 4 to 3 in order for an appliance to be made active.	Approx 250 additional hours of availability. Stop messages sent sooner making resources available quicker. On some occasions more human resource to scene of incidents quicker than we did previously
Day crewing shift system	More time spent on station, earlier start time and strategic standby appliances if second away is available	0800-1800 on station which is in line with our WT start and finish times. Easier to make a standby move, less overtime needed, pumps not off the run as often, more time for productive work. Also at our 2x 5 day crewed stations, if the second away is available then the first (WT pump during the day) can go to another station on a strategic standby giving greater flexibility in fire cover across the county.

Procurement

The table below lists savings and/or efficiencies have been made by the commercial procurement team. This has been done by considering whether purchasing through a framework, by tender or by direct award is the best route in each individual case; by challenging terms and conditions and renegotiating rates.

Description	Benefits/savings
iPhones 7.52% on each handset	7.52% saving
Healthshield Health Insurance Policy review	£9k (16%)
Legionnaire contract	9.8% saving
BSI management improvement contract prices held	no CPI increase
BA Compressor contract 10% savings	10% saving
Resale of dry suits	negligible
Tensor billing under wrong terms	£8k saving
iLearn Licences – direct award to the company rather than through G-Cloud 12 via an exemption supporting value for money (value was £98k over 4 year contract)	£98k 4% per year, 3 years
LAN Refresh - Used SBS NHS Digital Workplace Solutions to award directly to supplier for 5-year contract which also includes the installation of the hardware working with fire service ICT staff as they will be carrying out some of the work.	£160k shared savings with Bedfordshire FRS
MDT Software – we identified a framework that could accommodate this existing requirement. It was decided to do this through a permissible direct award exemption as Airbus offered us a 6% discount which they would have paid to the framework owners instead they offered it to us if we go direct award for an extension. We could only agree a 3-year contract as Airbus would not agree for a shorter period.	6% discount
Lone Worker Alert System – The supplier agreed to fix the price of the contract for the initial 3 year period following clarification conversations at contract award stage. The original terms and conditions stated a year on year increase in line with CPI rate. - general terms and conditions had a year on year increase we negotiated and asked them to hold the price with a rationale as to why. (that said it was a low value contract)	CPI
Replacement financial software. Financial savings unknown as the last time we went to tender for this software was in 2001 so we had no real comparisons. Savings were achieved in time & staff resources used, procuring through G-Cloud rather than going out to open tender.	Efficiency/time savings during procurement.

Local Initiative and Volunteers

CFRS benefit from resources provided by some local charities and organisations.

Initiative	Description	Saving/efficiency
Bobby Scheme	A charity who work on behalf of the police who undertake home fire safety checks.	saving community safety officer hourly rate x 150 visits approx.
Community champions	Community outreach work - help with recruitment and community safety activities such as talks.	varies - would need to employ a part-time support member to cover
Anglian Water referral process	Communication both ways, data set for vulnerable people, meaning we don't have to go door-knocking.	improved door entry to the vulnerable by 25%
Peterborough Voluntary Fire Service	A crew of volunteers	Approximate saving is £70k pa

To: Policy and Resources Committee
From: Area Commander Operational Response and Fire Protection - Stuart Smith
Presenting officer: Area Commander Stuart Smith
07900 267853
stuart.smith@cambsfire.gov.uk

Date: 26 April 2023

Cambridgeshire Fire and Rescue Service Unwanted Fire Signals (UFS) Strategy

1. Purpose

- 1.1 The purpose of this report is to update the Policy and Resources Committee on the strategy to reduce the burden of unwanted fire signals (UFS) and our reporting of automatic fire alarms (AFA's) to His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS).
- 1.2 This relates directly to a HMICFRS report informing the Service that it needed to do more to reduce the burden of UFS within Cambridgeshire.

2. Recommendations

- 2.1 The Committee is asked to;
 - 2.1.1 note the content of this report and in particular the risk assessment,
 - 2.1.2 endorse the policy change detailed at Paragraph 8.

3. Equality Impact Assessment

- 3.1 An equality impact assessment has been completed.

4. Risk Assessment

- 4.1 **Political** - members of the public expect a level of service from Cambridgeshire Fire and Rescue Service (CFRS). To ensure this is the best possible we need to manage our resources effectively and use them in the most efficient manner. By not attending AFA's to certain premises we will ensure best use of resources and mitigate the risk of not having resources available when one of our most serious incidents occur. Obviously this then poses a risk that any premises having an AFA that we do not

attend could actually have a fire and there will be a delay in our mobilisation until a call confirming a fire situation is received.

- 4.2 **Economic** - there will be a non-cashable saving from wholetime appliances not attending AFA's and cashable savings from On-Call appliances not attending AFA's. Substantial value for money will be seen from this change by focusing resources on operational risk work, growing our awareness of static risk and improving our response to the public during our most serious incidents.
- 4.3 **Social** - an equality impact assessment has been completed. Therefore the risks from a social perspective relating to individuals who usually resided or are found in premises we will not now respond to under the new policy guidelines are captured.
- 4.4 **Legislative** - Article 18 of the Regulatory Reform (Fire Safety) Order 2005 requires the premises responsible person to '*appoint one or more competent persons to assist in undertaking the preventive and protective measures.*' Where the protective measures include a fire alarm and fire detection system, a proper service and maintenance programme is essential to ensure the fire alarm and detection system works when it is needed most. British Standards recommend that the number of service visits per annum should be a minimum of twice a year (with the actual number dictated by a suitable and sufficient risk assessment).
- 4.5 **Environmental** - there will be a reduction in vehicle movements to emergency incidents through this non-attendance so CFRS will save on fuel and vehicle maintenance. This change will create capacity in working time meaning some vehicle movements may be required at normal road speed to undertake other tasks.

5. Definition of an Automatic Fire Alarm (AFA)

- 5.1 National and local statistics show that the majority of all AFAs are unwanted fire signals (UFS). An unwanted fire signal is defined as "*a fire signal resulting from a cause other than fire.*" AFA's fall into two categories; faulty equipment alarms and non-fire condition alarms from areas such as cooking or dust from works.

6. Background

- 6.1 CFRS already has a policy where we do not attend AFA's during the period of 0900 and 1700 hours, Monday to Friday, for some non-domestic premises (namely shops and offices). This change was made historically based on data and to improve our efficiency and effectiveness when delivering services to the public.
- 6.2 Its introduction saw a dramatic decline in the number of calls attended by CFRS and a slight reduction in calls to our Combined Fire Control (CFC). There was minimal impact on our operational response in the event of a fire as these (non-domestic) premises are 'staffed' during this timeframe and therefore individuals were making a call to CFC for help triggering our mobilisation to the incident.
- 6.3 We have reduced our AFA data to HMICFRS in the last year by correcting a reporting issue but this still does not lessen the burden of AFA's on the organisation (primarily operational crews and CFC). Appendix 1 refers.

- 6.4 As part of the Operational Response Review Project we have interrogated and reviewed all our response data and information to allow us to make informed operational decisions about how to best use our resources. This data has led us to continue to evolve our initial decision around non-attendance to AFA's at certain premises, whilst continuing to deliver the best service possible to our communities.

7. Data Analysis

- 7.1 Looking at data spanning 10 years (Appendix 2 refers), there is a correlation between AFA's that occur in residential properties and care homes/sheltered accommodation and our 'killed or seriously injured in fires' in these premises. In line with our current policy, we only mobilise to 39.4% or 28071 of AFA's that our CFC receives calls for. Of these, only 1.9% or 523 AFA's were closed as a fire (which can include for example, light fittings smoking and overheating plugs) and 360 of these calls were between 0900 and 1700 hours; only 25 of these incidents required action to rescue an individual from a property.
- 7.2 Under the new policy we would still attend all 25 of the incidents that required lifesaving action as they all occurred following AFA's in care homes/sheltered accommodation or private residential properties.
- 7.3 As part of the Operational Response Review Project, data has been reviewed to understand what capacity this policy change will create (by our non-attendance to AFA's). By looking at time currently spent at AFA's and then what that time will look like with the new policy in place, we can free up capacity for our operational crews to do more productive work. We will re-establish our operational risk exercises (at local risk sites on station grounds) to ensure crews continue to train and familiarise themselves with our most significant risks across the county. As Members are aware, operational incidents make up a small percentage of wholetime crews' work and there is other vital work that needs completing alongside providing an operational response. This work will continue within the project to ensure our wholetime crews are being as productive as possible with the capacity they have available to them.

8. Policy Change

- 8.1 It is intended to introduce the new policy on 1 May 2023. Its introduction will see CFRS **stop attending** AFA's to the following premises between 0900 and 1700 hours, Monday to Friday, unless called for a reported fire or a manual call point is activated:
- hospitals and hospices,
 - houses of multiple occupancy,
 - prisons and secure accommodation,
 - hostels,
 - high-rise buildings.
- 8.2 We will **continue to attend** AFA's to the below premises between these times based on the data analysis;

- care homes/sheltered accommodation,
 - private residential properties.
- 8.3 This change in response to AFA's will provide capacity for crews to continue with training and targeted work during the day with less likelihood of being disturbed due to AFA's, whilst still providing an attendance at care homes/sheltered accommodation and residential properties.
9. Consultation
- 9.1 The people responsible for the premises affected by this change have been actively engaged with and consultation has been ongoing with representative bodies for over a month. This change will not only reduce the burden of false alarms on our crews but should reduce the impact of calls to our CFC. We will monitor this impact and if we see that calls are still being made to CFC further education with alarm receiving centres will take place to try to reduce this burden further. A robust communication strategy has been devised in preparation for any negative responses or concerns.

Source Documents

Policy and Resources Committee Reports and Minutes – various

Fire Authority Reports and Minutes – various

HMICFRS Inspection Reporting - various

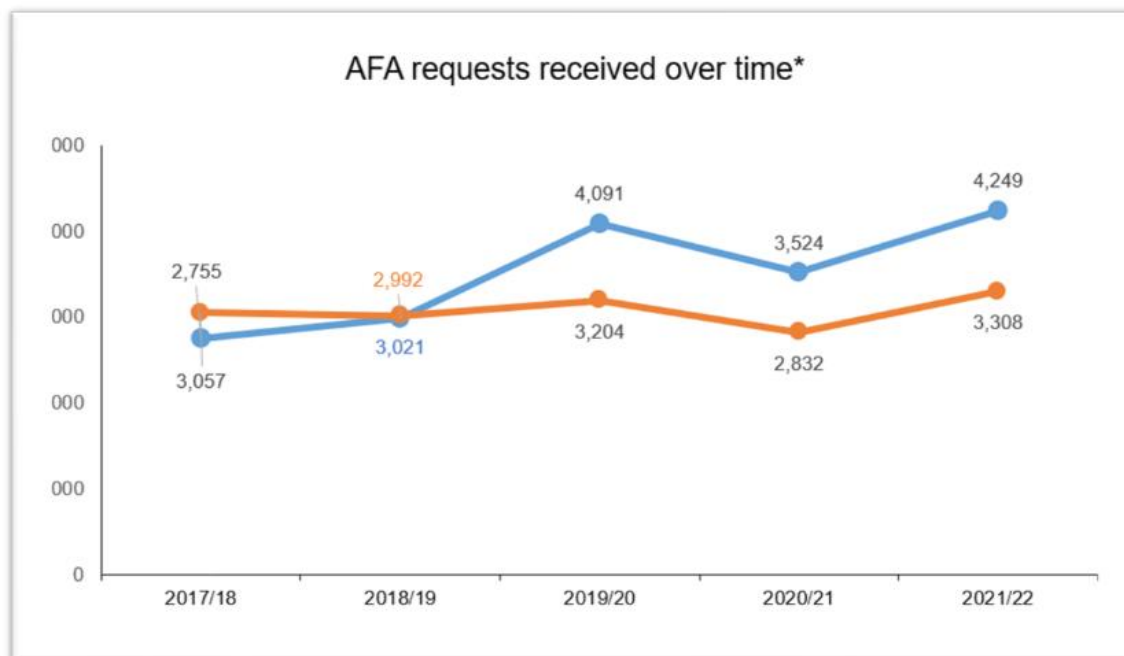
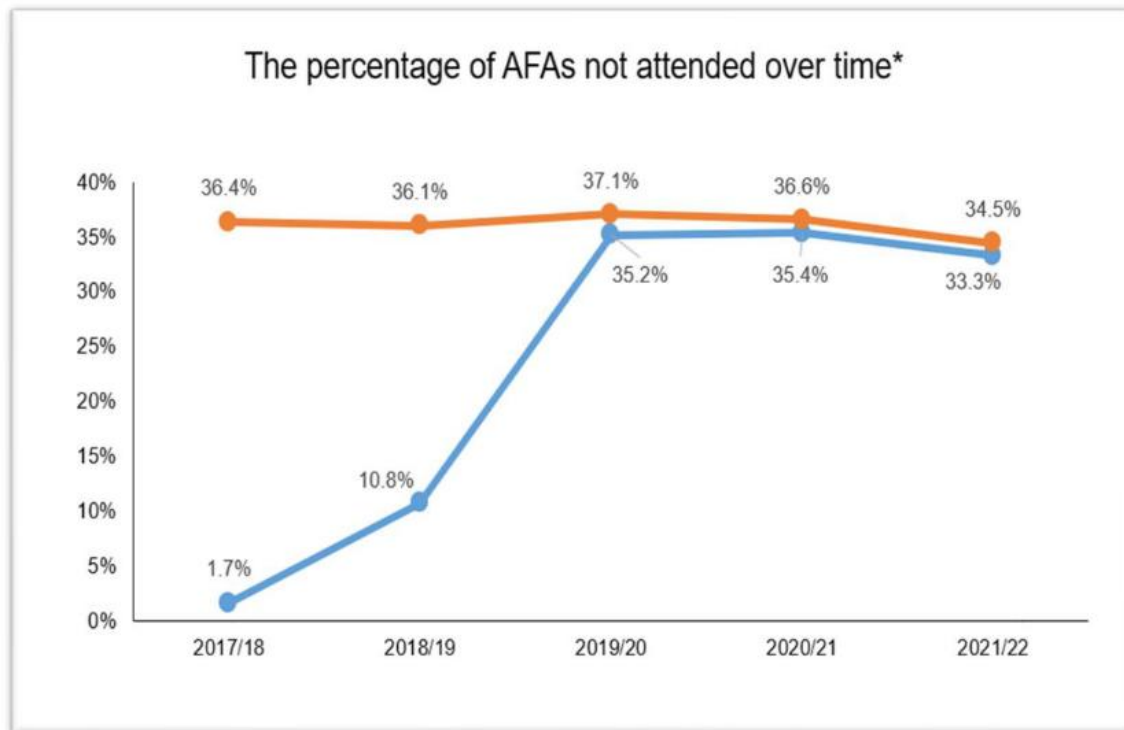
Location:

Hinchingbrooke Cottage
Brampton Road
Huntingdon
PE29 2NA

Contact Officer:

Stuart Smith
Area Commander Operational Response and Fire Protection
07900 267853
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Appendix 1




Blue lines are HMICFRS reported figures, orange lines are adjusted figures.

Appendix 2

10-Year analysis (April 2011 to March 2021)

Measure	Trend	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Grand Total	% of Total
Total Incidents attended over 10 years		8338	6913	6533	6292	6746	7200	7182	7511	7228	6489	70432	
Of which were Mobilised to : Alarms - AFA		3405	3248	2697	2643	2788	2807	2698	2671	2751	2363	28071	39.4%
Of which were closed as a Fire		67	60	50	50	59	43	61	41	45	47	523	1.9%

How many incidents and what % of 523 fires required MPU?		4	3	10	4	3	2	3	4	2	3	38
		6.0%	5.0%	20.0%	8.0%	5.1%	4.7%	4.9%	9.8%	4.4%	6.4%	7.3%
What % of 523 fires had fatalities?		0	0	0	0	0	1	0	0	0	0	1
What % of 523 fires had casualties?		2	3	2	7	7	2	5	2	1	3	34
What % of 523 fires had rescues?		3	5	1	5	6	6	4	2	3	5	40
Were the crews notified it was a fire enroute?												

Policy and Resources Committee Work Programme

Meetings 2023/24

Date	Time	Venue
2023		
Wednesday 26 April	1400 hours	SHQ
Thursday 22 June	1400 hours	SHQ
Wednesday 12 July	1400 hours	SHQ
Tuesday 31 October	1400 hours	SHQ
Wednesday 20 December	1400 hours	SHQ
2024		
Monday 22 January	1400 hours	SHQ
Monday 29 April	1400 hours	SHQ
Wednesday 12 June	1400 hours	SHQ

Work Programme 2023/24

2023			
Wednesday 26 April			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 31 January 2023	Dawn Cave	
	Minutes of Overview and Scrutiny Committee Meeting 19 January	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> Community Risk Management Plan 2024/29	ACFO	
	CFRS Unwanted Fire Signals Strategy	Area Commander Operational Response and Fire Protection	
	<u>Audit Reports</u> None		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24	Deputy Chief Executive Officer	

	Commercial and Procurement Activity – Annual Update	Deputy Chief Executive Officer/Head of Commercial and Business Support	
	Efficiency Plan 2023/24	DCEO	
	Site of Former Huntingdon Fire Station	DCEO	Confidential item
	Work Programme 2023/24		
Thursday 22 June			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 26 April 2023	Dawn Cave	
	Minutes of Overview and Scrutiny Committee Meeting 20 April 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> Annual Treasury Management Review	Deputy Chief Executive Officer	
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24	Deputy Chief Executive Officer	
	Annual Review of the Operation of the ICT Shared Service Agreement	Head of ICT and OHU	Annual after end of previous financial year
	Fire Authority Programme Management - Monitoring Report	Head of Service Transformation	
	Strategic Risk and Opportunity Management Register – Monitoring Report	Head of Service Transformation	Deferred from 26 April 2023 meeting
	Work Programme 2023/24		
Wednesday 12 July			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 22 June 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> TBC		
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24	Deputy Chief Executive Officer	
	Strategic Risk and Opportunity Management Register – Monitoring Report	Head of Service Transformation	
	Work Programme 2023/24		
Tuesday 31 October			
Time	Agenda Item	Member/Officer	

1400	Minutes of Policy and Resources Committee Meeting 12 July 2023	Dawn Cave	
	Minutes of Overview and Scrutiny Committee Meeting 19 July and 4 October 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> TBC		
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24	Deputy Chief Executive Officer	
	Fire Authority Programme Management - Monitoring Report	Head of Service Transformation	
	Work Programme 2023/24		
Wednesday 20 December			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 31 October 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> Draft Budget 2024/25		
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24	Deputy Chief Executive Officer	
	Strategic Risk and Opportunity Management Register – Monitoring Report	Head of Service Transformation	
	Work Programme 2023/24		
2024			
Monday 22 January			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 20 December 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> Draft Budget 2024/25	Deputy Chief Executive Officer	
	<u>Audit Reports</u> Annual External Audit Report	BDO	
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2023/24 (including a mid-year Treasury Management Update)	Deputy Chief Executive Officer	

	Fire Authority Programme Management - Monitoring Report	Head of Service Transformation	
	Estates Projects Update	Deputy Chief Executive Officer	
	FRIC Update	Deputy Chief Executive Officer	
	Work Programme 2024/25		
Monday 29 April			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 22 January 2024	Dawn Cave	
	Minutes of Overview and Scrutiny Committee Meeting 15 January 2023	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> TBC		
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2024/25	Deputy Chief Executive Officer	
	Annual Review of the Operation of the ICT Shared Service Agreement	Head of ICT and OHU	Annual after end of previous financial year
	Commercial and Procurement Activity – Annual Update	Deputy Chief Executive Officer/Head of Commercial and Business Support	
	Strategic Risk and Opportunity Management Register – Monitoring Report	Head of Service Transformation	
	Work Programme 2024/25		
Wednesday 12 June			
Time	Agenda Item	Member/Officer	
1400	Minutes of Policy and Resources Committee Meeting 29 April 2024	Dawn Cave	
	Minutes of Overview and Scrutiny Committee Meeting 22 April 2024	Dawn Cave	
	Action Log	Dawn Cave	
	<u>Decision</u> Annual Treasury Management Review	Deputy Chief Executive Officer	
	<u>Audit Reports</u> TBC		
	<u>Information and Monitoring</u> Revenue and Capital Budget Monitoring Report 2024/25	Deputy Chief Executive Officer	
	Annual Review of the Operation of the ICT Shared Service Agreement	Head of ICT and OHU	Annual after end of previous financial year
	Fire Authority Programme Management - Monitoring Report	Head of Service Transformation	
	Work Programme 2024/25		

Fire Overview and Scrutiny Committee Minutes

Date: Thursday 19 January 2023

Time: 14:00 – 16:00

Venue: Fire Service Headquarters

Present: Councillors Bond, Gardener, Gowing, Kindersley (Chair), McGuire, Rae, Taylor and Warren

46. Apologies for Absence and Declarations of Interest

No apologies were received. There were no declarations of interest.

47. Minutes – 6 October 2022 and Action Log

The minutes of the meeting held on 6 October 2022 were agreed as a correct record and signed by the Chair. The action log was noted.

48. Integrated Risk Management Plan Performance Measures

The committee received a report which reviewed the service's progress between 1 April and 30 September 2022 with regard to incidents and workforce diversity. There had been a decrease in road traffic collisions; an increase in minor injuries and co-responding with special services; and a spike in primary, secondary and non-domestic fires, which was not anticipated to be a trend. Applicant diversity had been affected by recruitment difficulties and a high staff turnover.

During discussion members:

- Clarified that while the percentage killed or seriously injured had increased 9% over the five year period, the overall population had increased 11%.
- Noted that the A1307, A1198 - Papworth St Agnes junction - and A1 Wittering had high rates of road traffic accidents. Signage work occurring to mitigate accidents. The service agreed to request information from police databases regarding road accidents occurring on the A14 from Ellington to the Keyston/Bythorn junction following a change to the road layout. Action.
- Learned that road traffic collision deaths were recorded if the death occurred within 28 days of the accident.
- Were reassured that the National Fire Chief's Council and local authority recognised the impact of climate change on spate conditions and were seeking to mitigate the resulting trends.

It was resolved unanimously to:

Note the contents of the performance report in Appendix 1 which covers the first two quarters of the year, 1 April to 30 September 2022 and make comment as they deem appropriate.

49. Update on the Expansion of Crews of Three Appliance Mobilisations to all Incident Types

The committee received a report which detailed the use of crews of three appliance mobilisations for all incidents, approved by the Programme Board 13 September 2022. This had enabled CFRS to increase availability of on-call fire stations, improved response times, and prevented further deployment when unnecessary. A training offer existed to mitigate concerns from firefighters, but had been attended by thirteen of 242 officers.

The officer provided updated figures for Section 7 of the report: there had been eight mobilisations – in which a stop message had been utilised for one; 630 hours additional appliance availability; a failure to agree letter from the Fire Brigades Union (FBU) dated 4 January 2023; fifteen letters of compliance under duress, of which ten were from wholetime on call firefighters and three had completed the training session. In response to the letters, the service had written to the FBU acknowledging concerns and met separately with each person. They found the primary concern to be attending incidents for which urgent action was required, which needed over three firefighters to enact. In these instances, there would be a moral dilemma as firefighters would be expected to wait for an additional response unit. The officer countered that preparation work could be done in the interim period.

The Chair invited Mr Harriss, FBU representative for Cambridgeshire, to speak against the proposal. Mr Harriss expressed concerns that crews of three could be waiting sixteen minutes for additional response; and shared that, following implementation, response times had been five minutes quicker to 25% of incidents and one minute quicker to 56% incidents. Prior to commencement, 88% of firefighters in a Whatsapp group had signed a letter of concern, 66% of whom were wholetime staff. He also established that Councillor Murphy, Chair of the Fire Authority, had responded to an email from the Fire Brigades Union recognising their concerns.

In response to questions from members, Mr Harris:

- Clarified that, in a separate email sent to members of the Overview and Scrutiny Committee, he had used rural areas as an example of an instance in which mobilisation of crews of three would not necessarily provide a quicker response time.
- Notified members that this policy required multiple appliances to be mobilised in all circumstances, including those for which previously one was required. This used additional resource in a stretched service.
- Established that preparation work prior to building entry was approximately sixty seconds. This limited action that could be taken by the first response to alleviate the moral pressure to act. This moral pressure to act would be increased by the public

whose expectation for the fire service to act would be subverted. The Chair responded that any form of attendance may provide the public with reassurance.

In response to the public question, the officer stated that:

- The majority of call outs were not of a severe nature and could be handled by a crew of three. It would not be an organisational aim to crew appliances with only three firefighters but, when required, this would mitigate under-resourcing. Currently the service struggled with on-call firefighter retention due to the contrast between the role's significant time commitment relative to the number of call-outs.
- There had been a house fire prior to the mobilisation of crews of three appliances which had become more serious due to the nearest station having a smaller crew than necessary available for mobilisation.
- This measure had been implemented in other counties, and the officer was not aware of any redaction of the policy.
- Following commencement of the mobilisation of three, the response time within Cambridgeshire had not been sixteen minutes.
- Firefighters were trained in handling moral pressures and making risk assessments. This reduced firefighter loss of life. Research by the University of Cambridge demonstrated that moral pressure was stronger when officers were unable to take any action. However, actions could be taken by a team of three in a severe situation, such as: setting into the nearest water supply hydrant; running a jet or hose reel out to contain a fire; and window rescues using ladders.
- Representative bodies would receive a written response to their concerns.

It was requested that Mr Harris and Overview and Scrutiny Committee members receive a written response to the statement within five working days. **Action.**

In response to the report, members:

- Reiterated feedback from the consultation that it was residents' preference to see any response from the fire service, rather than wait additional time for their arrival. This included preparatory work.
- Drew comparisons between three-crewed appliances and NHS first response vehicles. When NHS first responders used ambulances, public expectations could also be subverted. For both, changing public perception could alleviate moral pressure.
- Learned that, on accepting the role, officers received ten weeks of initial training, an annual training update, and breathing apparatus training six months after commencement in the role. General training included the minimum number of firefighters required for use of the equipment. Therefore, while three-crew appliance training had been offered in response to officers' requests, it was not mandatory and low uptake was likely because most officers already felt sufficiently trained.

- Were reassured that three-manned appliances would only be crewed by experienced staff.
- Clarified that there were 252 on-call colleagues, 15 of which had penned under duress letters. These letters were received following the mobilisation of three-crewed appliances, whilst the larger volume of letters written by the Whatsapp group and presented by Mr Harriss had been written prior to commencement.
- Reflected that the need to mobilise crews of three had been initiated due to low recruitment and retention, caused largely by the low number of calls outs.
- Established that data from crews-of-three mobilisations would be included on the Performance Dashboard and RNB Performance Report, which would highlight any concerns. This could also be included as a regular report to the Fire Authority. It was requested this was also seen quarterly by the Overview and Scrutiny Committee. **Action.**
- Expressed a desire to endorse the action taken. It was therefore proposed by Councillor McGuire, seconded by Councillor Gardener, and resolved unanimously to amend the recommendation to reflect this and circulate the minutes of this meeting to the Fire Authority. **Action.**

It was resolved unanimously to:

Note the contents of this report, specifically the work the service has undertaken with all stakeholders (colleagues, representative bodies and communities) that were affected by this new way of working and **endorse the expansion of crews of three appliances to all incident types.**

50. Update on CFRS Planning for Industrial Action

The committee received a verbal update on the CFRS Industrial Action Plan. Following the rejection of a 5% pay rise by FBU members, a ballot regarding whether to proceed with strike action was taking place, after which strikes could commence from 23 February 2023. A Resilience Agreement was in place, which included the availability of the following officers throughout strike action: a minimum of ten appliances, a silver commander, two group commanders and a fire control commander. It was not anticipated that specialist skillsets would be offered, but available resource would enable officers to manage a tall building fire. Support from other services was also being sought. The Business Continuity Plan had been agreed by the Policy and Resources Committee.

During discussion, members:

- Clarified it would be an individual's choice whether or not to continue with strike action should a terrorist event occur. However, in the event of such a major incident, of any type, it was anticipated that it would be responded to fully regardless of strike action.

- Noted that previous costing for military aid had been £64k to crew two appliances. This would provide defensive support, but not building fire management or aid for road traffic collisions. The fire service would also be required to provide additional resourcing for the training of military personnel. This was therefore deemed an unviable option.

It was resolved unanimously to:

Note the report.

51. Internal Audit Progress Report

The committee received the Internal Audit Progress Report which measured the authority as having controls with reasonable assurance. Following the audit, it was agreed that the journal would be independently verified in future. All actions were agreed with management; however, additional resource was required to enact them.

During discussion, members expressed concern regarding the long timescales for implementation, however, expectations had to be managed as all recommendations were being enacted by a single member of staff.

It was resolved to:

Note the Internal Audit Progress Report.

52. Draft Budget Report

The committee was provided with an overview of the annual budget subject to approval by the Fire Authority. It broke down the £37.136m gross budget for 2023/24. The service was currently functioning in a £1.2m deficit, but £211k short term savings had been made and the 2023/24 gross budget had been reduced by £1m. Spending had been affected by inflation (which was accounted for within the budget), fuel costs, pay awards and anticipated pay increases. Should pay awards increase, the budget would need to be reviewed. Currently the authority was still considered a low cost, high performing organisation.

During discussion, members:

- Learned that reserves would become dangerously low should additional pay awards be granted.
- Noted that the property development reserve and financial business continuity reserve would be utilised to resource the pay award, although the majority of the property development reserve had been used on supporting the St John's project. Borrowing would be more effective than capital revenue to fund pay awards further.
- Were pleased that by end-2023, the sale of the Huntingdon Fire Station would buoy low reserves, as would the additional £1.9m provided by Council tax precepts. However, 800k savings were still required.

- As a result of global warming, the government was considering providing fire services with additional funding should demand in summer 2024 exceed forecasts as it had for summer 2023.
- Acknowledged that the outline strategy had been reviewed by the Policy and Resources Committee who, along with the Fire Authority, would review it again following this meeting.

It was resolved to recommend to the Fire Authority:

1. That approval is given to a Fire Authority budget (as detailed in Appendix 1) to the requirement £33,678,280.
2. That approval is given to a recommended Fire Authority precept for Tax from District Authorities and Peterborough City Authority of £24,143,451.
3. That approval be given to an Authority Tax for each band of property, based on the number of band D equivalent properties notified to the Fire Authority by the District Authorities and Peterborough City Authority (302,095):

Band	2022/23	Authority Tax	2023/24	Band	2022/23	Authority Tax	2023/24		
A	£	49.98	+£3.30	£53.28	E	£	91.63	+£6.05	£97.68
B	£	58.31	+£3.85	£62.16	F	£	108.29	+£7.15	£115.44
C	£	66.64	+£4.40	£71.04	G	£	124.95	+£8.25	£133.20
D	£	74.97	+£4.95	£79.92	H	£	149.94	+£9.90	£159.84

4. That approval is given to the Capital Programme detailed in Appendix 2.

53. Cambridgeshire and Peterborough Fire Authority Overview and Scrutiny Work Programme

The committee discussed what areas or issues might add value to the scrutiny function. It was agreed not to progress the existing member-led review of estates, property management and capital programme but focus on people themes. Terms of reference for a member-led review on employee retention would be drafted and circulated for comment. **Action.**

The committee agreed to a site visit at St John's on 10 February 2023. **Action.**

The committee resolved unanimously to note its work programme.

Chair
20 April 2023