

# MINUTES OF THE MEETING OF THE ROYAL BERKSHIRE FIRE AUTHORITY'S AUDIT AND GOVERNANCE COMMITTEE



Held on Tuesday, 19<sup>th</sup> December 2017 at 6.30pm

RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot,  
Reading, Berkshire RG31 7DS

**Members:** Councillor Alistair Auty  
(\* present) \* Councillor Christine Bateson  
\* Councillor Jason Brock  
Councillor Avtar Cheema  
\* Councillor Adrian Edwards  
\* Councillor Carol Jackson-Doerge  
\* Councillor Iain McCracken  
\* Councillor Philip Mirfin  
\* Councillor Mohammed Rasib

**In Attendance:** Councillor Philip Bicknell (Budget Lead Member)  
Conor Byrne (Head of Finance and Procurement, HOPP)  
Trevor Ferguson (Chief Fire Officer, CFO)  
Steve Foye (Deputy Chief Fire Officer, DCFO)  
Mark Gaskarth (Area Manager (Collaboration and Change))  
Becci Jeffries (Head of HR and Learning and Development)  
Simon Jeffries (Assistant Chief Fire Officer)  
Daniel Harris (Internal Auditor, RSM)  
Jacky Manning (HR Advisor)  
Jim Powell (Area Manager (Service Delivery))  
Nikki Richards (Director of Support Services)  
Jo Reeves (Clerk)  
Fayth Rowe (Committee Officer, CO)  
Tony Vincent (Head of Business Information and Systems, HBIS)

**Action**

## 26. APOLOGIES FOR ABSENCE

Apologies for inability to attend the meeting had been received from Councillors Auty and Cheema.

## 27. DECLARATIONS OF INTEREST

In accordance with the provisions of the Fire Authority's Local Code of Conduct there were no declarations of interest received from Members.

There were no Declarations of Interest received from Officers.

## 28. MINUTES OF THE MEETING HELD on 27 SEPTEMBER 2017

### Resolved:

That the Minutes of the meeting held on 27 September 2017 be approved as a true and correct record and signed by the Chairman, subject to the following

amendments:

Trevor Ferguson (CFO) to be added to the list of attendees.

Page 4, 5<sup>th</sup> bullet point: 'ACFO for Service Delivery' to be replaced with 'ACFO for Collaboration, Change and Finance.'

Page 11, 4<sup>th</sup> paragraph: the following to be inserted "However, following fieldwork the auditors concluded that there were no material weaknesses in controls or evidence of material management override."

Page 14, 2<sup>nd</sup> bullet point. 'audited' to be replaced with 'inspected'.

Page 15, 1<sup>st</sup> paragraph: 'complaint' to be replaced with 'compliant'.

Page 17, 2<sup>nd</sup> bullet point: 'flammable' to be replaced with 'residential buildings' and wording to be amended from 'audited' to be replaced with 'inspected'.

The Committee discussed the actions arising from the minutes of the previous meeting. The DCFO updated regarding the action on page 14 that following investigation there was no local or national data to suggest that a particular brand of smoke detector was susceptible to failure.

There was a report later on the agenda to address the action on page 17 of the minutes.

The CFO advised that the draft framework for HMICFRS inspections had been published earlier that day and would be circulated to Committee members.

The ACFO confirmed that accidents requiring investigation included near misses.

Jim Powell advised that the Quarter 3 performance report would include the new presentation of linked risks.

## **29. REVIEW OF ASSUMPTIONS UNDERPINNING THE MEDIUM TERM FINANCIAL PLAN**

Conor Byrne introduced the Review of Assumptions Underpinning the Medium Term Financial Plan (MTFP) report, which reviewed the various planning assumptions that underpinned the MTFP that was approved by the Fire Authority in February 2017. Councillor Philip Bicknell joined the Committee for the item.

There were three key cost drivers that would have an on-going impact on the base budget: pay, inflation and the consequences of the Grenfell tragedy.

Pay award negotiations were ongoing and the 1% cap on pay had been lifted. For every 1% increase in pay for both uniformed and non-uniformed staff there would be an additional pressure of £260,000 on the base budget.

The MTFP assumed an increase in contract inflation of 2% from 2019/20. If inflation was nearer 3% there would be an additional pressure in the base budget of £75,000 per annum. There was no allowance in the MTFP for other inflationary pressures to be above 1%, each 1% increase would add a pressure of £26,000 per annum.

New risks had emerged as a result of the Grenfell Tower tragedy. In order to meet IRMP commitments and additional activity as a result of the Grenfell tragedy, significant additional costs would be incurred. It was possible that costs would be around £600,000 or a 3% increase in the precept.

The Local Government Financial Settlement had been announced earlier that day but the detail relating to Fire Authorities was yet to be outlined in detail.

Councillor Bicknell stated that central government had not been clear and it was not possible to develop robust assumptions on which to underpin the MTFP without all the information. There was a risk that some fire stations would need to close in order to set a balanced budget by the end of February 2018. Although there was sympathy towards Fire and Rescue Services in the lowest quartile of funding, there was still uncertainty regarding any potential measures to offset funding disparity.

Councillor Philip Mirfin suggested that the proposal to hold a referendum to increase the precept would be an interesting tactic and noted that the government had responded quickly when one local authority sought to hold a referendum. Councillor Bicknell advised that the size of the problem was not yet known and the cost of holding a referendum was potentially over £1million. The CFO advised that he and the Chairman had met the Berkshire MPs who were sympathetic. He remained hopeful that the past prudence of the authority would be recognised.

Councillor Christine Bateson noted that a large sum of money would be required to meet the new risks associated with the Grenfell tragedy and asked for the likely cost. The ACFO advised that the authority had already been proactive to mitigate some of these risks and the ongoing requirements would not be known until Dame Hackett published her report in Spring 2018.

Conor Byrne confirmed that a draft budget would need to be presented to the Management Committee in early February 2018, for recommendation to the Fire Authority on 27 February 2018. Officers might need to be pessimistic in their assumptions in order to propose a balanced budget. Likewise, the IRMP might have to be revisited.

Councillor Ian McCracken suggested that a letter should be sent to the Berkshire MPs. The CFO confirmed that a letter had already been sent and meeting held with the Berkshire MPs; he remained hopeful that there might be some useful detail in the Local Government Finance Settlement that had not been announced in parliament.

The CFO offered assurance to the Committee that officers, the lead member for finance and the Chairman had been working hard to ensure the right assumptions underpinned the MTFP.

**RESOLVED THAT:**

- (a) the report be noted

**29. INTERNAL AUDIT UPDATE**

Daniel Harris introduced the Internal Audit Report, which presented the findings from audits carried out as per the 2017/18 Audit Plan. RSM were forecasting an unqualified opinion at year end, subject to some areas of weakness being addressed as planned.

Three reviews had been undertaken since the last meeting of the Committee; cyber security, procurement and risk management and governance.

Regarding cyber security, RBFRS had completed a self-assessment questionnaire. 23 of the 34 requirements for the five Cyber Essentials control themes had evidence to support that controls had been established. Of the remaining eleven, nine were categorised as 'working towards Implementation' and there were two where work had 'Not Started.' Eleven actions had been recommended. Daniel

Harris assured that similar assessments in other organisations had revealed similar findings. Nikki Richards, Director of Support Services, tabled a poster produced by the Centre for Cyber Security which set out the framework. She noted that the review had not highlighted RBFRS's previous work towards improved cyber security.

Councillor Mirfin stated that he was pleased with the results of the audit and commented that it would be useful to gain an understanding of how resilient RBFRS would be, in terms of business continuity, in the event of a cyber attack. Nikki Richards responded that the previous audit had reviewed this point. RBFRS had recently experienced a cyber attack so business continuity had been tested. Some improvements had been identified and business continuity would need to be routinely practised.

Councillor McCracken noted that completion dates for actions 2.9 and 2.11 had passed; Nikki Richards offered assurance that these actions had been completed.

Councillor McCracken stated that he would like a report regarding actions 2.10, 2.28, 2.30 and 2.33 at the next meeting. Nikki Richards advised they would be covered in the quarterly performance report.

Daniel Harris reported that a review had been undertaken on procurement, an area which had received considerable attention and seen a good transition to operational best practice. Change management in relation to procurement had been excellent and the recommended actions would enhance the already strong performance. Although it was unusual for actions not to be accepted, the auditor has accepted the management responses to those areas.

Councillor McCracken noted the good audit outcome and congratulated officers for their continued work. The CFO thanked Conor Byrne and Jane Lubbock for the robust processes that were now in place.

**RESOLVED THAT:**

- (a) the report be noted

**30. EXTERNAL AUDIT UPDATE AND CONSULTATION**

Conor Byrne introduced the External Audit Update and Consultation report, which provided an update on audit fees and early planning around the audit of the 2017/18 Statement of Accounts. The auditors had been on-site completing some systems testing in preparation for their interim audit to be completed in February 2018. They would return in June 2018 and produce the final report for the Committee's meeting to be held in July 2018.

The PSAA was responsible for appointing an auditor and while RBFRS had not been involved in the consultation, they welcomed the reduction in fees.

**RESOLVED THAT:**

- (a) the report be noted

**31. ROYAL BERKSHIRE FIRE AUTHORITY – PAY POLICY STATEMENT**

Becci Jefferies introduced the Royal Berkshire Fire Authority – Pay Policy Statement report, which provided information on remuneration for all staff as

defined by the Localism Act 2011 which required Royal Berkshire Fire Authority to prepare and publish a Pay Policy Statement each financial year.

**RESOLVED THAT:**

- (a) The Audit and Governance Committee recommend the Fire Authority approve the Pay Policy Statement for 2018/19.

**32. Emergency Services Mobile Communication Project Update**

Steve Foye introduced the Emergency Services Mobile Communication Project Update report, which provided an update and assessment of the progress of the Emergency Services Mobile Communication Project (ESMCP) and delivery of the Emergency Services Network (ESN) that will replace the existing Airwave Provision.

Despite delays to the national programme, the South Central programme was making progress. RBFRS was supporting the delivery of a joint workshop with the police to explore opportunities for collaboration.

The revised timeline for the project was anticipated in Spring 2018, following EE and Motorola working with the national programme to set a revised delivery plan.

At the previous meeting of the Audit and Governance Committee, it was agreed to send a letter jointly with the Chairman of the Fire Authority to the Home Office Permanent Secretary. The National Fire Chiefs Council had since written on behalf of all Fire authorities to set out concerns. It was proposed to use this letter as a foundation and the Committee were asked to approve the letter.

Councillor McCracken asked whether the budget provision for this project was sufficient. Conor Byrne advised that at this stage he believed it was.

The DCFO gave assurance that he was not currently concerned about the funding of the project and steps were being taken to ensure that a clear account of costs incurred through participation in the project was maintained.

**RESOLVED THAT:**

- (a) the letter in Appendix B be sent jointly from the Chairman of the RBFA and the Chairman of RBFA Audit and Governance Committee.

**33. QUARTERLY PERFORMANCE REPORT 2017/18 QUARTER 2 (JULY – SEPTEMBER 2017)**

Steve Foye introduced the Quarterly Performance Report 2017/18 Quarter 2 (July – September 2017) report, which provided the committee with an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) second quarter (July – September 2017) performance for the 2017-18 financial year.

Performance was reported in four key areas, the key highlights were as follows:

**Quadrant One- Service Provision**

- RBFRS had conducted 4700 interactions with people living in high rise buildings.
- Urgent inspections had been carried out of all 155 residential high rise buildings in Berkshire.

## DRAFT

- The quarter saw no fire deaths from accidental dwelling fires, and only one casualty.
- Home Fire Safety Checks target numbers were not achieved for those at risk of death and the number full audits completed was below target. This was likely due to the re-prioritisation of resources to manage the response to the Grenfell Tower fire.
- 72% of emergency incidents were attended with ten minutes. There were a number of interdependencies which contributed to this target and it was subject to daily monitoring by lead officers.
- Retained Duty System (RDS) availability remained low at under 37%. Further work would be undertaken to evaluate the RDS and the relationship to response times.

### **Quadrant Two – Corporate Health**

- There had been a slight increase in the percentage of working time lost to sickness, which was attributable to long term cases. Short term absences were continuing to decrease.
- Mental health accounted for a third of sickness absences. A Wellbeing Adviser (Mental Health) was now in post and taking a strategic approach to awareness raising and the development of initiatives to support good mental health.
- The impact of the new organisational structure and cost centre system would be reported in quarter three. There were ambitions to further devolve budget monitoring down the organisation. The recent secondment of a front line officer into the finance service had developed a better understanding of how the two parties operated.

Councillor Adrian Edwards advised that he had received excellent feedback regarding the services provided by Benenden and stated that he was surprised that there had not been more take up. Becci Jeffries advised that analysis had been completed and some members of staff already had medical insurance. There were significant benefits and a clear return on investment. Officers would seek to extend take up of the scheme.

### **Quadrant Three – Priority Programmes**

- The Emergency Services Mobile Communication Programme had been delayed and further information would be presented in quarter four.
- Options were being reconsidered regarding the Whitley Wood project to ensure that the best value for money could be achieved for RBFRS.
- The people strategy was being revised.
- A significant amount of progress had been made in the development of a bespoke leadership development programme for middle managers.
- Work to implement Investors in People accreditation had been postponed until the implications of the HMICFRS inspection regime were known.
- A number of business administration apprentices had joined the workforce with support from Newbury College.

The CFO noted that the Whitley Wood site was complex and the project was at an

early stage. It was still intended to collaborate with Thames Valley Police however there were concerns regarding feasibility and any future commitments to the project would need to be the right deal for RBFRS.

Councillor McCracken enquired when the Member Development Programme would be completed. Nikki Richards advised that a working group had been set up under the Management Committee and was seeking to align their programme with those of local authorities.

The CFO updated that the HMICFRS framework had been published and it had been announced that RBFRS would be inspected in tranche two, commencing in the autumn. There would be a considerable amount of work to prepare for the HMICFRS inspection so a pragmatic view may have to be taken regarding the Investors in People accreditation.

#### **Quadrant Four – Risk**

- Risk reviews continued to be systematic and robust.
- Closer working and an agreed framework with Thames Valley Partners had seen the Collaboration, partnership and shared service risk reduce.
- A dedicated Project Officer to coordinate the activities associated with the Grenfell tragedy had improved controls and measures.
- Closer management of the payroll contract had seen a reduction in risk.

Councillor McCracken thanked the officers for the time they had taken to produce informative reports, which he trusted had aided the efficiency of the organisation. In particular he offered congratulations to officers for completing 155 inspections of high rise buildings.

Councillor Bateson expressed the view that it was difficult for Members, who were not experts, to comment on risk performance. The CFO advised that officers had tried to make the risk report a live tool to aid transparency and challenge.

#### **RESOLVED THAT:**

- (a) the report be noted

#### **34. ROYAL BERKSHIRE FIRE AND RESCUE SERVICE – GENDER PAY GAP REPORT**

Jacky Manning introduced Royal Berkshire Fire and Rescue Service – Gender Pay Gap Report. The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 introduced a requirement for the Authority to publish statutory calculations every year showing how large the pay gap was between their male and female employees, as per the calculations detailed on the UK government website.

The mean pay gap was 7.56% and median the pay gap was 3.66%. Data from the Office for National Statistics showed the average pay gap as 18.1%, meaning the pay gap at RBFRS was significantly lower than the national average.

#### **RESOLVED THAT:**

- (a) the report be noted.

#### **35. DATE OF NEXT MEETING**

Monday 26 March 2018 at 6.30pm, RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD.

**36. EXCLUSION OF THE PUBLIC**

**RESOLVED THAT:**

Under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following Agenda Item on the grounds that it involves the likely disclosure of exempt information, as defined in Paragraph 3 of Part I of Schedule 12A of the said Act indicated and is exempt information if, and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**37. CAPITAL PROJECTS CLOSEDOWN – COMMISSIONING A LESSONS LEARNT REPORT**

The Audit and Governance committee considered an exempt report in relation to setting the terms of reference, scope and timescales for a lessons learnt report following the closedown of capital projects.

**RESOLVED THAT:**

The recommendations in the exempt report be agreed.

**38. PROVISION OF EMPLOYEE PAYROLL SERVICES**

The Audit and Governance committee considered an exempt report in relation to the performance of the Employee Payroll Services.

**RESOLVED THAT:**

The exempt report be noted.

*The meeting concluded at 8.21 pm*