



MINUTES OF THE MEETING OF THE ROYAL BERKSHIRE FIRE AUTHORITY'S STRATEGIC ASSET MANAGEMENT COMMITTEE

Held on Tuesday 6th October 2015 at 5.30pm

Caversham Road Fire Station, Station 1, Caversham Road, Reading,
Berkshire RG1 8AA

Members:

- * Councillor David Absolom
- Councillor Christine Bateson
- (* present)
- * Councillor Paul Bryant
- Councillor Adrian Edwards (*Vice-Chairman*)
- * Councillor Pauline Helliar-Symons
- * Councillor Chris Maskell
- * Councillor Tom McCann
- * Councillor Angus Ross (*Chairman*)

In Attendance: Trevor Ferguson (Deputy Chief Fire Officer, DCFO)
Andrew Haste (Head of Transport and Engineering, HTE)
Simon Jefferies (Interim Head of Risk Management, IHRM)
Andy Parsons (Interim Head of Estates, IHE)
Linda Pye (Principal Policy Officer, PPO)
Paul Southern (Assistant Chief Fire Officer, ACFO)

Action

19. APOLOGIES FOR ABSENCE

An apology for inability to attend the meeting was received on behalf of Councillor Adrian Edwards.

20. 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.

21. MINUTES OF THE MEETINGS HELD ON 7th JULY 2015 AND MATTERS ARISING

Resolved that:

The Part I Minutes of the meeting held on 7th July 2015 be approved as a true and correct record and signed by the Chairman.

22. WHITE FLEET TASK AND FINISH GROUP REPORT

Paul Southern, Assistant Chief Fire Officer (ACFO), informed Members of SAMC of the outcome of the joint Member and Officer white fleet review. He thanked Members for the time they had invested in the review.

At previous SAMC meetings Members had expressed some reservations about

the number of vehicles in the light/white fleet i.e. those not used for front line emergency response. Members had requested that Officers review the white fleet within RBFRS to ensure that the most efficient use was being made of the fleet. Therefore a task and finish group was established which comprised Members of SAMC and Officers. The group met on 13th August 2015 and attached at Appendix A was the full white fleet list the group reviewed. Taking account of current RBFRS structure and use of vehicles, the group managed to reduce the overall light fleet provision by 20%.

The group considered how RBFRS might be able to share some of its vehicles with other agencies, however, it was recognised that on most occasions RBFRS would need to have first and probably short notice call upon the assets, due to the nature of the services delivered. The group did however determine where practicable every light vehicle should be provided to support at least two functions within RBFRS and Officers would use this as a guide going forward.

The vehicles highlighted in the attached appendix were those that the group had determined would be processed for disposal via an auction. The remaining vehicles enabled the current service provision to be maintained together with some resilience to essential functions delivered by RBFRS. The ACFO confirmed that he had been approached by a voluntary sector organisation who were experts in search and rescue and who worked closely with the Police. They had stated that they would be interested in one of the 4x4 vehicles and the ACFO would consider how that request could be facilitated.

RBFRS was currently going through a restructure that would result in different delivery models by departments of the Service. It was currently envisaged that closer working relationships between current disparate functions, would enable future use of such vehicles. It was therefore recommended that future needs for such vehicles should be determined post the restructure, which should be completed by April 2016. However, some of the current vehicles in the appendix would need replacing due to age, reliability, wear and tear, availability of spare parts and associated costs to maintain them. The agreed budget for 2015/16 included £111k for the replacement of such vehicles.

Members of SAMC were asked to consider whether they would prefer to be involved with determining the replacement process of such vehicles or whether they would like to leave the process to Officers. It was noted that the reduction by 20% of the vehicles in the attached appendix would be maintained until such time as the restructure was complete.

Councillor Angus Ross asked whether this report correctly reflected the review which had been undertaken. Councillor Tom McCann confirmed that it did and he stated that he had found the review very informative. He noted that it was proposed to reduce the vehicle fleet as highlighted in the appendix but he felt that it was also important that in future vehicles should not be purchased unless there was a genuine need to do so.

Councillor Paul Bryant noted that the vehicles would be disposed of by auction and he suggested that perhaps Oxon and Bucks Fire Authorities should be offered the chance to purchase any of the vehicles in the first instance. The ACFO stated that some of the vehicles were at the end of their useful lives but he agreed that they could be offered for sale if it was appropriate to do so.

ACFO

Members noted that it was proposed that some vehicles would need to be

replaced due to age, reliability and wear and tear. They queried whether it would be possible to repair them in order to keep them on the road. The HTE responded that to keep the vehicles on the road would be costly and it might therefore be more cost effective to purchase new ones. Councillor Tom McCann agreed that Officers should use their best judgement and minimise expenditure wherever possible. Councillor Paul Bryant felt that it would also be useful if there was some commonality in the types and makes of vehicles used by all the blue light services.

Councillor Angus Ross summarised that there were a number of drivers which would have an impact on the number and type of vehicles required - such as the property review, the restructure of the Fire Authority and the IT Strategy. He felt that the detailed work around the light vehicle replacement programme should be left to Officers but that costs should be kept to a minimum wherever possible.

The DCFO confirmed that the Fire Authority had started on a journey in relation to the new ways of working and the restructure and the outcomes of that would evolve over the next 24-36 months.

Resolved that:

- The report be noted;
- It be agreed that future requirements for the number and type of light vehicles were accounted for after the completion of the Service restructure;
- It was agreed that Members did not need to be involved in the process for the 2015/16 light vehicle replacement programme.

23. REVIEW OF BUYING PROCESSES AND CONTROLS

Trevor Ferguson, Deputy Chief Fire Officer (DCFO), presented the findings of the Baker Tilly audit of the review of buying processes and controls and the agreed action plan.

At the end of 2014/15 it had been identified that the organisation was using a significant number of Single Tender Actions (STAs) to authorise spend for IT contracts and systems. More of a concern was the fact that these STAs were quite often retrospective and the ability to demonstrate the appropriateness of an STA was not always clearly evident. The potential inappropriate use of STAs could have significant business, legal and reputational risk for the Fire Authority.

Following direction from Members, the new Corporate Management Team had been carrying out a series of 'deep dive' audits and reviews on the internal control procedures within the Authority and this audit was the first of those 'deep dive' reviews. The audit report set out in Appendix 1 to the report covered the scope of the audit, the conclusions of the auditors, significant detail on individual contracts and processes audited and an action plan to resolve the issues identified.

It was noted that the sample used was not random and was highly skewed towards single source tenders and/or buying outside the Procurement function. Therefore the key conclusions and findings might not apply to any purchasing of goods and services for which the Procurement function was involved and

was able to challenge it in line with RBFRS contract standing orders. The overall conclusions of the review were as follows:

- There was a risk of RBFRS being exposed to procurement challenge if adequate documentation was not provided to support the use of STAs;
- Applied procurement and contract monitoring practices might be inconsistent;
- Contract performance management was seen as the responsibility of the end users and did not appear to be robust;
- Procurement and finance teams capacity was questionable, especially in the context of enhance focus on improving value for money;
- Organisation wide life-cycle contract management was not in place; and
- Life-cycle contract management (including procurement) software was lacking.

The DCFO confirmed that a significant amount of work had already been undertaken in respect of the legal compliance and that in future the focus would be around value for money. The report had already been taken to the Audit and Governance Committee and the DCFO confirmed that that Committee would monitor the implementation of the Action Plan.

Councillor Angus Ross queried what percentage of purchases went through the procurement process and how much was a result of departmental spend. The DCFO confirmed that that had been one of the key issues in that a large percentage of procurement had been made by departments but that had now been tightened up. Councillor Ross recognised the fact that there had been a number of issues in IT which had needed to be resolved but this was an important report and it was essential that the Fire Authority took on board the findings of the audit.

Councillor Paul Bryant noted that the report had not made it clear when a tender would have been useful. The DCFO stated that when a single tender waiver was used it was essential that supporting documentation was provided to demonstrate compliance with the Fire Authority's Contract Standing Orders. The audit had highlighted that 72% of the items sampled did not demonstrate compliance with the criteria and therefore the use of an STA could not have been defended. However, in some cases an STA was the most appropriate way to procure a service/contract. The Action Plan had two main elements – ensuring legality and value for money. As stated earlier work had already commenced around the legality issue and in relation to value to money this was something which needed to be followed through.

Councillor Tom McCann had recognised that there had been a problem in the procurement process but he had not realised the scale of the issue. He was shocked that only around one in ten of items sampled had evidence to suggest that value for money had been achieved. Also only a third of transactions sampled complied with the Fire Authority's Contract Standing Orders. He felt that the mindset of the whole organisation needed to be changed. His fear was that if these issues had been identified in one drill down what other issues were out there. The DCFO assured Councillor McCann that the Fire Authority would ensure that all of the issues were addressed. The key was to ensure that the relevant controls were put in place and that they formed part of the

organisational journey. He confirmed that even if the documentation was not available in all cases in relation to the use of STAs, the need could be demonstrated. It was proposed that a programme of contract management training and workshops would be provided for all key stakeholders.

Councillor Tom McCann asked what checks and balances the Members would have in place. Councillor Angus Ross confirmed that the layout of reports was currently being considered and it was proposed that the consultations paragraphs should be expanded to provide more detail. It should be explicit as to whether the report complied with Contract Standing Orders. The DCFO also confirmed that the Chair of Audit and Governance Committee would be providing robust scrutiny of the Action Plan. Councillor Angus Ross asked if any update reports on progress with implementation of the Action Plan could also be brought to SAMC following consideration at Audit and Governance Committee.

DCFO

Councillor Pauline Helliar-Symons noted that there were a number of positives in the Action Plan which did give hope for the future.

Resolved that:

- The findings of the Baker Tilly audit be noted;
- The agreed Officer Action Plan be noted;
- Any update reports on progress with implementation of the Action Plan would also be brought to SAMC following consideration at Audit and Governance Committee.

24. 2015/16 CAPITAL PROGRAMME

Trevor Ferguson, Deputy Chief Fire Officer (DCFO), informed Members of the Strategic Asset Management Committee of capital expenditure against budgets for 2015/16. Capital expenditure to the end of August 2015 was £325k and the detail was set out in the appendix to the report.

It was noted that plans had been sent out in relation to the bay door replacement programme although they were not easy to read due to the small size. The bay door replacement at Dee Road had been brought forward due to a near miss incident. Councillor Paul Bryant queried why the doors at Dee Road were being replaced when it was likely that this Fire Station would be disposed of in the near future. Surely this site should be at the bottom of the list. The ACFO confirmed that the doors on this building were one of the oldest types and they were a health and safety risk. It was felt prudent to replace the doors sooner rather than later due to a recent near miss incident and the need to protect crews. The ACFO outlined the detail of the incident whereby the doors had failed to stop coming down due to a failure in the locking mechanism. The bay door replacement programme was focused and based on absolute need.

In respect of the Water Tender the fleet review had been completed but appliances would not be delivered until September/October 2016 at the earliest. Additional funding would be required later this year for an additional two appliance replacements. The ACFO stated that the Fire Authority were currently considering options as it might be possible to purchase a lower cost

ACFO

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vehicle through Hampshire Fire Authority. An additional two replacement vehicles would be required as the current appliances were 14 years old. Councillor Angus Ross noted that the lead in time for purchase of appliances was lengthy and he queried whether it would be possible to order ahead of time. The ACFO responded that that would be helpful if Members were minded to support that proposal. It would be necessary to take a report to Management Committee for approval.

Councillor Angus Ross also recommended that a three or five year programme should be put in place in order to avoid the need to purchase vehicles in large chunks. The ACFO advised that a review would be undertaken shortly by the Northern Ireland Fire Service on the way the fleet was managed which would include the Water Tender fleet. In the past Water Tender vehicles had been leased on a 3, 3, 2 year basis and it was proposed that the Head of Finance would look at whether it would be preferable at this stage to purchase or lease these vehicles. Councillor Tom McCann asked what the lead in time was for a Water Tender. The HTE confirmed that the lead in time was 48 weeks which did not include the tender process. In terms of the life of the vehicle Councillor McCann asked if Officers could push the vehicles to the limit but he was supportive of ordering the vehicles 6 to 9 months in advance due to the long lead in time. However, this would very much be an exception rather than the rule. The ACFO confirmed that each vehicle would be considered on a case by case basis but that sometimes if a vehicle was decommissioned earlier rather than later then it could be sold for a higher price.

Resolved that:

- The report be noted;
- Officers to look at the options around the purchase/leasing of Water Tender vehicles with the possibility of ordering two vehicles ahead of time.

25. DATE OF NEXT MEETING

Tuesday 19th January 2016 at 5.30pm at Bracknell Fire Station. The following meeting would be held at Whitley Wood, Reading.

26. EXCLUSION OF THE PUBLIC

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 Items on the grounds that they involve the likely disclosure of exempt information, as defined in Paragraphs 1, 2 and 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.

27. PART II MINUTES OF THE MEETING HELD ON 17th MARCH 2015

The Part II Minutes of the meeting held on 7th July 2015 were agreed as a correct record and signed by the Chairman.

28. SLOUGH DRILL TOWER UPDATE

The Committee considered an exempt report.

Resolved that:

- That the recommendations as set out in the exempt report be agreed.

29. NEWSHAM COURT FINAL ACCOUNT

The Committee considered an exempt report.

Resolved that:

- That the recommendations as set out in the exempt report be agreed.

(The meeting concluded at 6.38pm)

Minutes signed by Chairman as a correct record:

Signature

AR
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Print Name

Andrew Ross
.....

Date signed

1.12.15
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