

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



Held on Thursday 27 July 2017 at 6.30pm

Brigade 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: Conor Byrne (Head of Finance and Procurement, HOFPP)
Steve Foye (Deputy Chief Fire Officer, DCFO)
Mark Gaskarth (Area Manager West, AMW)
Dan Harris (Head of Internal Audit, RSM)
Becci Jefferies (Head of HR and Learning Development, HHRLD)
Simon Jefferies (Head of Risk and Performance, HORP)
Alison Kennet (External Auditor, Ernst & Young)
Jane Lubbock (Interim Procurement Lead)
Jo Reeves (Clerk)
Nikki Richards (Head of Business Information and Systems, HBIS)
Fayth Rowe (Committee Officer, CO)

Action

1. APPOINTMENT OF CHAIRMAN FOR THE 2017/18 MUNICIPAL YEAR

RESOLVED that

Councillor Iain McCracken be appointed the Chairman of the Audit and Governance Committee for the 2017/18 Municipal Year.

2. APPOINTMENT OF VICE-CHAIRMAN FOR THE 2017/18 MUNICIPAL YEAR

RESOLVED that

Councillor Adrian Edwards be appointed the Vice-Chairman of the Audit and Governance Committee for the 2017/18 Municipal Year.

3. APOLOGIES FOR ABSENCE

Apologies for inability to attend the meeting had been received from Councillors Christine Bateson and Jason Brock.

4. 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.

5. MINUTES OF THE MEETING HELD ON 29 MARCH 2017

Resolved:

That the Minutes of the meeting held on 29 March 2017 be approved as a true and correct record and signed by the Chairman.

6. CONSIDERATION OF ANY MATTERS PROPERLY REFERRED TO THE COMMITTEE FOR DECISION

There were no matters referred to this Committee for decision.

7. INTERNAL AUDIT UPDATE

Conor Byrne, Head of Finance and Procurement (HOFP), presented the Committee with the 2016/17 Annual Report and an update on audit activity during the first quarter of 2017/18.

RSM's Annual Report for 2016/17 was attached as Appendix A and stated that the organisation had an adequate and effective framework for risk management, governance and internal control. Their work had identified further enhancements to the framework of risk management, governance and internal control to ensure that it remained adequate and effective.

(Councillor Adrian Edwards joined the meeting at 6.35pm)

Dan Harris referred to page 25 of the agenda which informed the Committee that the organisation had made reasonable progress in following up actions agreed to address the previous year's internal audit findings with 66% considered to be completed and 34% deemed to be in progress. Particular progress had been made in respect of Governance and Management.

In response to a question from Councillor Iain McCracken, Dan Harris explained that there were four opinions available to the auditors and they deemed that Royal Berkshire Fire and Rescue Service had an adequate and effective framework for risk management, governance and internal control which would benefit from further enhancements.

RESOLVED THAT:

- (a) the 2016/17 Annual Report be noted.
- (b) the 2017/18 Progress Report be noted.

8. EXTERNAL AUDIT UPDATE

Conor Byrne, Head of Finance and Procurement (HOFP), provided the Committee with an update from the External Auditors.

Ernst & Young were currently on site to test financial systems in preparation for the

audit of the 2016/17 Statement of Accounts. A description of their work and their findings was detailed in the report attached as an appendix to the report.

Alison Kennet explained that the on site testing would be concluded the following week and a report could be made available to the Committee in advance of the next meeting. In the future, external audit work would be finalised by an earlier point in the year. The HOFP confirmed that there were plans in place to ensure that the organisation met the earlier deadlines.

RESOLVED THAT:

- The External Audit update be noted.

9. ANNUAL GOVERNANCE STATEMENT

Simon Jeffries, Assistant Chief Fire Officer (ACFO), presented the Committee with the Annual Governance Statement and sought approval of its publication.

The ACFO stated that the Authority was responsible for ensuring that its business was conducted in accordance with the law and that public money was safeguarded and properly accounted for. The Local Government Act 1999 also required the Authority to make arrangements to secure continuous improvement in the way it exercised its functions. As part of this work the Authority was required, under the Accounts and Audit Regulations 2015, to produce an AGS. CIPFA guidance recommended that the Audit and Governance Committee scrutinise the AGS which set out the extent to which the Authority complied with its governance statement.

The ACFO noted that indicative timescales would be added to section five which outline significant governance issues in 2016/17.

RESOLVED that

- The Annual Governance Statement be approved.

10. PROTOCOL ON MEMBER AND OFFICER RELATIONS

Katie Mills, Head of Corporate Services (HCS), presented a proposed Protocol on Member and Officer Relations, prior to consideration by the Fire Authority on 10 October 2017.

The recommendation that local authorities had in place a Member/Officer Protocol was derived from the Third Report of the Committee on Standards of Conduct in Public Life: "Standards of Conduct in Local government in England, Scotland and Wales" 1997. Royal Berkshire Fire Authority was committed to ensuring there was a strong, constructive and trusting relationship between Members and officers. The policy aimed to provide a formal protocol for the working relationship between Members and officers to ensure that current good practise continued.

The recommendation to have a formal protocol in place was supported by the recent Fire Peer Challenge which identified that recent positive changes to the Fire Authority's governance arrangements would be further supported by a Member/Officer Protocol.

Councillor Adrian Edwards expressed the view that the document was important and hoped it would be relayed to all Members.

Councillor Philip Mirfin stated that the document was well written and in simple language.

Councillor McCracken noted paragraph 9.3 and expressed the view that this should also apply to Members. He enquired whether it was intended that this document should be updated in line with any amendments made by local authorities. The HCS confirmed that it would.

RESOLVED that

- The new Protocol on Member and Officer Relations be approved and referred to the Fire Authority for adoption.

11. QUARTERLY PERFORMANCE REPORT 2016/17 QUARTER 4 (JANUARY – MARCH 2017)

Simon Jeffries, Assistant Chief Fire Officer (ACFO), provided the Committee with an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) fourth quarter (January – March 2017) performance for the 2016-17 financial year. Performance was reported in four key areas and comparative data and trend analysis had been included wherever possible.

The Committee went through the report and various appendices in detail and the following were the key discussion points:

Quadrant One – Service Provision:

Mark Gasgarth reported that unfortunately since the commencement of 2017/18 there had been two fire deaths. While he could not comment on that particular case, slightly greater proportion of dwelling fires in 2016/17 had no smoke alarm fitted than in 2015/16. Councillor McCracken asked if there was any action that Members could undertake to support the Service getting its message out. Mark Gasgarth advised that a number of community groups had been approached and given information but he would consider what additional support Members could offer.

Quadrant Two – Corporate Health:

Councillor McCracken asked why the establishment measure on page 17 of the report would be removed for 2017/18. The HHRLD advised that the number in the service's establishment did not necessarily correlate to availability so it was not a meaningful measure.

Councillor Edwards commended the performance for the percentage of eligible staff successfully completing the fitness test, noting that the good health of the workforce would reduce sick leave and therefore have financial benefits to the Service.

Councillor McCracken raised a query regarding the impact of retirement on workforce planning. The HHRLD acknowledged that succession planning had become more unpredictable now there was no compulsory retirement date but offered reassurance that it was an area of focus.

The HDIS noted that the measure for the female workforce had been applied a RAG rating in error and this would be corrected on future reports.

The HHRLD stated that she was pleased to inform Members that at the point of collecting the data, RBFRS had the best performance nationally in respect of days

lost to sickness at just 4.99 compared to an average of 9.45 days lost. The formula used to calculate the absence rate took into account the size of the services. Members commended the excellent performance in respect of sickness absence.

Councillor Edwards asked if the Service surveyed staff morale. The HHRLD confirmed that a survey was undertaken and due to be repeated shortly. The precise timing of the survey would be considered as reorganisations that were taking place might have a disproportionate impact on the responses received.

The HOFPP reported that the Hungerford Fire Station refurbishment would come in at £40k over budget. Originally it had been intended that the roof tiles would be cleaned but the decision had been taken to replace them as they were asbestos.

The overall revenue outturn for 2016/17 would be a £9k underspend.

There had been a reduction in the level of charges due to an agreement to suspend charging other Thames Valley Fire and Rescue Services for cross-border incidents. Mark Gasgarth advised that the financial implications would be monitored.

The Committee reviewed progress against the Transition Bids. Councillor McCracken requested that future reports provide more clarity regarding the financial implications. The HHRLD noted that some posts were proving difficult to recruit to because there was good availability of permanent employment in West Berkshire and fixed term contracts were less attractive to potential recruits.

Jane Luddock reported that of the 70 contracts due to be replaced in 2016/17, 63 had been completed in-year. Of the remaining seven carried over into 2017/18, four had been completed, two were nearing completion and the last one had begun. The HDIS noted that in the future the procurement plan would not be presented to the Committee unless particular issues arose.

Councillor McCracken requested that where reference was made to a report being drafted, an indicative date was included.

Quadrant Three – Priority Programmes:

Nikki Richards noted that a programme was in place regarding the IBIS project. There were some gaps in the information governance and additional work for the Prevention Team had caused the extension to project timescales.

Quadrant Four - Risk:

The ACFO explained that the Risk Register included strategic risks. Since the last meeting two new risks had been added to the Risk Register regarding Payroll and the implications of the tragic Grenfell Tower incident. Mark Gasgarth explained that Grenfell Tower would have significant for all Fire and Rescue services. The Operations Support Room was no longer the owner of the risk treatment actions and he would now be the responsible officer. A lot of work had already but there would be more to do, especially as the results of the inquiry became known. The DCFO confirmed that he had written to the Chief Executives of the six unitary authorities in Berkshire to invite them to join a multi-agency team to tackle the next phases of the response. RBFRS would need to draw on its reserves to provide a robust response.

Councillor Mirfin asked for clarity regarding Accident Investigations. The ACFO explained that every incident categorised as 'moderate' would be investigated. This included 'near misses'.

The ACFO reported that the four new appliances had been well received by staff. The organisation was looking into joint procurement with Thames Valley partners for Aerial Ladder Platforms, however the tragic Grenfell incident might have implications for what would be required. Councillor Edwards commented that the government's recent announcement regarding electric vehicles might have implications on the Service's fleet in the future.

Referring to page 67 of the report, Councillor Edwards noted that there were issues with staffing. The DCFO gave reassurance despite some problems with staffing the availability of appliances was at 100% and a range of work was being driven regarding workforce.

Councillor McCracken thanked officers for the serious amount of work they had put into preparing the report.

RESOLVED that

- The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2016/17 be noted;
- The progress made on the two priority programmes be noted;
- The position of the corporate risk be noted;
- Any further actions to be discussed and agreed if appropriate.

12. AMENDMENTS TO CONTRACT AND FINANCIAL REGULATIONS

Conor Byrne, Head of Finance and Procurement (HOFP), presented the Committee with proposed changes to the Contract and Financial Regulations. The proposed updates included compliance with legislative changes and sound governance in line with best practice.

The current Contract and Financial Regulations were approved by the Fire Authority in August 2016 following a number of recommendations by the Authority's internal auditors. The regulations were now reviewed annually. The regulations had been updated to take into account senior management changes and to improve clarity, in addition to substantive changes.

Contract Regulations

In particular, the Modern Slavery Act 2015 placed a responsibility on all contracting organisations to take action in the award and monitoring of all contracts to mitigate against human trafficking and compulsory labour being operated by any supplier or within their supply chain. The Police and Crime Act 2017 place statutory duty on the emergency services to collaborate. The Contract Regulations had been updated to reflect the requirement of the legislation.

Financial Regulations

Following a recommendation from an internal audit report, all vehicles and any other assets with a value over £7000 would be capitalised and entered onto a fixed asset register. This was current practice already within the organisation but would be formalised by inclusion in the Regulations.

Assets with a value over £3000 could now be disposed of by land swaps, subject to approval by the Chief Finance Officer and the Monitoring Officer so long as value for money could be demonstrated.

The HOFFP also drew attention to a change which had not been emphasised in the summary report. The chief Fire Officer would now hold responsibility for all risk management, this responsibility had formerly been held by the Monitoring Officer.

Councillor Edwards raised a query regarding the figures under the 'Quote or Tender' section of matters with a total contract value between £150,000< and £999,999 on page 93 of the agenda noting they seem unusual. Jane Lubbock explained that the figures were based on figures in the European Regulations and based on currency conversion rates in January 2017.

Councillor Edwards referring to page 95 of the agenda enquired how the organisation ensured there was no canvassing or collusion. Jane Lubbock advised that all bidders for contracts were required to provide a declaration that they had not canvassed or colluded with any Members or officers and this had to be signed by a director.

RESOLVED that

- The updated Contract and Financial Regulations be agreed and recommended to the Fire Authority for approval.

13. EMERGENCY SERVICES MOBILE COMMUNICATION UPDATE

Steve Foye, Deputy Chief Fire Officer (DCFO), 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 would replace the current Airwave provision.

The DCFO described the governance of the project, which included the national programme, regional programmes (including the South Central region of which the Royal Berkshire Fire and Rescue Service was a part) and down to user organisations. The national programme would be reviewing the transition timeline and the indication was that it would be subject to an extended duration.

With the South Central region there was a Programme Steering Group, chaired by the DCFO, which met every 4-6 weeks. The Steering Group ensure there was sight of national and regional progress with the programme while ensuring that information was shared between organisations such as the Fire Services, Thames Valley Police and South Central Ambulance Service. Opportunities to collaborate were pursued as it would offer RBFRS greater purchasing power when it came to implementing new mobile communication technology.

The programme Steering Group oversaw four workstreams: training, devices, operational policy and appliances. The project teams for these workstreams sought more clarity and information from the national programme. As chair of the Programme Steering Group, the DCFO would ensure progress was made.

The HBIS stated that despite the complex governance, the national programme was listening to user organisation which was positive. On one hand the potential delays gave more time to deliver the programme but on the other hand it would present additional risks. For example, some existing kit needed to be replaced and the organisation needed to balance keeping the service operational while being mindful that it might need to be re-replaced once the programme reached the implementation phase. Councillor Mirfin expressed the view that the government would need to be mindful of this. The HBIS stated that the organisation was working with suppliers to future proof new kit as far as possible to ensure value for

money.

The DCFO expressed the view that the current operational challenges demonstrated the importance of engaging with the programme. The National Programme understood the challenges being faced by user organisations.

Councillor Edwards expressed support for the principle of the programme, noting that the emergency services would benefit from being better connected. The DCFO agreed that the programme would progress anyway and the organisation would benefit from engaging proactively. There was interoperability between the emergency services already which would be enhanced by new mobile communications.

Councillor McCracken asked the DCFO to confirm the Minister in the Home Office responsible for the ESMCP.

RESOLVED that

- The report be noted.
- The Service's ongoing approach to supporting the ESMCP and delivery of ESN in collaboration with national partners be agreed.

14. DATE OF NEXT MEETING

Wednesday 27 September 2017 at 6.30pm, Brigade Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD.

The meeting concluded at 9.10 pm