

<b>Item 9</b>
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## Towards a Dorset & Wiltshire Fire & Rescue Authority

MEETING	Shadow Dorset and Wiltshire Fire and Rescue Authority
DATE OF MEETING	23 June 2015
SUBJECT OF THE REPORT	Review of Financial Regulation and Contract Standing Orders
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	To consider Draft Financial Regulations and Contract Standing Orders for the new Dorset and Wiltshire Fire and Rescue Authority.
EXECUTIVE SUMMARY	<p>A review of the current Financial Regulations and Contract Standing Orders has been undertaken for both the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority and early drafts have been established for the new Dorset and Wiltshire Fire and Rescue Authority, which will come into effect from the 1st April 2016.</p> <p>Financial Regulation and Contract Standing Orders are the foundations on which the controls and measures regarding finance and for the supplies of goods and services are based, and are a legislative requirement for good governance.</p>
RISK ASSESSMENT	<p>Financial and administrative procedures for the control, management, recording and reporting of resources (money and assets) are critical and fundamental for good governance to demonstrate value for money and effective service provision. Without an adequate and effective framework of regulation around the finances and the procurement of goods, works and services, there will not only be an increased risk of financial failure and poor management but there will be a greater risks that could jeopardise the effective provision of services to the public, to whom we are accountable.</p>
COMMUNITY IMPACT ASSESSMENT	No separate impact assessment has been carried out in bringing forward this report.
BUDGET IMPLICATIONS	This report does not give rise to any new budget implications.
RECOMMENDATIONS	Members are invited to adopt the proposed Financial Regulations (Appendix A) and Contract Standing Orders (Appendix B).
BACKGROUND PAPERS	Dorset Fire Authority and Wiltshire and Swindon Fire Authority Member handbooks and Standing Orders

APPENDICES	Appendix A – Financial Regulations Appendix B – Contract Standing Orders Appendix C – Financial regulations comparisons Appendix D – Contract procedure rules comparisons
REPORT ORIGINATOR AND CONTACT	Phil Chow, Brigade Manager, Tel: 01380 731150, Mob: 07809 548055, Email: <a href="mailto:phil.chow@wiltshire.gov.uk">phil.chow@wiltshire.gov.uk</a>

## 1. Introduction

- 1.1 A review of the current Financial Regulations and Contract Standing Orders has been undertaken for both the Dorset Fire Authority and the Wiltshire and Swindon Fire Authority and early drafts have been established for the new Dorset and Wiltshire Fire and Rescue Authority, which will come into effect from the 1st April 2016.
- 1.2 Under the Combination Order – 2015 No. 435 Fire and Rescues Services, England, the Dorset and Wiltshire Fire and Rescue Authority (Combination Scheme) Order 2015, a new Authority has been formed meeting for the first time on 23 June 2015. It will require a governance framework, and a set of Standing Orders. Regulations will be required to be established in advance of the new Authority having full responsibility under the Fire and Rescue Services Act for the full provision of services to the Dorset and Wiltshire areas as the new Authority. Current financial and administrative regulations and contract standing orders or contract procedure rules for the existing fire authorities of Dorset and Wiltshire and Swindon, still remain in operation until 1 April 16.

## 2. Financial Regulations

- 2.1 A review was undertaken of the current financial and administrative regulations within both Fire Authorities of Dorset and Wiltshire and Swindon. In addition to considering what the current regulations are, a wider review was taken primarily around our neighbouring fire services and local authorities.
- 2.2 It has been recognised that the format and content of Financial Regulations reviewed, for the majority of the sets of regulations considered, also follow a framework developed by CIPFA (the Chartered Institute of Public Finance and Accountancy).
- 2.3 It has also been recognised that whilst both Fire Authority regulations look very different, they are unsurprisingly quite similar, except for the format and wording. They do however cover many areas, expressed differently, giving rise to the look and feel being very different.
- 2.4 On review, a comparison was completed between the regulations of both fire authorities (see Appendix C). The principles adopted in establishing a new set of regulations for the new authority were:-
  - As much as possible of the current regulations have been maintained, albeit the wording may have changed, to reflect the CIPFA framework, as the regulations will be pertinent to the new Authority as they are to the current authorities.
  - An assessment of whether the regulations needed amendment due to potential changes within the new Authority and Service in respect of size, structure, governance framework, systems and also procedures i.e. parts of current regulations being too prescriptive, and are too detailed for relation, and therefore would be covered in departmental operating procedures (Finance Regulations

need to be high level). This has also led to adding in areas where neither sets at present cover parts of the CIPFA framework.

- 2.5 Appendix A provides the proposed set of Financial Regulations, which includes revisions following presentation to the Joint Committee alongside the comparisons between the two sets of regulations for the two existing Fire Authorities, allowing the Joint Committee to scrutinise and review, prior to being submitted to this Authority for adoption and approval with effect from 1 April 2016 (subject to any other consequent changes required).
- 2.6 In summary the main change is primarily around presentation to include the CIPFA Framework whilst maintaining the fundamentals included in each of the requisite Authority's current regulations, and financial thresholds to take account of the requirements of a new, bigger Authority.

### 3. Contract Standing Orders

- 3.1 Similarly to Financial Regulations, a review was also undertaken of the current contract standing orders or contract procurement procedure rules within both Fire Authorities of Dorset and Wiltshire and Swindon. And again, similarly in considering what the current regulations are, a wider review was taken primarily around our neighbouring fire services and local authorities.
- 3.2 It has been recognised that no two services looked at, included the same rules in respect of their contract procedures, all differing substantially in terms of financial thresholds and processes. That said, both Dorset FA and Wiltshire and Swindon FA reviewed their contract procedures last year with a view to aligning them as much as possible in principle.
- 3.3 On review, a comparison was completed between the contract procedure rules of both fire authorities (see Appendix D). Using the principles as applied when reviewing the Financial Regulations, much of what was included in both Dorset FA and Wiltshire and Swindon FA contract procedure rules have been used, with the view that they are satisfactory for the current authorities, therefore allowing for size, structure, governance etc, they should be right for the new Authority.
- 3.4 Appendix B provides the proposed set of Contract Standing Orders, which includes revisions following presentation to the Joint Committee alongside the comparisons between the two sets of regulations for the two existing Fire Authorities, allowing the Joint Committee to scrutinise and review, prior to being submitted to this Authority for adoption and approval with effect from 1 April 2016 (subject to any other consequent changes required).
- 3.5 In summary the main changes are primarily around presentation to reflect the presentation used in Financial Regulations, and secondly to include some further provisions which are to be considered to enhance the control on the extensions of contracts, as well as a review of financial thresholds for a new, bigger Authority.

## 4. Conclusions and Next Steps

- 4.1 Members of the Dorset and Wiltshire Fire and Rescue Authority are now asked to consider the draft regulations, Financial Regulations (Appendix A) and Contract Standing Orders (Appendix B) for approval, adoption and implementation on 1 April 2016.