



LONDON FIRE BRIGADE

Report title

---

## Annual Review of Scheme of Governance and decision-making

---

Report to

Corporate Services Board  
Commissioner's Board  
London Fire Commissioner

Date

16 March 2021  
24 March 2021

---

Report by

General Counsel

Report number

LFC-0509

---

Protective marking: **NOT PROTECTIVELY MARKED**

Publication status: Published in full

If redacting, give reason: Not applicable

---

I agree the recommended decision below.

**Andy Roe**  
London Fire Commissioner

Date **This decision was remotely signed on 18 May 2021**

### Executive Summary

As the fire and rescue authority for Greater London, the London Fire Commissioner has published a Scheme of Governance, ensuring the Brigade's business and the Commissioner's decisions are appropriately, effectively, and efficiently scrutinised and executed. This report provides an annual review of the operation of that Scheme in 2020–21 and recommends updates to the Scheme to ensure it remains current and fit for purpose. General Counsel Department (GCD) in consultation with key stakeholders is reviewing the internal decision-making structure, including the Board arrangements, to help give effect to the improvements being made to driving business and change in the organisation and this will be the subject of a further governance report in the Summer 2021.

### Recommended decision

For the London Fire Commissioner

- 1) The London Fire Commissioner agrees the changes to the Scheme of Delegation shown in Appendix 1.
- 2) The London Fire Commissioner delegates authority to General Counsel to make such minor changes to the Scheme of Governance as may be required in year (2021/22) resulting from but not limited to changes in structures, etc.

## **Introduction and Background**

1. The London Fire Commissioner ('the Commissioner') has published and kept under review the Scheme of Governance ('the Scheme') of the London Fire Brigade ('the Brigade'). The framework upholds the principles of governance established by the Chartered Institute of Public Finance and Accountancy ('CIPFA') and the Society of Local Authority Chief Executives and Senior Managers ('SOLACE') in 2016.
2. The framework has been subject to regular reviews since 2018 and was last formally reviewed in March 2020 (LFC 0335D), ensuring that, within the context of changing leadership and corporate structures, the Brigade's business and the Commissioner's decisions are appropriately, effectively, and efficiently scrutinised and executed.

## **The performance of the governance framework**

### *Maintaining good governance within a changing context*

3. In January 2020, Andy Roe was appointed as London Fire Commissioner by the Mayor of London, promptly publishing a Transformation Delivery Plan to put in place a new strategic direction for the Brigade. In keeping with the Plan and its accompanying strategies, throughout the year the Commissioner has driven an ambitious system of reforms to the structures needed to deliver them. Those changes include the development of two new directorates (People and Transformation), a new Portfolio Board and management function, and an Audit Committee of independent members.
4. These structural changes have resulted in new Terms of Reference for boards, varying memberships, and new routes for consideration and approvals. The establishment of a Transformation Directorate, Transformation Reserve and the Brigade Portfolio Board, has provided for greater oversight of change and benefits realisation across the organisation and the Audit Committee arrangements, Business Assurance Framework and the developing to risk management framework is providing an increased focus on risk and assurance. As the priorities, strategies and project and programming continues to develop, that work will inform the General Counsel's Department ('GCD') review of the corporate governance, assurance and transformation structures of the Brigade.

### *Decision-making, scrutiny and accountability*

5. Between 1 April 2020 and 31 March 2021, the business of the Brigade has been well scrutinised at 134 board meetings at directorate, corporate, political and functional positions in the Brigade's management structures, resulting in the development of 92 formal London Fire Commissioner decisions (at the time of writing the report) and 52 decisions processed for approval by the Deputy Mayor, Fire and Resilience ('the Deputy Mayor'). Comparing this with the activity in previous years, this represents an increase of 60 per cent; the number of matters referred to the Deputy Mayor in the previous two-year period (18/19 – 19/20) totalled 61 – an average of 30 per year, compared with 48 this year. These numbers only represent the high-level decision

making and do not reflect the totality of reports, briefings and presentations which progress through the governance process and are considered by the Boards.

6. In addition to the internal corporate structures and the holding to account of the Commissioner by the Deputy Mayor, five public meetings of the London Assembly's Fire, Resilience and Emergency Planning Committee have been held, providing scrutiny of the actions of the Commissioner and the Deputy Mayor for Fire and Resilience. The responsibility for co ordinating and supporting this function in the Brigade was transferred to the GCD in late 2019 and requires considerable expert input and officer time to enable the LFC to respond to this high profile and important public scrutiny.

#### *Development of the Governance function and the impact of the Coronavirus*

7. During 2020, the Governance Team has recruited permanently to its vacancies; the Senior Governance Manager joined the team in December 2019, and the vacant two Governance Manager positions were substantively filled in Quarter 3 of 2020. The recruitment of staff at all levels across the governance team has provided the capacity to review various aspects of the governance arrangements and as a consequence, changes and improvements have been made that support focus and clarity. These include;

- Re-organising clerking responsibilities to provide continuity for Boards and development opportunities for governance officers
- Agenda management to best allocate time for key items and focus on Chair and LFC priorities and objectives
- Action tracking to provide timely follow up and assurance,
- Board planning meetings with Chairs and the Commissioner's Office to improve strategic and business focussed meetings
- Changes to the report format to provide focus to strategic drivers and transparency of decision-making
- Changes to systems and paperwork that increase efficiency, for example moving to LFC signatures on the report instead of separate decision sheets, and the use of electronic LFC signature, saving considerable officer time
- Refinement and closer scrutiny of the Forward Plan and decision tracker to drive efficiency and timeliness of decisions
- Improved management of Deputy Mayoral decision-making through City Hall by systems of decision tracking and wider allocation within the governance team of the preparation of Deputy Mayor decision making paperwork, which has been made possible by the recruitment and investment in staff development afforded by the increase in permanent staff numbers
- High levels of support and input by finance and legal officers in the finalising of reports

- Systems of early allocation of decision or projects to specialist officers (finance and legal) to provide input on the governance process and decision paper content at the appropriate stage for maximum benefit.
8. Ensuring that all department teams remain fully apprised of how to engage the governance framework and apply the revised Scheme of Governance has been critical during the changes in 2020. Guidance on the Scheme of Delegation, the Mayoral Directions, processes and report-writing has been circulated to Heads of Service as advice and for dissemination to those most frequently involved, and to project teams and report authors. It is published on Hotwire where the governance team has its own page with useful resources available. Training sessions have been delivered by GCD to departments, including expert training on lawful decision-making and the duty under the Equality Act 2010 and comprehensive induction sessions have been provided for new senior managers with the feedback being very positive.
  9. Whilst the innovations outlined below, particularly in relation to IT, have been important in supporting new ways of working, supporting the core need for robust decision-making reports has been equally critical. Ensuring the reports submitted to both corporate boards and for political consideration are high-quality; consistent; address strategic priorities; and that they consider dependencies between teams and departments is a key feature of an effective decision-making process. Guidance has been developed and promoted to departments to support this, and report templates updated and promoted to help report authors.
  10. However, the support provided both from the Governance Team and by the legal and finance experts remains significant and resource intense. Achieving a consistent good quality of report writing across the organisation which is not as reliant on this input remains a significant challenge, as is embedding in the organisation early consideration and application of the governance process in the project planning. The organisation's work on portfolio management will help to focus attention on the benefits of the governance process in decision-making, rather than it being seen as a hurdle, which is sometimes the case.
  11. The Coronavirus has had a substantial impact on the operation of the Brigade's corporate board behaviour. Like many other organisations, from March 2020, board meetings have been held remotely using Microsoft Teams. The Governance Team were amongst the first in the Brigade to move into this way of working, facilitating board meetings and decision-making seamlessly whilst director and Heads of Service teams were migrated into new platforms over the early weeks and months of lockdown conditions. The movement towards paperless working for agendas, etc., has produced a range of staff time and cost savings and are efficiencies which will continue beyond COVID-19 restrictions.
  12. The Governance Team will continue to be supporting the corporate drive for new and flexible ways of working, with training and innovations in productivity applications such as Microsoft (MS) Teams, MS Planner, MS SharePoint, and MS OneNote, in particular. These applications support remote and real-time collaboration on documents and the creation of governance 'spaces' can allow board members to manage their own needs, by having access to board-related materials such as presentations, risk registers, and report packs; action-tracking tools; performance dashboards targeted to directorate or functions.

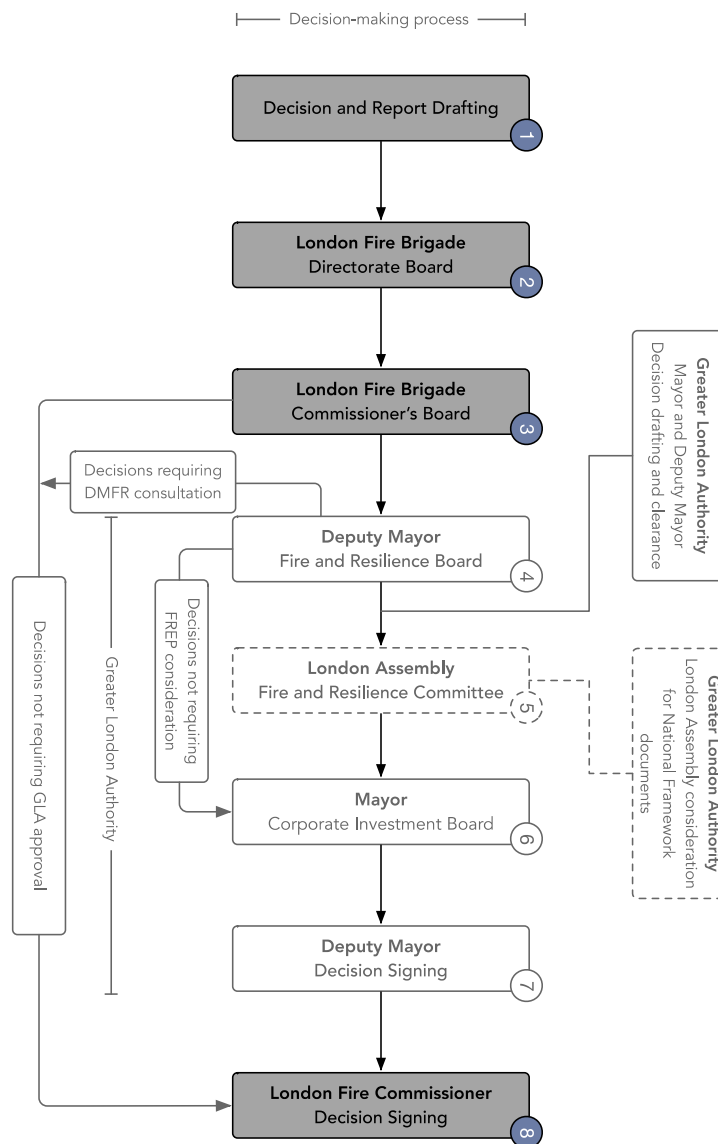
### *Officer delegations*

13. An intent of the March 2020 review and update of the Scheme was to establish an increase in delegation of decision-making to senior officers in line with the corporate drive for increased responsibility, accountability and ownership by managers across the Brigade. This included arrangements that allowed for routine spend to be decided by Directors and Heads of Service without recourse to the Commissioner's Board. However, the Mayoral Direction, which requires prior approval for a decision to commit to expenditure of £150,000 or above meant that the increased delegation powers proved to be of little benefit in terms of speed or efficiency of decision making. A proposed change to the Scheme of Governance at Appendix 1 is to simplify the delegations, returning to a system where spend which will engage prior approval of the Deputy Mayor, will be considered at Commissioner's Board. This is, in effect, a return to the position pre-March 2020, recognising that the anticipated benefits have not been realised and do not warrant the added complexity.
14. With regard officer delegations, while the number of those decisions will now be reduced as a result of the proposals in paragraph 12 above, work is ongoing to consider how decisions should be recorded, allowing for greater monitoring and transparency.

#### *Facilitating Deputy Mayor approval*

15. A principal role of the governance function is to provide advice on and to facilitate the management of decisions by and consultations with the Deputy Mayor in accordance with the Mayoral Directions. It has been recognised that this can be a complex process requiring considerable input and requiring effective planning ahead by report authors. Efforts have been made to streamline this as much as possible, including updates to the LFC report templates and report language to speed up the post-board development of Deputy Mayor reports, for example. Further steps continue to be taken to improve timescales and efficiencies including a review and revision of the Commissioner's reporting format to more closely reflect the Deputy Mayor decision making documents, thus further aligning processes, which will also save governance team officer time.
16. A key enabler in the efficiency of the Deputy Mayor prior approval process is the effective working relationship between the GCD Governance team and the Deputy Mayor's Office. While the roles of the LFC and the Deputy Mayor are separate and distinct, there is a common objective to serve the London community and that includes effective and efficient robust decision-making; there have been and continue to be regular meetings and communications to facilitate and enhance this.

## Illustration 1 – Approvals of Deputy Mayor decisions



### Forward planning

17. The LFC operates a forward planning system to record and timetable forthcoming decisions that are required to perform the LFC functions and carry out its business, the reports to be presented for monitoring of delivery, assurance reports, and other matters all of which seek to achieve the LFC objectives and priorities. The Forward Plan is populated by report authors and used by the governance team to track forthcoming decisions and plan agendas. The Forward Plan is also one means by which the Deputy Mayor is notified of forthcoming matters and is an agenda item for Boards.
18. The consistent and timely completion of the Forward Plan remains a challenge within the organisation, which may in part be resolved by the organisational improvements being made in project planning and portfolio management which will further focus the decision-making time frames. The development of the assurance framework will help to identify regular reporting needs and generate entries on the Forward Plan. A well populated Forward Plan would enable better agenda planning for Boards, with the possibility of themed approach agendas which may provide increased opportunity for broader strategic discussion.

## *Scheme of Governance*

19. An updated Scheme of Governance is attached at Appendix 1. The Scheme delivers upon the requirements of the Brigade's new structures; the need to simplify and update delegations and standing orders; and update the key management personnel.

### **Equality Impact**

20. The London Fire Commissioner and decision takers 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, taking this into account and then evidencing how decisions were reached.
21. 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.
22. 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, Sexual orientation.
23. The Public Sector Equality Duty requires the LFC, in the exercise of all its functions (i.e. everything it does), 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.
  - (c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
24. 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;
  - (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.
25. 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.
26. 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.

27. An Equality Impact Assessment (EIA) has been completed and is available at Appendix 2. The report will have low and broadly neutral impact upon equality outcomes, with some improvements made for disability, and pregnancy and maternity characteristics, relating to the new options provided by new digital ways of working.

### **Strategic Drivers**

28. Effective governance frameworks support the '*Seizing the future*' and '*Delivering excellence*' strategic pillars of the Transformation Delivery Plan.

### **Workforce Impact**

29. There are no industrial relations impacts arising from the report, however there has been a marked increase in the volume of work arising from the LFC Transformation Delivery Plan and the action plans arising from Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services reports and the Grenfell Tower Inquiry, and the capacity of the governance team to meet these demands will need to be kept under review.

### **Finance comments**

30. The Chief Finance Officer has reviewed this report and has no comments.

### **Legal comments**

31. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
32. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of, or consultation with, either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). The Governance arrangements proposed do not fall within the Mayoral Directions.
33. Section 1 of the Fire and Rescue Services Act 2004 states that the London Fire Commissioner ('Commissioner') is the fire and rescue authority for Greater London. Section 327A (5) of the Greater London Authority Act 1999 requires the Commissioner to secure that the London Fire and Rescue Service is efficient and effective.
34. The internal governance arrangements enable functions to be discharged and decisions to be taken in a lawful, transparent, consistent and timely manner, and facilitates efficiency and effectiveness in the organisation.
35. The proposals set out in this report are within the Commissioner's general powers.



**List of Appendices**

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1.	London Fire Commissioner Scheme of Governance	None
2.	Equality Impact Assessment	None

# **LONDON FIRE COMMISSIONER**

## **SCHEME OF GOVERNANCE**

**May 2021**

### **CONTENTS**

- PART 1 Code of Corporate Governance**
  - PART 2 Standing Orders relating to Business**
  - PART 3 Standing Orders relating to Procurement**
  - PART 4 Delegations to Officers**
  - PART 5 Appointment of Statutory and Proper Officers**
  - PART 6 Financial Regulations**
  - PART 7 Definitions**
- Appendix 1 Scheme of Delegations Summary**

## PART 1 – Code of Corporate Governance

### Context

1. The London Fire Brigade ('the Brigade') provides the fire and rescue service for London. The Brigade is governed by the London Fire Commissioner (the 'Commissioner') which is a statutory corporation sole. This Scheme of Governance sets out the Commissioner's governance arrangements, as follows:
  - Part 1 – Code of Corporate Governance
  - Part 2 – Standing Orders relating to Business set out the Commissioner's formal rules for the conduct of business.
  - Part 3 – Standing Orders relating to Procurement set out the Commissioner's formal rules for the purchase of works, goods, and services
  - Part 4 – Delegations to Officers set out the decisions reserved to the Commissioner and those decisions delegated by the Commissioner to Officers
  - Part 5 – Appointment of Statutory and Proper Officers
  - Part 6 – Financial Regulations
  - Part 7 – Definitions
  - Appendix 1 – Scheme of Delegations Summary
2. The Commissioner was created under the Greater London Authority Act 1999, following changes brought in by the Policing and Crime Act 2017, which makes them one of the **functional bodies** of the GLA. Consequently:
  - the Mayor of London (the 'Mayor') holds the Commissioner to account for the exercise of the Commissioner's functions
  - the Commissioner's budget is set by the Mayor
  - the Mayor can give guidance and directions to the Commissioner as to the exercise of the Commissioner's functions
  - the London Assembly scrutinises the actions of the Commissioner through their Fire, Resilience and Emergency Planning Committee
  - the Commissioner must have regard to various strategies which the Mayor is required by law to produce
  - the Mayor requires the Commissioner to address certain policy concerns and to work co-operatively with the other functional bodies.
3. The Commissioner is the **Fire and Rescue Authority** for Greater London under the Fire and Rescue Service Act 2004. In this capacity, the Commissioner:
  - must ensure that the Brigade is efficient and effective
  - has a direct and close relationship with the Home Office, the Ministry for Housing, Communities and Local Government and the Cabinet Office, as the government service responsible for fire and rescue services, resilience capabilities and local authorities' resilience arrangements, as well as other government services such as Department for Business, Energy and Industrial Strategy, regarding its fire prevention function
  - must fulfil other statutory functions of the fire and rescue authority.

### Organisational structure

4. The Commissioner is supported by a Deputy Commissioner and four Directors. These officers meet regularly with the Commissioner as the Commissioner's Board ('CB'). Directors meet regularly with

their Heads of Service and other senior officers as Directorate Boards ('DBs') and the Brigade Portfolio Board. These consider the business and management of directorates and the organisation.

5. Many responsibilities of the Commissioner are undertaken through Delegated Decisions taken by senior officers – Directors and Heads of Service. The delegations to these officers are set out in Part 4 of this Scheme.
6. The Commissioner has statutory officers who have specific duties to ensure the good governance of the body corporate:
  - The **Head of Paid Service** is responsible for reporting to the Commissioner on the co-ordination of the discharge of functions, the numbers and grades of staff required and their organisation, appointment and management. The Commissioner is required to consider any such report within three months of receiving a copy of it.
  - The Section 127 Officer ('**Chief Finance Officer**') of the Greater London Authority Act 1999 reports to the Commissioner on the proper administration of financial affairs and specifically if it appears that the Commissioner or a person holding any office or employment under the Commissioner: (a) has made or is about to make a decision which involves or would involve the Commissioner incurring expenditure which is unlawful, (b) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the Commissioner, or (c) is about to enter an item of account, the entry of which is unlawful. The Section 127 Officer is also required to report to the Commissioner if it appears that the expenditure of the Commissioner incurred (including expenditure proposed to be incurred) in a financial year is likely to exceed the resources (including sums borrowed) available to the Commissioner to meet that expenditure. The Section 127 Officer must send a copy of the report to the Mayor of London and to the Chair of the London Assembly.
  - The **Monitoring Officer** is responsible for monitoring the business of the Commissioner and reporting to the Commissioner upon any unlawful proposals, decisions omissions or actions, by the Commissioner or by anyone holding office or employment under the Commissioner. The Monitoring Officer is also responsible for reporting to the Commissioner any maladministration on the part of the Commissioner or by anyone holding office or employment under the Commissioner that is the subject of a report issued by the Local Government Ombudsman. The Commissioner is required to consider the Monitoring Officer's report within three months of receiving a copy of it.

In addition, the Commissioner may appoint a statutory **Deputy London Fire Commissioner** who may exercise any or all the powers and duties of the Commissioner:

- during any absence, incapacity or suspension from duty of the Commissioner,
- during any vacancy in the office of the Commissioner but not for a continuous period of three months or more without the consent of the Mayor, or
- at any other time, with the consent of the Commissioner but not for a continuous period of three months or more without the consent of the Mayor.

#### *Principles of good governance*

7. The Commissioner has adopted the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* which sets out the core principles on which effective governance should be built. These are:

## Scheme of Governance – Code of Corporate Governance

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management
  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
8. This Scheme of Governance incorporates the core good governance principles in a way that is relevant to the Commissioner's role and responsibilities. It also sets out the arrangements for reviewing how effective the Commissioner is in following them.
9. The way in which the Commissioner puts each of the core principles of good governance into practice and its proposals to enhance its governance arrangements are set out below.
10. In **executing a strategy for London in relation to its core functions**, the Commissioner will:
- explicitly state in their Community Risk Management Plan ('the London Safety Plan') how an effective and efficient fire and rescue service is being provided for London
  - develop and implement specific strategies and action plans appropriate to their functions
  - maintains and develop partnerships at borough and pan-London levels
  - operate a performance management framework ensuring that the information needed to scrutinise service delivery is effectively and regularly available
  - support, and appropriately resource, the Commissioner's statutory officers
  - have regard to the statutory powers and duties of their officers when making decisions
  - be innovative in exercising available powers for the benefit of the people of London
  - produce an Annual Governance Statement detailing their adherence to these principles, which is submitted to the Mayor of London and the London Assembly's Fire, Resilience and Emergency Planning Committee
  - collaborate with other emergency services.
11. Ensuring that officers work within **clearly defined functions and roles**, the Commissioner:
- defines the responsibilities of staff through clear job descriptions, monitoring and managing the performance of their staff
  - defines performance indicators against which performance is regularly monitored by officers and are the subject of regular report to and scrutiny by the London Assembly
  - ensures delivery of service strategies through the adoption of common deliverables in the service plans of all departments
  - demonstrates best practice in their financial management and procurement through compliance with and regular reviews of their Standing Orders, financial regulations and procurement policies
  - through the activities of the Section 127 Officer, ensures the financial scrutiny of proposed actions and the management of an annual programme of audits.
12. Upholding high standards of **conduct and behaviour**, the Commissioner:

## Scheme of Governance – Code of Corporate Governance

- adopts a set of values which are communicated through initiatives such as staff briefings
  - expects senior officers to set a tone for the organisation of openness, support, good communication and respect
  - continues to ensure that equality, diversity and inclusion strategy drives best practice and is integral to how the organisation and their staff conduct business
  - ensures staff interests and offers of gifts and hospitality to staff are available to be scrutinised through easily accessible registers
  - ensures standards and expectations of staff are set and enforced through Brigade policies
  - works with the GLA and other functional bodies to maintain common standards of ethical governance in accordance with the GLA Group's Corporate Governance Framework Agreement
  - maintain effective policies and procedures on whistle-blowing, compliments, complaints and conflicts of interest, ensuring effective, transparent and accessible arrangements are in place for their management.
13. Taking **robust, accountable and transparent decisions**, which are subject to effective scrutiny and risk management, the Commissioner will:
- ensure that informed decisions are taken, based on the correct and sufficient information that has been subject to appropriate due diligence and impact assessments
  - ensure robust systems for identifying and managing corporate risks are in place, including the regular review of the Corporate Risk Register by Directorate Boards and the Commissioner's Board and regular reporting of significant risks for scrutiny by the London Assembly
  - maintain a statutory publication scheme, ensuring access to information in accordance with the Freedom of Information legislation and refusing access to information only where the public interest in doing so clearly outweighs the public interest in granting access
  - acknowledge the scrutiny role of the London Assembly by supporting the Mayor and Deputy Mayor in responding on scrutiny issues and attending the Assembly's appropriate committee as required
  - consult on relevant plans, policies and proposals and take account of the results of that consultation in taking decisions
  - ensure that as much of its formal business as possible is published and that members of the public can ask questions or raise matters of concern
  - ensure good practice in workplace equality and diversity.

### *Assuring the governance arrangements*

14. Each year the Commissioner validates their governance arrangements by preparing an Annual Governance Statement for submission to the external auditor upon the closure of the annual accounts. The Statement must include commentary on the effectiveness of the governance framework, including the system of internal control and an evaluation of performance against this Code. In addition, the Code itself will be reviewed against the CIPFA/SOLACE framework, notable practice identified elsewhere and any subsequently produced standards or regulatory guidance. Any actions required to address identified failings or areas for improvement will be included the Annual Governance Statement action plan.

## **PART 2 – Standing Orders Relating to Business**

### **1. Commissioner's Decisions**

- 1.1 Commissioner's Decisions will be taken on the recommendation of, and following consideration of, a report of a Director or Head of Service.
- 1.2 Reports recommending a Commissioner's Decision will be published on the Commissioner's website five clear working days before the report is considered for decision. This Standing Order will not apply where the Commissioner determines that an earlier decision is required to protect the interests of the Commissioner, the community or any members of it.
- 1.3 Commissioner's Decisions will be published not later than the third working day after the decision is taken.
- 1.4 Commissioner's Decisions on reports may be deferred.
- 1.5 The publication requirements set out in Standing Orders 1.2 and 1.3 will not apply to any report or decision containing information which in the written determination of the General Counsel is exempt from disclosure under freedom of information or other legislation. In such cases, and wherever possible, a summary of the report and decision will be published.

### **2. Directors' Decisions<sup>1</sup>**

- 2.1 Directors' decisions will be published not later than the third working day after the decision is taken, subject to 1.5 above.

### **3. Heads of Service Decisions**

- 3.1 Key decisions taking by Heads of Service that are Key Decisions will be published after the decision has been taken subject to 1.5 above.
- 3.2 Key decisions are defined as those which:
  - i) are a commitment to expenditure in excess of £150k
  - ii) have a major impact on service delivery
  - iii) are major changes on policy, or strategy.

### **4. Execution of Documents**

- 4.1 The Seal of the Commissioner shall be kept in the custody of the General Counsel.
- 4.2 The General Counsel will execute and affix the seal to any document which is required to be sealed to give effect to a Commissioner's Decision. The General Counsel will attest the fixing of the seal with their signature. This signature will be a full and sufficient certificate that the document has been duly and validly sealed in compliance with the Standing Orders of the Commissioner.
- 4.3 The General Counsel may execute as a deed under their hand or seal or sign any document required to give effect to a Commissioner's Decision.

---

<sup>1</sup> General Counsel is reviewing all arrangements relating to the management of delegated decisions by Directors and Heads of Service Parts 2 and 3 before the implementation of Parts 2 and 3.

## Scheme of Governance – Standing Orders relating to Business

4.4 The General Counsel may authorise in writing officers of the General Counsel's Department to exercise on their behalf the functions set out in Paragraphs 4.2 and 4.3 of the Standing Orders Relating to Business.

4.5 Directors, Head of Service and other officers nominated by Directors may sign any document related to matters for which they are responsible and required to give effect to a Commissioner's or delegated decision. Details of such nominations shall be deposited with the General Counsel.

### **5. Privacy of documents**

5.1 Where information is exempt under legislation or otherwise, from disclosure by the Commissioner, the General Counsel may:

- decide which documents or parts of documents should not be published
- mark such documents in accordance with the Commissioner's Protective Marking Scheme.

5.2 The General Counsel will remove the markings, when they are no longer required, from all or part of the document.

### **6. Waiver of Standing Orders**

6.1 Following consultation with the General Counsel, any provision of these Standing Orders Relating to Business may be waived, suspended or amended by a Commissioner's Decision.



## **PART 3 – STANDING ORDERS RELATING TO PROCUREMENT**

### **1. Purpose**

- 1.1. The purpose of these Procurement Standing Orders ('PSOs') is to ensure that the Commissioner's procurement activities:
  - 1.1.1. Comply with relevant laws relating to procurement and spending public money;
  - 1.1.2. Ensure Best Value is achieved;
  - 1.1.3. Ensure appropriate market competition through fair and transparent sourcing; and
  - 1.1.4. Protect the business and reputational interests of the Commissioner through robust contracting and Contractor management.
- 1.2. PSOs must be complied with at all times. Non-compliance may be grounds for disciplinary proceedings under the Commissioner's disciplinary policy.
- 1.3. These PSOs are subject to the London Fire Commissioner Governance Direction 2018 which must be complied with **in addition to** any process or decision-making set out here.

### **2. The Regulations**

- 2.1 Public sector procurement is a regulated sector, governed by the Public Contract Regulations 2015 ('PCR'). All officers are responsible for complying with the requirements of the PCR. Further advice is available from Technical and Commercial Services.

### **3. Scope**

- 3.1. These PSOs apply to the procurement of, and award of contracts for all goods, works or services, except those in paragraph 3.3 below.
- 3.2. Contracts with a Contract Value of less than £10k are only in scope of PSO5.
- 3.3. The following contracts are not subject to these PSOs:
  - 3.3.1. Contracts for the acquisition or lease of land and/or real estate;
  - 3.3.2. Employment contracts for the employees of the Commissioner; and
  - 3.3.3. Contracts for legal services or advice in contemplation of legal proceedings.

### **4. Estimating the Contract Value**

- 4.1. The Contract Value must be based on the full duration that the requirement may be needed.

## Scheme of Governance – Standing Orders relating to Procurement

- 4.2. If the duration of a contract requirement is unknown, the estimate should be based on a four year period.
- 4.3. When calculating the Contract Value, it must not be:
  - 4.3.1. estimated at a value as to deliberately avoid the application of the PCR or PSOs; or
  - 4.3.2. subdivided into multiple contracts to avoid the application of the PCR or PSOs.

### **5. General principles**

- 5.1. When procuring, or proposing to procure, officers must:
  - 5.1.1. comply with all legal requirements, including the PCR and the applicable Standing Orders contained within this Scheme of Governance;
  - 5.1.2. ensure that impartiality is maintained and shown to be maintained;
  - 5.1.3. ensure that no Contract is awarded unless it provides to the Commissioner the appropriate quality of goods, works and /or service and Best Value;
  - 5.1.4. ensure that Contractors are managed in accordance with Contract provisions, and that requisitions and purchase orders are raised in accordance with that Contract; and
  - 5.1.5. ensure that all procurements and contract management are carried out in a proportionate manner.

### **6. Roles and responsibilities**

- 6.1. Technical and Commercial Services are responsible for the delivery of all procurements that are subject to these PSOs. In particular, Technical and Commercial Services are responsible for:
  - 6.1.1. Managing all procurement activities from identification of need to contract award, including the publication of contract notices;
  - 6.1.2. Providing commercial contract management advice and support;
  - 6.1.3. Ensuring the relevant clients are engaged in all contract strategies and awards;
  - 6.1.4. Managing robust contract management arrangements for a prescribed list of Contracts designated as major Contracts by the Assistant Director Technical and Commercial;
  - 6.1.5. Overseeing that purchase orders are placed in accordance with Contract requirements and any applicable financial regulations;
  - 6.1.6. Maintaining a list of Contracts in accordance with the requirements stated within the Transparency Code;

## Scheme of Governance – Standing Orders relating to Procurement

- 6.1.7. Reviewing Procurement Documents provided by clients and approving them as market ready; and
  - 6.1.8. Deciding which route to market will likely provide a Best Value outcome.
- 6.2. Except for Contracts owned by Technical and Commercial Services as the client, it is the responsibility of Lead Client Officer (LCO) to ensure the following actions are fulfilled in a timely and sufficient manner:
- 6.2.1. Initiating subsequent re-tendering of a Contract by submitting a Procurement Request Form to the Director of Corporate Services for approval;
  - 6.2.2. Issuing a Tender Request Form to Technical and Commercial Services;
  - 6.2.3. Ensuring continuity of service by seeking the approval of the Director of Corporate Services or Assistant Director of Technical and Commercial to extend a Contract;
  - 6.2.4. Arranging for consents to be granted (procurement initiation, financial authority or Contract Award);
  - 6.2.5. Writing the Specifications for goods, works or services;
  - 6.2.6. Identifying key quality and performance requirements;
  - 6.2.7. Providing selection and evaluation criteria, with weightings, for the Contract Award process; and
  - 6.2.8. Ensuring that requisitions for goods, works or services are raised in accordance with the Contract and securing the delegated financial authority from the budget holder.
- 6.3. The LCO and Technical and Commercial Services are jointly responsible for working collaboratively to develop the Contract Documentation and relevant Contract schedules to include payment mechanisms, quality standards and, where appropriate, performance regimes and key performance indicators, business continuity, asset refresh programmes, exit strategy, sustainability, equality and diversity.

## **7. Contracts register**

- 7.1. The Assistant Director Technical and Commercial is responsible for holding and maintaining a register of all current Contracts and future Contracts for which a Tender Request Form has been submitted.
- 7.2. All Heads of Service are responsible for providing the Procurement Department with:
  - 7.2.1. regular updates of the status of each Contract under their management in relation to re-procurements; and
  - 7.2.2. Tender Request Forms detailing Contracts that will be required to be awarded within the next 18 months or within any appropriate longer period for more complex procurements.

## **8. Waivers**

- 8.1. Where an LCO requests to waive a competitive procurement process, approval must be sought from the Assistant Director Technical and Commercial if the Contract Value is under the EU Threshold.
- 8.2. If the Contract Value is in excess of the EU Threshold, approval to waive a competitive procurement process must be sought from the Director of Corporate Services, in consultation with the General Counsel and the Assistant Director Technical and Commercial. Permission will only be granted if the criteria stated in PCR regarding a non-competitive procurement procedure apply.
- 8.3. Approval in accordance with 8.2 above, must be granted prior to commencement of any negotiation with the Contractor.
- 8.4. All other PSOs will apply including the requirement to acquire Procurement Initiation consent and Contract Award consent.

## **9. Procurement Initiation**

- 9.1. Prior to issuing Procurement Documents to the market or incurring non-contracted expenditure, approval to initiate a procurement must be sought by submitting a Procurement Request Form to the Director of Corporate Services (or in their absence, to the Assistant Director Technical and Commercial).
- 9.2. If the procurement involves any matters or implications of a novel, contentious or repercussive nature, details of these must be stated on the Procurement Request Form. Where 9.2 applies, the requestor must report the proposed procurement to the Commissioner's Board for discussion prior to submitting the Procurement Request Form to the Director of Corporate Services for approval.

## **10. Procurement Process**

- 10.1. Where a procurement request is approved, a procurement process will be conducted by Technical and Commercial Services.
- 10.2. Technical and Commercial Services will consult with the LCO to ensure that a suitable procurement process is selected that will provide Best Value to the Commissioner.
- 10.3. In instances where the Contract Value is in excess of the EU threshold, the procurement process will comply with the procedures in the PCR.

## **11. Responsible Procurement**

- 11.1 Appropriate Responsible Procurement requirements must be included within all Procurement Documents in order to fulfil the requirements of the Responsible Procurement Policy.

## **12. Contract Award**

- 12.1. Prior to the award of any Contract, approval to award must be granted.
- 12.2. If the Contract Value is less than £150k, the Assistant Director Technical and Commercial may approve the Contract Award.
- 12.3. If the Contract Value is greater than £150k, the decision to award must be made by a director or the Commissioner in accordance with this Scheme of Governance.
- 12.4. When the evaluation of tenders is complete, the successful Contractor has been identified and approval to award has been granted, Technical and Commercial Services will issue correspondence to the successful and unsuccessful Contractors.

## **13. Contract Execution**

- 13.1. Technical and Commercial Services, in consultation with General Counsel, will draft and issue the appropriate Contract documentation to the appointed Contractors.
- 13.2. Contracts will be executed in accordance with Standing Order 2 of Part 2.

## **14. Contract Extensions**

- 14.1. Contracts which have been subject to a PCR and PSO compliant procurement process and which contain an extension clause may be extended, subject to the approval of the Assistant Director of Technical and Commercial
- 14.2. In the absence of an extension clause, a Contract may be extended if:
  - 14.2.1. the Contract Value is less than the EU threshold, the extension can be reasonably justified, would not amount to a substantial change to the Contract, and the Assistant Director of Technical and Commercial's approval has been granted; or
  - 14.2.2. the Contract Value is greater than the EU threshold, the proposed variation complies with the requirements of PCR and a Commissioner's Decision has approved the extension.

## **15. Contract Management**

- 15.1. The Head of Service responsible for the Contract must:
  - 15.1.1. ensure that effective management arrangements are in place to secure delivery of the Contract;

## Scheme of Governance – Standing Orders relating to Procurement

- 15.1.2. after consultation with the Assistant Director Technical and Commercial, Director of Corporate Services and the General Counsel as appropriate, deal with all matters arising from the management of the Contract including delays or claims by Contractors; and
- 15.1.3. provide the Assistant Director Technical and Commercial with an evaluation of the Contractor's performance at intervals specified by the Assistant Director Technical and Commercial.

## **PART 4 – DELEGATIONS TO OFFICERS OF THE LONDON FIRE COMMISSIONER**

### **1. Introduction**

- 1.1 The Commissioner delegates to Directors and Heads of Service, the functions set out in the Delegations to Officers in this Part 4 of this Scheme of Governance.
- 1.2 Directors and Heads of Service may nominate officers within their Directorate/ Department to act on their behalf. Any such nomination does not prevent the Director, or Head of Service, who made the nomination from taking the decision themselves.
- 1.2 The Commissioner may make additional specific or general delegations from time to time.
- 1.3 The exercise of all functions delegated is subject to:
  - The Standing Orders in Part 2 of this Scheme of Governance
  - All decisions, policies, procedures, codes of practice and protocols adopted by the Commissioner (or the predecessor Authority to the extent that they remain relevant)
  - Any expenditure falling within the Commissioner's approved budget
  - The responsibility of staff appointed to management and supervisory posts to manage staff and resources
  - Consultation with professional and operational officers, external advisers and the Commissioner's statutory officers as appropriate
  - Consultation with staff and their representatives where appropriate.
- 1.4 Any delegated function may be exercised by the Commissioner.
- 1.5 Any delegations in this Scheme of Governance are intended to apply to those acting in that role on a temporary basis.

### **2. Delegations**

- 2.1 The matters reserved to the Commissioner, and those matters delegated to officers are set out in **Appendix 1** – Scheme of Delegations Summary, to this Scheme of Governance.

## PART 5 – APPOINTMENTS BY THE LONDON FIRE COMMISSIONER OF STATUTORY AND PROPER OFFICERS

### 1.1 Statutory Officers

<b>Statutory Officer</b>	<b>Officer Appointed</b>
Deputy London Fire Commissioner	Deputy Commissioner (Operational Delivery)
Head of Paid Service	Director of Corporate Services
Chief Finance Officer	Director of Corporate Services
Monitoring Officer	General Counsel

### 1.2. Proper Officers

<b>Statutory Provision</b>	<b>Responsibilities</b>	<b>Officer Appointed</b>
Section 115 Local Government Act 1972	Taking receipt of monies due to the Commissioner and held by officers.	Assistant Director (Finance)
Section 146 Local Government Act 1972	Provision of statutory declaration/certificate specifying securities and verifying change of name and identity of the Commissioner.	Assistant Director (Finance)
Section 225 Local Government Act 1972	Taking receipt of and retaining documents deposited with the Commissioner.	Head of Information Management
Section 229 Local Government Act 1972	Certifying photographic copy as true copy of document which is in the Commissioner's possession or which has been destroyed whilst in the Commissioner's possession.	Head of Information Management
Section 234 Local Government Act 1972	Authentication of documents which the Commissioner is authorised /required by/under legislation to give/make/issue.	General Counsel
Section 23 Landlord and Tenant Act 1927	Taking receipt of service of notices.	Assistant Director (Property Services)
Section 30 Local Government Act 1974	Giving public notice by advertisement in newspapers of availability of LGO's report.	General Counsel



Scheme of Governance – Appointment of Statutory and Proper Officers

<b>Statutory Provision</b>	<b>Responsibilities</b>	<b>Officer Appointed</b>
Section 41 Local Government (Miscellaneous Provisions) Act 1976	Certifying copies of resolution/order/report/minutes of the Commissioner or minutes of its predecessors.	General Counsel
Section 2(4) Local Government and Housing Act 1989	Taking receipt from the Commissioner of deposited list of politically restricted posts.	General Counsel
Local Government Area Change Regulations 1976	Duties relating to transfer of statutory registers to successor authorities.	General Counsel
Article 37(1) of the General Data Protection Regulations 2016	Data protection officer	Head of Information Management

## **PART 6 – FINANCIAL REGULATIONS**

### Index of Regulations

INTRODUCTION.....	3
1. Scope of these Regulations.....	3
2. Financial Management Responsibilities.....	3
FINANCIAL PLANNING, MONITORING AND CONTROL .....	5
3. Budget process .....	5
4. Budget timetable .....	5
5. Revenue budgets .....	5
6. Capital Budgets.....	5
7. Reserves.....	6
8. Budget Monitoring .....	6
9. Virements (Transfers of Budget).....	7
10. Accounting Records .....	9
FINANCIAL CONTROLS AND INSURANCE .....	11
11. Financial Risk Management.....	11
12. Internal controls.....	11
13. Internal Audit .....	12
14. Fraud and Corruption Irregularities.....	14
15. Stores .....	14
16. Inventories.....	14
17. Disposal of Assets .....	15
18. Writing off.....	15
19. External Audit.....	15
20. Treasury Management .....	16
21. Staffing .....	17

FINANCIAL SYSTEMS AND PROCEDURES .....	18
22. Financial Systems and Procedures .....	18
23. Income .....	19
24. Procedures for Payments and Authorisation of Accounts .....	20
25. Salaries and pensions .....	21
26. Credit Cards .....	22
27. Banking Arrangements .....	22
28. Taxation .....	23
29. External Funding .....	23

## **Financial Regulations**

These Financial Regulations (Regulations) set out how the Commissioner meets their statutory responsibilities in relation to the administration of their financial affairs.

### **1. Scope of these Regulations**

- (a) All members and staff have a responsibility for resources under their control, ensuring that the use is legal, appropriately authorised, offers value for money and best value.
- (b) All staff who have responsibility for financial management or who have control of budgets must adhere to these Regulations.

### **2. Financial Management Responsibilities**

- (a) The Director of Corporate Services has responsibility for the administration of the Commissioner's financial affairs, under Section 127 of the Greater London Authority Act 1999, and is required to ensure that arrangements are made by Heads of Service for all financial and accounting matters and the security of money and other assets are economic, efficient and effective.
- (b) The Director of Corporate Services is also required to:
  - set and monitor compliance with financial management standards;
  - advise on the corporate financial position and on the key financial controls necessary to secure sound financial management;
  - provide financial information;
  - prepare the revenue budget and capital programme;
  - carry out treasury management and;
  - prepare the Commissioner's statutory statement of accounts and accounting returns.
- (c) Heads of Service must consult with the Director of Corporate Services on issuing financial instructions and making arrangements as necessary.
- (d) All financial systems, methods, records and controls must be agreed with the Director of Corporate Services. The Director of Corporate Services reports to the Commissioner not less frequently than once a year on the effectiveness of the financial administration.

## **FINANCIAL PLANNING, MONITORING AND CONTROL**

### **3. Budget process**

- (a) The Mayor is responsible for setting a consolidated budget and council tax requirement for the Commissioner.

### **4. Budget timetable**

- (a) The Commissioner receives budget guidance from the Mayor in the early summer and then sets their detailed budget for the following financial year in March in line with the overall funding level set by the Mayor.

### **5. Revenue budgets**

- (a) The Commissioner is responsible for management of the approved budgets, Heads of Service must:
- advise the Commissioner of the financial implications of all proposals (as previously agreed by the Director of Corporate Services);
  - advise the Director of Corporate Services on variations and take action to avoid exceeding their budget allocation;
  - consult with the Director of Corporate Services on issuing instructions for all financial and accounting matters and the security of money and other assets;
  - agree in year virements (transfers of budget) within delegated limits (in consultation with the Director of Corporate Services).

### **6. Capital Budgets**

- (a) The Director of Corporate Services must prepare the medium-term capital programme and annual capital estimate for approval by the Commissioner as part of a November budget submission to the Mayor and in the final budget report.

### **7. Reserves**

- (a) To meet the requirement of the Local Government Act 2003 in respect of adequacy of reserves and to comply with the guidance on local authority reserves and balances issued by The Chartered Institute of Public Finance and Accountancy (CIPFA), the Commissioner must provide, as part of the budget submission to the Mayor:
- a statement of reserve policy;
  - details of all reserves and general balances;

## Scheme of Governance – Financial Regulations

- an analysis and explanation of the expected movements between the start and end of each financial year;
  - medium term forecast;
  - in the case of earmarked reserves, an indication should be given as to when they are likely to be applied; and
  - proposed allowances for contingencies separately identified and justified.
- (b) In support of the detailed statement on the adequacy of reserves, the corporate and service financial risk assessment must be refreshed annually.

### **8. Budget Monitoring**

- (a) The Director of Corporate Services must provide appropriate financial information to enable budgets to be monitored effectively.
- (b) Each Head of Service must actively manage the budget delegated to them and control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Director of Corporate Services.
- (c) At least once a month the Director of Corporate Services will provide access to budgetary control information to Heads of Service and guidance on variances that require explanation. Heads of Service are required to provide an explanation of key variances within agreed timetables.
- (d) Heads of Service must continually monitor and control the budgets, in respect of income and expenditure, and forecast out-turn, throughout the financial year and:
- forecast outturn and report on all variances at thresholds set by the Director of Corporate Services to the Director of Corporate Services;
  - advise of any action to be taken to contain under or over spends; and
  - review outstanding orders and the forecast position on agency payments to the end of the year.
- (e) Heads of Service must advise the Director of Corporate Services of the financial impact of the long-term forecasts (Medium Term Financial Strategy) for income and expenditure for each of the activities being undertaken.
- (f) Following consultation with the relevant Heads of Service the Director of Corporate Services will present budget monitoring reports to the relevant Board regularly.

### **9. Virements (Transfers of Budget)**

## Scheme of Governance – Financial Regulations

A virement is a transfer of a revenue budget that has not been committed. Virements between capital and revenue budgets are not permitted.

- (a) With the agreement of the Director of Corporate Services Directors may transfer up to £150k between budget heads within that department's approved budget.
- (b) With the agreement of the Director of Corporate Services, a Head of Service may transfer up to £50k from a budget head within that department's approved budget to a budget head within another department's approved budget, but if those budget heads are in different Directorates the agreement of the appropriate Director or the Commissioner is also required.
- (c) With the agreement of the Director of Corporate Services Directors may transfer up to £150k from a budget head within that department's approved budget to a budget head within another department's approved budget.
- (d) The Director of Corporate Services shall report all transfers under (b) and (c) to the Commissioner as part of the quarterly financial position reports.
- (e) A virement is also permissible to gross up income and expenditure budgets to reflect the in-year receipt of income.

### **10. Accounting Records**

- (a) The Director of Corporate Services must maintain accurate accounting records to ensure that the Commissioner meets their obligation to manage public resources. To achieve this the Director of Corporate Services is required by the Accounts and Audit Regulations 2015 to:
  - Develop the accounting procedures and records for the Commissioner;
  - Arrange for the collation of all accounts and accounting records;
  - Make arrangements for the audit of the Commissioner's accounts and ensure all claims for funds including grants are made by the due date;
  - Prepare and publish the audited accounts of the Commissioner for each financial year and ensure the Commissioner approves the statement of accounts before 31 July; and
  - Retain all financial documents in accordance with statutory and the Commissioner's requirements.
- (b) The Director of Corporate Services is responsible for the preparation of the Commissioner's statement of accounts. The statement of accounts is required to ensure that the financial position correctly reflects the Commissioner's income and expenditure, correct accounting records are maintained, suitable accounting policies are selected and applied and systems of internal control are in place.

- (c) The Director of Corporate Services is responsible for the completion, in a timely manner, of all statutory accounting returns.

## **FINANCIAL CONTROLS AND INSURANCE**

### **11. Financial Risk Management and Insurance**

- (a) Heads of Service are required to immediately advise the Director of Corporate Services of:
- the acquisition or disposal of assets requiring insurance cover;
  - any incident or occurrence that may adversely affect the Commissioner's assets and likely to give rise to a claim on the Commissioner's insurers;
  - any incident or occurrence that might give rise to a claim against the Commissioner such notice or estimate is to also be given to the General Counsel.
  - any incident or occurrence that might give rise to a claim being made by the Commissioner on its insurance policies, for e.g. thefts, accidents; and
  - in cases of marine and motor accidents such notice or estimate is to also be given to the General Counsel.
- (b) The Director of Corporate Services is responsible for negotiating all claims with the Commissioner's insurers.
- (c) Heads of Service must consult with the Director of Corporate Services and the General Counsel in respect of any terms of any indemnity which the Commissioner is requested to give.
- (d) The Director of Corporate Services is responsible for ensuring that proper insurance exists where appropriate and the level of cover and risk is reported in the Statement of Accounts.

### **12. Internal controls**

- (a) The Director of Corporate Services must identify, meet and monitor compliance with the Commissioner's statutory obligations and to ensure that the Commissioner's assets and interests are safeguarded.
- (b) When allocating tasks dealing with the control of the Commissioner's assets, officers must:
- separate the tasks of providing information about amounts due to or from the Commissioner and calculating, checking and recording these amounts from the task of collecting or paying them; and



## Scheme of Governance – Financial Regulations

- ensure staff with the task of examining or checking the accounts of cash transactions must not themselves be involved in these transactions.
- (c) The Director of Corporate Services is responsible for:
- advising on effective systems of internal control which need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice; and
  - ensuring that the Commissioner's funds are properly safeguarded and used economically and efficiently.

### 13. Internal Audit

- (a) The Commissioner is required to make arrangements for the proper administration of their financial affairs and maintain an adequate and effective system of internal audit of their accounting records and control systems.
- (b) The Head of Internal Audit, who reports to the Director of Corporate Services, liaises closely with the Director of Corporate Services.
- (c) Heads of Service are required to provide the Head of Internal Audit:
- access at all reasonable times to enter any the Commissioner premises or land;
  - access to records, documents and correspondence relating to any transaction of the the Commissioner;
  - explanations as are necessary concerning any matter under examination; and
  - access to any asset or property under their control.
- (d) Heads of Service are required to ensure that any agreed actions arising from audit recommendations are carried out to agreed deadlines.
- (e) Heads of Service are required to inform the Director of Corporate Services, of any matter which involves irregularities or any suspected irregularity concerning cash, stores, property or any irregularity in the exercise of the functions of the Commissioner.
- (f) Where there are sufficient grounds to believe that a criminal act has been committed, the Director of Corporate Services will consult with the General Counsel and, as appropriate with the Commissioner or his/her nominated officer, before referring the matter to the police for investigation.
- (g) Any confirmed irregularities falling under the responsibilities of internal audit may result in the Commissioner taking disciplinary action against those responsible.
- (h) Heads of Service are required to ensure that records and assets are properly maintained and securely held.

## Scheme of Governance – Financial Regulations

- (i) Heads of Service are responsible for contingency plans for the security of assets and the continuity of service in the event of disaster or system failure.
- (j) The Head of Internal Audit must provide an annual report to the Commissioner which:
  - Gives an opinion on the overall adequacy and effectiveness of the Commissioner's control environment, disclosing any qualification to that opinion, together with the reasons for the qualification;
  - Summarises the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
  - Draws attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
  - Compares the work undertaken against that planned and summarises audit performance; and
  - Comments on Internal Audit's compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK.
- (j) The Head of Internal Audit will notify the Director of Corporate Services of any loss or financial irregularity and will use this information to inform the opinion on the internal control environment and the Internal Audit work programme.
- (k) Internal Audit leads on anti-fraud and corruption. It is responsible for:
  - Updating and maintaining the Commissioner's Anti-Fraud Policy;
  - Leading the Commissioner's work on fraud prevention;
  - Conducting investigations into potential fraud or abuse involving members, staff or contractors; and
  - Making recommendations to address any control weaknesses identified as a result of investigative work.
- (l) The Director of Corporate Services ensures that serious losses and irregularities are reported to the relevant Board.
- (m) The Director of Corporate Services agrees the draft audit plan with the Head of Internal Audit prior to approval by the Commissioner.
- (n) The Director of Corporate Services reports progress in implementation of internal audit recommendations to the Commissioner.

### **14. Fraud and Corruption Irregularities**

- (a) In all matters, Heads of Service shall comply with the Commissioner's Counter Fraud

## Scheme of Governance – Financial Regulations

And Corruption Policy, and Response Plan.

### 15. Stores

- (a) Heads of Service are responsible for the safe custody and control of stores held by their department and to ensure that the stocks held at any one time reflect consumption needs and do not exceed an appropriate level necessary to service the appropriate operations.
- (b) Heads of Service must undertake stock checks of all stores at least once each financial year in accordance with a programme approved by the Director of Corporate Services.
- (c) For every stocktaking, a list shall be prepared of the stock checked, indicating discrepancies with the stock records. Each list is to be accompanied by a certificate from the Head of Service that the stock shown in the list is held and whether the stock is in good condition and necessary and suitable for the requirements of the department.
- (d) A copy of the list is to be forwarded to the Director of Corporate Services. The Head of Service is to determine in conjunction with the Director of Corporate Services what action is to be taken to deal with any discrepancies.

### 16. Inventories

- (a) Inventories of the Commissioner's property must be prepared and kept up to date by Heads of Service in a form as advised by the Director of Corporate Services.
- (b) Inventories are to be checked with the physical asset regularly. Should deficiencies occur the Head of Service is to determine in conjunction with the Director of Corporate Services what action is to be taken.
- (c) The Commissioner's property is not to be removed otherwise than in accordance with the course of the Commissioner's business.

### 17. Disposal of Assets

- (a) Heads of Service are responsible for making arrangements for the disposal of surplus stores, equipment, furniture etc., subject to agreement by the Director of Corporate Services and in accordance with any policy laid down by the Commissioner.
- (b) Disposal of the Commissioner's land (including buildings) is to be in accordance with the relevant Code of Practice on the Disposal of Land as approved by the Commissioner.

### 18. Writing off

- (a) *Part 4 – Delegations* of this Scheme of Governance authorises writing off of losses by Heads of Service and the Director of Corporate Services up to specified limits. Any writing off is to be done in accordance with arrangements to be determined by the Director of Corporate Services.

## 19. External Audit

- (a) The Commissioner's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts presents a true and fair view of the financial position of the Commissioner and their income and expenditure for the year in question and complies with the legal requirements.
- (b) Heads of Service are required to:
  - Give the external auditors access at all reasonable times to premises, personnel, documents and assets which are considered necessary for the purposes of their work; and
  - Ensure that all records and systems are up to date and available for inspection.
- (c) The Director of Corporate Services has responsibility for identifying and leading implementation of recommendations from External Audit Reviews and to report progress in implementation to the relevant committee.

## 20. Treasury Management

- (a) Responsibility for the execution and administration of Treasury Management decisions are delegated to the Director of Corporate Services who will act in accordance with the Commissioner's Policy Statement on Treasury Management Activities and Treasury Management Practices and CIPFA's "Standard of Professional Practice on Treasury Management".
- (b) The Director of Corporate Services is authorised to make use of balances to fund internal borrowing when it is considered advantageous, provided the overall borrowing limit, determined by the Mayor for the Commissioner, is not exceeded.
- (c) In relation to The Prudential Code for Capital Finance in Local Authorities, the Commissioner delegates responsibility to the Director of Corporate Services, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities (both "authorised limits" and "operational boundary"), in accordance with option appraisal and best value for money for the Commissioner, and any such changes made are to be reported to the relevant committee at its next meeting following the change.
- (d) The Director of Corporate Services must secure appropriate banking arrangements and treasury management borrowing and investments subject to approved treasury management and annual investment strategies.
- (e) The Director of Corporate Services must produce annually a Treasury Management Strategy report setting out the requirements for the forthcoming year and the proposals to meet them, for approval by the Commissioner.

## 21. Staffing

- (a) The Director of Corporate Services must ensure that Budget Provision exists for all existing and new employees and to advise the Commissioner, Directors and Heads of Service on National Insurance and pension contributions, as appropriate.

## FINANCIAL SYSTEMS AND PROCEDURES

### 22. Financial Systems and Procedures

- (a) Any material change or amendment to any financial systems or procedures by Heads of Service must be carried out in consultation with the Director of Corporate Services.
- (b) Heads of Service must ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- (c) The Director of Corporate Services must authorise the financial systems and procedures for the receipt and payment of all Commissioner monies and determines the procedures and work practices to ensure there is adequate internal control and internal checks.
- (d) The Director of Corporate Services is responsible for the day to day operation and control of the systems and procedures required to:
- order goods and Service;
  - pay salaries, wages and pensions;
  - pay creditors, allowances and expenses;
  - collect and bank all income due to the Commissioner;
  - provide, safeguard and subsequently dispose of all Commissioner assets (both tangible and intangible) within the limits set out in the Scheme of Delegation;
  - account for taxes and make necessary payments to the appropriate authorities; and
  - be responsible for meeting statutory requirements in relation to keeping records of all financial transactions, such as to enable financial control and audit of the accounts.
- (e) The Director of Corporate Services must arrange for the proper administration of the Commissioner's financial affairs to:
- issue advice, guidance and procedures for officers and others acting on behalf of the Commissioner;

## Scheme of Governance – Financial Regulations

- determine the accounting systems, form of accounts and supporting financial records;
- establish arrangements for the audit of the Commissioner's financial affairs;
- approve any new financial systems to be introduced; and
- approve any changes to be made to existing financial systems.

### **23. Income**

- (a) Heads of Service must arrange for prompt collection, control and deposit of money due to the Commissioner and notify the Director of Corporate Services of all cash collected and income due to the Commissioner:
  - all monies received on behalf of the Commissioner is to be banked without delay in the Commissioner's name; and
  - all documentation relating to income receivable by the Commissioner must be in the name of the Commissioner, including agreements for the provision of Service, invoices and receipts.
- (b) At regular intervals agreed with the Director of Corporate Services, Heads of Service must review income received and likely to be received and bring any likely shortfall in income over departmental budgets to the attention of the Director of Corporate Services, together with any likely significant increase in income.
- (c) The Director of Corporate Services must as part of the annual budget cycle review all rents, fees and charges for services provided.
- (d) All agreements for the provision of services to other organisations must be on the basis of cost recovery.

### **24. Procedures for Payments and Authorisation of Accounts**

- (a) The Director of Corporate Services is responsible for paying all properly authorised accounts submitted for payment.
- (b) Before approving a VAT invoice, those doing so must confirm that:
  - the works, goods or services to which the invoice relates have been received, carried out, examined and approved
  - the prices, extensions, calculations, trade discounts, other allowances, credits and tax rates are correct
  - the relevant expenditure has been properly incurred and is within the estimate

## Scheme of Governance – Financial Regulations

- stock records (were appropriate) have been updated
  - the invoice has not previously been approved for payment and is a correct liability
  - the invoice meets HM Revenue and Customs definition of a valid VAT invoice for the purpose of reclaiming VAT.
- (c) Payments must be made in compliance with the statutory requirements regarding prompt payment.
- (d) The Commissioner and Directors may request, in writing, for the Director of Corporate Services to make payment where prices have increased beyond the control of the contractor/supplier. The Director of Corporate Services may make payment provided he/she is satisfied the increases are reasonable, and are in accordance with a decision of the Commissioner and are within overall Budget Provision (provided by virement if necessary).
- (e) Heads of Service must as soon as possible after 31st March in each year notify the Director of Corporate Services of all outstanding expenditure relating to the previous financial year, as set out in the closing of accounts timetable.

### **25. Salaries and pensions**

- (a) The Director of Corporate Services is responsible for making payments of salaries, wages and pension benefits.
- (b) Any extraordinary payroll payments and payments outside of agreements of general application must be specifically approved by the Director of Corporate Services after consultation with the General Counsel.
- (c) The Director of Corporate Services is responsible for ensuring that the payment of salaries and allowances reflects:
- appointments, resignations, dismissals, suspensions, secondments and transfers;
  - changes in remuneration.

### **26. Credit Cards**

- (a) Credit cards must only be used in relation to the Commissioner's business, and only when this means of purchasing is appropriate.

### **27. Banking Arrangements**

- (a) The Director of Corporate Services will advise the Commissioner on all banking and related arrangements. The Director of Corporate Services will open, operate and close bank accounts on behalf of the Commissioner.

## Scheme of Governance – Financial Regulations

- (b) The Director of Corporate Services will arrange that all bank accounts which contain monies that form part of the Commissioner's funds bear an official title that includes the name of the Commissioner.
- (c) The Director of Corporate Services will determine the arrangements for authorising and making payments from the Commissioner's bank accounts.

### **28. Taxation**

- (a) The Director of Corporate Services is responsible for the Commissioner's compliance with taxation legislation, including making tax payments, receiving tax credits, maintaining tax records and completing and submitting all statutory returns by due dates.
- (b) The Director of Corporate Services is responsible for issuing guidance on taxation issues that affect the Commissioner.

### **29. External Funding**

- (a) Draft grant funding bids must be submitted to the Director of Corporate Services for review and full account taken of the conditions of grant, before it is approved.
- (b) The Director of Corporate Services must be consulted on the Value Added Tax implications of grant funding and raise invoices for the amounts due to the Commissioner.



## PART 7 – DEFINITIONS

In this Scheme of Governance, the following terms have the following meanings:

**Best Value** is the duty imposed on the Commissioner by Part 1 of the Local Government Act 1999 and under which the Commissioner must seek continuous improvement in the way their functions are exercised, having regard to a combination of economy, efficiency and effectiveness and to the guidance issued by the Secretary of State and the Chartered Institute of Public Finance and Accountancy (and their successor bodies as the case may be) under Part 1 of the Local Government Act 1999.

**Budget provision** is the amount identified in the Commissioner's budget for a particular purpose.

**Commissioner** is the London Fire Commissioner created by under Part 6A S.327A(1) of the Greater London Authority Act 1999 by virtue of an amendment under S.9 of Schedule 2 of the Policing and Crime Act 2017.

**Commissioner's Decisions** are non-operational decisions taken by:

- the Commissioner or a statutory deputy appointed by the Commissioner under Section 112 of the Local Government Act 1972 and Schedule 27A of the Greater London Authority Act 1999 as fire and rescue authority
- in accordance with Standing Order 1 of Part 2.

**Contract Award** is the process described in PSO 12.

**Contract** is any agreement for the for the supply of works, goods or services to the Commissioner, including Framework Agreements, call off contracts made under a Framework Agreement and Land Transactions, but does not include employment contracts or contracts for legal services or advice in contemplation of legal proceedings.

**Contractor** means the other party or potential other party to a Contract.

**Contract Value** is the estimated value of a Contract which shall be the total anticipated spend under that Contract including all options to extend the term, net of VAT.

**Delegated Decisions** are decisions delegated by the Commissioner to Directors and Heads of Service.

**Directors** are the Commissioner's:

- Deputy Commissioner (Operational Delivery);
- Director of Corporate Services;
- Director for People; and
- Director for Transformation.

## Scheme of Governance – Definitions

**EU Thresholds** means the thresholds for public advertisement of works, goods and services contracts as provided for in the EU Public Procurement Directives and advised by the Government.

**Framework Agreement** means an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors which establishes the terms governing call off contracts to be awarded during a given period, with regard to price and, where appropriate, the quantity envisaged.

**Heads of Service** are the Assistant Commissioners and Assistant Directors appointed to manage the following departments:

- Fire Safety
- Fire Stations
- Operational Resilience and Control
- Transformation
- Health and Safety
- Operational Policy and Assurance
- Training and Development
- Communications
- Finance
- People Services
- Strategy and Risk
- Technical and Commercial Services
- Property Services
- London Resilience
- General Counsel
- Chief Information Officer

The Chief Information Officer and the General Counsel, and in the Procurement Standing Orders, unless the context indicates otherwise, are individually the Head of Service for whose purposes a contract is to be entered into.

**Lead Client Officer (LCO)** is a senior officer designated by the relevant Head of Service, after consultation with the Assistant Director Technical and Commercial, for the procurement of a Contract.

**Procurement Documents** are the documents used in the procurement process and include the invitation to tender, the Specification, the evaluation methodology, the form of tender, the bid pricing template, the terms and conditions of Contract and Contract schedules.

**Procurement Initiation** is the process described in PSO 9.

**Procurement Request Form** is the Commissioner's internal online form seeking the approval of the Director of Corporate Services to initiate a new procurement in the process described in PSO 9.

## Scheme of Governance – Definitions

**Responsible Procurement Policy** is the Greater London Authority group Responsible Procurement policy adopted by the Commissioner as policy number 696.

**Specification** is the description of the works, goods or services to meet the Commissioner's requirements.

**Standing Orders** are the Standing Orders of the Commissioner, including the PSOs.

**Tender Request Form** is the Commissioner's internal online request form required to record in the Contract Register a new Contract for procurement.

**Transparency Code** is the local government transparency code 2015, as amended from time to time, which sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published.

## Equality Impact Assessment (EIA) Form

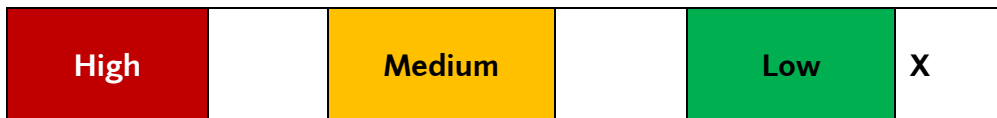
The **purpose** of an EIA is to give **as much information as possible** about potential equality impacts, to demonstrate we meet our **legal duties** under the Equality Act 2010.

**Please read the EIA Guidance [on Hotwire](#) before completing this form.**

### 1. What is the name of the policy, project, decision or activity?

London Fire Commissioner Governance Review 2021

*Overall Equality Impact of this policy, project, decision or activity:*



### 2. Contact details

Name of EIA author	Steven Adams
Department and Team	General Counsel's Department
Date of EIA	7 March 2021

### 3. Aim and Purpose

What is the aim and purpose of the policy, project, decision or activity?	General Counsel provides an annual report to considering the operation and effectiveness of the governance function in facilitating the decision-making and accountability arrangements of the London Fire Commissioner.  Improving and effective governance arrangements improve the Brigade's strategic considerations relating to the Public Sector Equality Duty.  [Note: this applies across every protected characteristic.]
Who is affected by this work (all staff, specific department, wider communities?)	All staff and London's communities are affected by the Commissioner's decisions and considerations.

### 4. Equality considerations: the EIA must be based on evidence and information.

What consultation has taken place to support you to predict the equality impacts of this work?	No consultation with Equality Support Groups has taken place since the review focuses on processes.
--	---

## 5. Assessing Equality Impacts

Use this section to record the impact this policy, project, decision or activity might have on people who have characteristics which are protected by the Equality Act.

Protected Characteristic	Impact: positive, neutral or adverse	Reason for the impact	What information have you used to come to this conclusion?
<i>Example: Age</i>	<i>Adverse</i>	<i>Moving this service online will adversely affect older people, who are least likely to have access to a computer or smart phone and may not be able to use the new service.</i>	<i>GLA Datastore: X% of the London community are aged 70 or over. GLA data shows that only 10% of those over the age of 70 have regular access to a computer or smart phone.</i>
<b>Age</b> (younger, older or particular age group)	Neutral	The report supports the new ways of working made necessary by the Coronavirus with the observation that there are anticipated to continue. It is unknown what age bias may be impacted by that, however the support arrangements put in place in 2020/21 imply that any impact will be neutral.	
<b>Disability</b> (physical, sensory, mental health, learning disability, long term illness, hidden)	Positive	Effective support for digital ways of working can provide additional accessibility options for individuals contributing to board meetings and considerations.	Anecdotal. Individuals with sensory impairment have improved accessibility options available with digital ways of working such as screen recording; the use of audio technology with remote devices; and live caption subtitles in board meetings.
<b>Gender reassignment</b> (someone proposing to/undergoing/ undergone a transition from one gender to another)	Neutral		

<b>Marriage / Civil Partnership</b> (married as well as same-sex couples)	Neutral		
<b>Pregnancy and Maternity</b>	Positive	The continuation of new ways of working may support options regarding travel for Keep In Touch days (for example).	
<b>Race</b> (including nationality, colour, national and/or ethnic origins)	Neutral		
<b>Religion or Belief</b> (people of any religion, or no religion, or people who follow a particular belief (not political))	Neutral		
<b>Sex</b> (men and women)	Neutral		
<b>Sexual Orientation</b> (straight, bi, gay and lesbian people)	Neutral		

<b>6. Impacts outside the Equality Act 2010</b>
<b>What other groups might be affected by this policy, project, decision or activity?</b>
Consider the impact on: carers, non-binary people, people with learning difficulties, neurodiverse people, people with dyslexia, autism, care leavers, ex-offenders, people living in areas of disadvantage, homeless people, people on low income / in poverty.
Neutral

**7. Legal duties under the Public Sector Equality Duty (s149 Equality Act 2010)**

How does this work help LFB to:	
<b>Eliminate discrimination?</b>	Improving and effective governance arrangements improve the Brigade's strategic considerations relating to the Public Sector Equality Duty.
<b>Advance equality of opportunity between different groups?</b>	Improving and effective governance arrangements improve the Brigade's strategic considerations relating to the Public Sector Equality Duty.
<b>Foster good relations between different groups?</b>	Improving and effective governance arrangements improve the Brigade's strategic considerations relating to the Public Sector Equality Duty.

<b>8. Mitigating and justifying impacts</b>		
Where an <b>adverse</b> impact has been identified, what steps are being taken to <b>mitigate</b> it? If you're unable to mitigate it, is it <b>justified</b> ?		
<b>Characteristic with potential adverse impact (e.g. age, disability)</b>	<b>Action being taken to mitigate or justify</b>	<b>Lead person responsible for action</b>

**Now complete the RAG rating at the top of page 1:**

**High:** as a result of this EIA there is evidence of significant adverse impact. This activity should be stopped until further work is done to mitigate the impact.

**Medium:** as a result of this EIA there is potential adverse impact against one or more groups. The risk of impact may be removed or reduced by implementing the actions identified in box 8 above.

**Low:** as a result of this EIA there are no adverse impacts predicted. No further actions are recommended at this stage.