

## REQUEST FOR MAYORAL DECISION – MD2646

### **Title: London Fire Commissioner Statement of Assurance 2018/19, Medium-Term Financial Plan and Reserves Strategy**

#### **Executive Summary:**

The London Fire Commissioner (LFC) is required to prepare annually a Statement of Assurance, Medium-Term Financial Plan and Reserves Strategy, in accordance with the Fire and Rescue National Framework for England.

The Greater London Authority Act 1999 requires these documents to be reviewed by the Fire, Resilience and Emergency Planning Committee (FREP) of the London Assembly and to be subsequently approved by the Mayor of London before being published.

The London Fire Commissioner Governance Direction 2018 requires LFC to consult the Deputy Mayor for Fire and Resilience on any document that is prepared and published by the LFC in accordance with the Fire and Rescue National Framework for England and which is to be approved by the Mayor. The Deputy Mayor was consulted on the Statement of Assurance in September 2019, and on the Medium-Term Financial Plan and Reserves Strategy in November 2019.

These documents were considered by the Assembly's Fire, Resilience and Emergency Planning Committee in March 2020. The Committee noted them and recommended referral to the Mayor. The Mayor's approval is now requested.

#### **Decision:**

In accordance with the requirements of the Greater London Authority Act 1999, the National Framework for the Fire and Rescue Service in England, and the London Fire Commissioner Governance Direction 2018, the Mayor of London:

Approves the London Fire Commissioner's Statement of Assurance for 2018/19, Reserves Strategy and Medium-Term Financial Plan, noting that this will constitute notification to the LFC that these documents may be published.

#### **Mayor of London**

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Date:** 12 June 2020

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. In accordance with the governance requirements of the Greater London Authority Act 1999 (GLA Act), the National Framework for the Fire and Rescue Service in England<sup>1</sup> ('the Framework'), and the Mayor's London Fire Commissioner Governance Direction 2018 (Mayoral Decision 2260<sup>2</sup>), the LFC has prepared a Statement of Assurance, Reserves Strategy and Medium-Term Financial Plan.
- 1.2. Amendments were made to the GLA Act in relation to the LFC by the Policing and Crime Act 2017 which came into force on 1 April 2018. Section 327G of the GLA Act states that any document prepared in accordance with the Framework, and which sets out the LFC's priorities and objectives or contains a statement of the way in which the LFC has had regard to the Framework, must be sent in draft to the Mayor and Assembly prior to it being published.
- 1.3. The Statement of Assurance, Reserves Strategy and Medium-Term Financial Plan documents fall within the definition of a document prepared in accordance with the Framework and must therefore be reviewed by FREP and subsequently approved by the Mayor of London. FREP considered these documents at its meeting on 5 March 2020, writing to the Mayor on 12 March 2020 (Appendix 4).<sup>3</sup> The Mayor is requested to approve the documents so that they may be published by the LFC.
- 1.4. The LFC Governance Direction of 2018, which sets out the matters which require the prior approval of the Mayor or the Deputy Mayor for Fire and Resilience, requires the latter to be consulted as far as practicable before a decision on matters which require the consent of the Mayor under that direction. The LFC presented drafts of these documents for consultation with the Deputy Mayor at meetings of her Fire and Resilience Board on 24 September 2019 (Statement of Assurance) and 18 November 2019 (Medium-Term Financial Plan and Reserves Strategy). Subsequently the Deputy Mayor and the LFC attended the FREP meeting on 5 March 2020 where the documents were considered. The Deputy Mayor recommends that the Mayor approve them.

#### **2. Objectives and expected outcomes**

- 2.1. The Reserves Strategy and Medium-Term Financial Plan were prepared as part of the 2020/21 budget process, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, to assist in decision-making and the ultimate approval of the 2019/20 Budget for the LFC. The draft Medium-Term Financial Plan and Reserves Strategy were submitted to the Mayor and Deputy Mayor during the 2020/21 budget process as appendices to the LFC's budget submission.<sup>4</sup>
- 2.2. It should be noted that the ongoing COVID-19 pandemic has affected LFC's financial position, subsequent to the agreement of the 2020/21 budget. The costs of LFC's response to the pandemic are being reported regularly to the Deputy Mayor via her Fire and Resilience Board, with quarterly financial reports to the GLA also providing general updates on the LFC's financial position.

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<sup>1</sup> The Fire and Rescue National Framework is available here: <https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england--2>

<sup>2</sup> The Governance Direction is available here: <https://www.london.gov.uk/decisions/md2260-london-fire-commissioner-governance-direction-2018>

<sup>3</sup> The letter from the FREP Committee refers to section 327 of the Policing and Crime Act 2017; this should be a reference to section 327 of the Greater London Authority Act 1999.

<sup>4</sup> The budget submission is available here: <https://www.london-fire.gov.uk/media/4185/lfc-0259y-d-budget-submission-2020-21.pdf>.

### *Statement of Assurance*

- 2.3. The purpose of the Statement of Assurance is to provide assurance on financial, governance and operational matters, and show how the London Fire Brigade (LFB) have had regard to the expectations in their integrated risk management plan, and to the requirements included in the Framework. A specific section relating to the Grenfell Tower fire has been included. In addition, detailed performance data has also been included in the report. The Statement of Assurance is at Appendix 1.

### *Medium-Term Financial Plan*

- 2.4. The Medium-Term Financial Plan represents a key part of the LFC's decision-making process in financial planning for the future. The plan brings together all the known factors affecting the organisation's financial position and its financial sustainability into one place. The draft plan covers the four financial years to 2023/24, as set out in Appendix 2.

### *Reserves Strategy*

- 2.5. In setting the LFC's budget for the 2020/21 financial year, due consideration was given to both the robustness of the estimates used in preparing that budget and also the adequacy of the LFC's reserve levels. This was set out in a Reserves Strategy, which is at Appendix 3.
- 2.6. To meet the requirement of the Local Government Act 2003 in respect of the adequacy of reserves and to demonstrate compliance with the guidance on local authority reserves and balances issued by CIPFA, but mindful of the requirements in the Mayor's Budget Guidance, the GLA and its functional bodies, including the LFC, must provide:
- i. a statement of policy on reserves and contingencies;
  - ii. details of all reserves and general balances;
  - iii. an analysis and explanation of the expected movements between the start and end of each year from 1 April 2019 to 31 March 2024; and
  - iv. in the case of earmarked reserves held for purposes beyond 31 March 2020, an indication should be given as to when they are likely to be applied.

## **3. Equality comments**

- 3.1 The Mayor, London Fire Commissioner and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people (those sharing protected characteristics and those who do not share those characteristics), taking this meaningfully into account and then evidencing how decisions were reached.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires the Mayor, in the exercise of all his functions, to have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation and other prohibited conduct;

- (b) advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it; and
  - (c) foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) tackle prejudice; and
  - (b) promote understanding.
- 3.8 Equalities implications were considered at the time these documents were discussed at the Deputy Mayor's Fire and Resilience Board, which was September 2019 for the Statement of Assurance and November 2019 for the Reserves Strategy and Medium-Term Financial Plan. Specific comments on each are made below.
- 3.9 LFC has provided assurances that when the approved documents are published on the web, accessible formats will be available as required.

#### *Statement of Assurance*

- 3.10 The Statement of Assurance is a reflection of the elements that make up the Brigade's governance framework. Equality and diversity formed part of the assurance gathering processes which supported the production of the statement. The statement describes LFB's systems of internal control and specifically refers to this encompassing 'providing adherence to the Authority's values and ethical standards through the application of the leadership model and equality framework'. Significant elements of the framework which have the potential to impact on those with protected characteristics and enable the Brigade to foster good relations in the community, are subject to an equality analysis, to ensure that any impacts as a result of Brigade proposals are identified, assessed and mitigated where possible, in line with Brigade policy which seeks to embed consideration of equality and diversity at all levels within the service.
- 3.11 In particular, the Statement of Assurance is closely aligned to the London Safety Plan (LSP), which was subject to a full equality impact analysis to comply with the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010. This analysis was reported to the former London Fire and Emergency Planning Authority when they considered the LSP in March 2017. The analysis considered the anticipated impact of specific proposals on people who shared protected characteristics with supporting evidence, details of consultation and proposed actions to mitigate any negative impact. Fire authority decisions on changes to LFB policy and practice arising from the commitments in the

LSP have been subject to further equality impact assessments. In addition, specific commitments on equality, inclusion and diversity measures in the LSP are subject to quarterly reporting and review.<sup>5</sup>

#### *Medium-Term Financial Plan and Reserves Strategy*

- 3.12 The LFC's 2020/21 budget proposals, of which the Medium-Term Financial Plan and Reserves Strategy were a part, were subject to an initial equality impact assessment, which was undertaken in October 2019. The impact assessment identified a number of savings proposals with potential equality impacts, with LFC committing to further assessments being undertaken in relation to the individual proposals concerned, before their implementation. The Medium-Term Financial Plan and Reserves Strategy reflect, and are consistent with, the LFC's overall budget which, as mentioned above, has been subject to an equality impact assessment.

## **4. Other considerations**

### *Risk management*

- 4.1. There are no risks specifically arising from this decision. The Statement of Assurance sets out how the LFB takes a risk-based approach to support the priorities in the London Safety Plan. The substantive risks and opportunities relating to the LFC's financial position are set out in detail in its budget; detailed analysis of financial risks and opportunities for the LFC were set out in the LFC's budget submission to the Mayor.<sup>6</sup>

### *Sustainability*

- 4.2. Sustainability forms part of the assurance gathering processes which support the production of the Statement of Assurance.
- 4.3. The Mayor's budget guidance for the GLA Group set out the requirement that budget proposals, of which the Medium-Term Plan and Reserves Strategy are a part, ensure sufficient resourcing and budget necessary for the efficient and effective delivery of the London Environment Strategy (LES). This includes implementing responsible procurement, reducing waste, reducing CO2 emissions, adapting to climate change, improving air quality, and increasing London's green cover.
- 4.4. A sustainability analysis was included with the LFC's budget submission to the Mayor, detailing budget allocations and growth budget proposals that will support the LFC's commitments under the London Environment Strategy.<sup>7</sup> The Medium-Term Financial Plan and Reserves Strategy reflect and are consistent with these commitments.

### *Link to Mayoral strategies and priorities*

- 4.5. The approval process for these documents contributes towards the democratic oversight the Mayor and Assembly have over the way the LFC exercises its functions.

### *Conflicts of interest*

- 4.6 There are no known conflicts of interest to declare for those involved in the drafting or clearance of this Mayoral Decision.

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<sup>5</sup> LFB performance reporting is available at: <https://data.london.gov.uk/dataset/lfb-financial-and-performance-reporting-2019-20>

<sup>6</sup> This can be viewed here (see Appendix 8): <https://www.london-fire.gov.uk/media/4185/lfc-0259y-d-budget-submission-2020-21.pdf>

<sup>7</sup> This can be viewed here (see Appendix 10): <https://www.london-fire.gov.uk/media/4185/lfc-0259y-d-budget-submission-2020-21.pdf>

## 5. Financial comments

- 5.1 The LFC's Reserves Strategy and Medium-Term Financial Plan are prepared by the LFC's Assistant Director for Finance. The documents are based on the funding levels set out in the Mayor's Final 2020-21 Budget which was approved without amendment by the London Assembly on 24 February 2020.<sup>8</sup> These documents and the Statement of Assurance do not commit the Mayor to provide additional funding to LFC and, as a result, there are no new direct financial implications for the GLA.

## 6. Legal comments

- 6.1 The Policing and Crime Act 2017 amended the Greater London Authority Act 1999 (GLA Act 1999) by abolishing LFEPA and establishing the LFC as a corporation sole with the Mayor of London appointing the occupant of that office. Under section 327D of the GLA Act 1999, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise their functions.
- 6.2 Section 1 of the Fire and Rescue Services Act 2004 (the 2004 Act) states that the LFC is the fire and rescue authority for Greater London. When carrying out its functions, LFC, as the fire and rescue authority for Greater London, is required to 'have regard to the Fire and Rescue National Framework (the Framework) prepared by the Secretary of State' (s21 of the 2004 Act).
- 6.3 The Framework sets out the documents each fire and rescue service is required to produce, which include an integrated risk management plan (the London Safety Plan), an annual statement of assurance (see Appendix 1), and its financial plans including an efficiency plan (published in 2016 covering up to 2020), a medium term financial strategy (see Appendix 2) and a reserves strategy (see Appendix 3).
- 6.4 Section 327G of the Greater London Authority Act 1999 states that:
- 1) This section applies to a document which is prepared and published by the London Fire Commissioner in accordance with the Fire and Rescue National Framework and which —*
- a) sets out the Commissioner's priorities and objectives, for the period covered by the document, in connection with the discharge of the Commissioner's functions, or*  
*b) contains a statement of the way in which the Commissioner has had regard, in the period covered by the document, to the Framework and to any document within paragraph (a) prepared by the Commissioner for that period.*
- 2) The Commissioner must, before publishing the document or any revision to it, send a copy of the document or revision in draft to the Mayor and the Assembly.*
- 3) The Commissioner may not publish the document or any revision to it unless —*
- a) the Assembly has had an opportunity to review the draft document or revision, and make a report on it to the Mayor, under section 327I (1), and*  
*b) the Mayor has approved the draft document or revision.*
- 6.5 Furthermore, London Fire Commissioner Governance Direction 2018 dated 21 March 2018, sets out those matters in relation to which the LFC requires the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience.
- 6.6 Paragraph 1.1 (b) of the London Fire Commissioner Governance Direction 2018 requires the LFC to seek the prior approval of the Mayor before, "Approval of the final proposed text of the draft London

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<sup>8</sup> The Mayor's budget is available here: <https://www.london.gov.uk/about-us/governance-and-spending/spending-money-wisely/mayors-budget>

*Safety Plan (or any revision of it) for the purposes of sending it to the Assembly under section 327G (2) of the GLA Act 1999.” Paragraph 6.1 (b) further states that, “‘London Safety Plan’ refers to any document which is prepared and published by the Commissioner in accordance with the Fire and Rescue National Framework and which contains the matters described in section 327G(1)(a) and/or (b) of the GLA Act 1999.”*

- 6.7 Paragraph 3.1 of the London Fire Commissioner Governance Direction 2018 further requires the LFC to consult the Deputy Mayor, *“as far as practicable in the circumstances before a decision on any of the following is taken: a. Anything that requires the consent of the Mayor under Part 1 of this Direction; b. Anything that requires the consent of the Mayor under any enactment...”*
- 6.8 The LFC may not then publish the final Strategy and Medium-Term Financial Plan and Reserves Strategy before the Assembly has had an opportunity to review the draft documents and make a report on it to the Mayor and the Mayor has approved the draft.
- 6.9 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010. To this end, the Mayor should have particular regard to section 3 above of this report.

**Appendices and supporting papers:**

Appendix 1: LFC Statement of Assurance 2018/19

Appendix 2: LFC Medium-Term Financial Plan

Appendix 3: LFC Reserves Strategy

Appendix 4: Letter from Chair of Fire, Resilience and Emergency Planning Committee

## Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

## Part 1 - Deferral

**Is the publication of Part 1 of this approval to be deferred? NO**

Until what date: (a date is required if deferring)

## Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

## ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

### Drafting officer:

Richard Berry has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Sponsoring Director:

Niran Mothada has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

### Mayoral Adviser:

Fiona Twycross has been consulted about the proposal and agrees the recommendations.

✓

### Advice:

The Finance and Legal teams have commented on this proposal.

✓

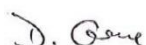
### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 8 June 2020.

## EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**



**Date**

8 June 2020

## CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature**



**Date**

8 June 2020