

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



Audit, Governance and Review Committee Agenda

11:00	Wednesday, 07 October 2015	Kelvedon HQ,
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Quorum: one third of the Committee's membership (5)

Membership

Councillor John Knapman
Councillor Alan Bayley
Councillor Graham Butland
Councillor Mark Coxshall
Councillor Michael Danvers
Councillor Carlo Guglielmi
Councillor Ivan Henderson
Councillor Paul Honeywood
Councillor Michael Hoy
Councillor Maggie McEwen
Councillor James Moyies
Councillor Colin Seagers
Councillor Anne Turrell
Councillor Julian Ware-Lane
Councillor Andy Wood

Chairman

**For information about the meeting please ask for:
Judith Dignum (Committee Services Manager, Essex County Council)
03330134579 / judith.dignum@essex.gov.uk**

Essex Fire Authority and Committees Information

Meetings of the Authority and its committees are open to the press and public, although they can be excluded if confidential information is likely to be considered.

Meetings are held at Essex County Fire and Rescue Service Headquarters, Kelvedon Park, Rivenhall, Witham, CM8 3HB. A map can be found on the Essex County Fire and Rescue Service's website (www.essex-fire.gov.uk); from the Home Page, click on 'Contact Us'.

There is ramped access to the building for wheelchair users and people with mobility disabilities.

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The agenda is also available on the Essex County Fire and Rescue Service website, (www.essex-fire.gov.uk). From the Home Page, click on 'Essex Fire Authority', then scroll down the page and select the relevant documents.

Part 1

(During consideration of these items the meeting is likely to be open to the press and public)

Pages

1 Apologies for Absence

2 Minutes

5 - 14

To approve as a correct record the minutes of the last meeting of the Committee held on 15 July 2015.

3 Declarations of Interest

To note any declarations of interest to be made by Members in accordance with the Members' Code of Conduct.

Decision Items

4 Audit Recommendation - Report on Progress Against Action Plans

15 - 30

To consider report EFA/086/15 by the Finance Director and Treasurer.

5 Auditors Report on Accounts

31 - 58

To consider report EFA/087/15 by the Finance Director and Treasurer.

6 Internal Audit Progress Report

59 - 66

To consider report EFA/088/15 by the Finance Director and Treasurer.

7 Investment Policy and Use of Reserves

67 - 70

To consider report EFA/089/15 by the Finance Director and Treasurer.

Information Items

8 Budget Review - August 2015

71 - 80

To note report EFA/090/15 by the Finance Director and Treasurer.

9 Organisational Performance Report

81 - 102

To note report EFA/91/15 by the Director of Human Resources and Organisational Development.

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| 10 | Safer and Resilient Communities Update
To note report EFA/092/15 by the Assistant Chief Fire Officer - Safer and Resilient Communities. | 103 - 114 |
| 11 | Date of Next Meeting
To note that the next meeting of the Committee will take place on Wednesday 20 January 2016 at 10.00 am. | |
| 12 | Urgent Business
To consider any matter which in the opinion of the Chairman should be considered in public by reason of special circumstances (to be specified) as a matter of urgency. | |

Exempt Items

(During consideration of these items the meeting is not likely to be open to the press and public)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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| 13 | Urgent Exempt Business
To consider in private any other matter which in the opinion of the Chairman should be considered by reason of special circumstances (to be specified) as a matter of urgency. |
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ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



Minutes of a Meeting of the Essex Fire Authority Audit, Governance & Review Committee held on Wednesday 15 July 2015 at 2.00pm

Present:

Councillor C Guglielmi	Chairman
Councillor A Bayley	
Councillor I Henderson	
Councillor P Honeywood	
Councillor M McEwen	
Councillor J Moyies	
Councillor C Seagers	
Councillor A Turrell	
Councillor J Ware-Lane	

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer
Dave Bill	Assistant Chief Fire Officer - Operations
Mike Clayton	Finance Director and Treasurer
Lindsey Stafford-Scott	Director of Human Resources and Organisational Development
Shirley Jarlett	Deputy Clerk and Monitoring Officer
Daniel Harris	Baker Tilly (Internal Auditors)
Jennifer Reid	Secretary to the Committee

1. Apologies for absence

Apologies for absence were received from Councillors J Knapman, M Hoy, G Butland and M Coxshall. Councillor Guglielmi chaired the meeting and welcomed the new members of the committee.

2. Minutes

The minutes of the meeting held on 22 April 2015 were agreed as a correct record and signed by the Chairman.

3. Declarations of Interest

The Chairman reminded Members that they should declare any interests at this point or during consideration of the appropriate agenda item.

4. Audit Recommendation – Report on Progress Against Action Plans

The Committee considered report EFA/056/15 by the Finance Director and Treasurer which provided an update on progress against the action plans developed by the Service in response to audit reports.

Officers explained that the delayed implementation of some of the recommendations relating to HR transactional processes was due to the introduction of the new Call Management system. This would be in place by September 2015 and a further update would be provided at the next meeting of this Committee.

In response to questions regarding delays in implementing some of the recommendations relating to Communications, officers confirmed that the Head of Corporate Communications had resigned after a period of illness and recruitment was underway. Interim arrangements included support from Andy Allsopp, Head of Communications and Marketing, Essex County Council and officers were confident the recommendations would now be progressed, with an update to be brought to the next meeting of this Committee.

Resolved:

That the progress made against the action plans developed by the Service in response to audit reports be noted.

5. Audit Reports July 2015

The Committee considered report EFA/057/15 by the Finance Director and Treasurer, presented by Daniel Harris of Baker Tilly, which provided internal audit reports on Business Planning, Risk Management and Follow Up of Previous Internal Audit Recommendations. These were the final three reports from the 2014/15 plan agreed by this Committee in March 2014.

Members noted the Audit Conclusion of Reasonable Assurance with regard to Business planning and the five recommendations. The Finance Director and Treasurer confirmed that all recommendations had been accepted and would form part of this year's action plan. All recommendations would remain on the plan until completed and would also form part of the annual review by Baker Tilly.

Members expressed serious concern at the Audit Conclusion of No Assurance with regard to Risk Management and gave detailed consideration to why this had occurred. The Finance Director and Treasurer informed the Committee of a number of staffing issues that had hampered performance in this area and of action that was being taken to address them. Some progress had been made, and he reassured the Committee that all the Audit recommendations would be

implemented. He also advised that the finding of No Assurance had not impacted on the overall audit conclusion that the Authority had adequate risk management arrangements in place. (Minute 6 below refers.)

Members noted the Audit Conclusion of Reasonable Progress with regard to the Follow Up of Previous Internal Audit Recommendations. The report looked at five audits with a total of 25 recommendations, of which 6 were not yet due.

The following information was provided in response to Members' questions:

- Of the 19 recommendations due, 12 have been implemented and one is on-going, leaving 6 recommendations not implemented.
- The conclusion of Reasonable Progress required 51-75% of the overall number of recommendations to be fully implemented and 75% of medium recommendations to be in the process of implementation.
- Recommendation tracking is undertaken by Essex Fire Authority. However, Baker Tilly have identified 7 recommendations that have been restated and differ in status to that reported on the tracker. In four of these instances the Auditor was not supplied with sufficient evidence to conclude that the recommendation had been completed.
- Recommendation tracking by Essex Fire Authority does not request evidence of completion of implementation as requested by the Auditor.
- On occasion recommendations are not completed due to a change in the control.

Members requested that recommendations categorised as not having been implemented are returned to the tracker with narrative explaining why this has occurred. Of particular importance are those recommendations where the reasons for the control have changed or those which are now unnecessary.

Resolved:

1. That the internal audit reports on Business Planning, Risk Management and Follow Up of Previous Internal Audit Recommendations be noted.
2. That recommendations categorised as not having been implemented by the auditor are returned to the tracker with narrative explaining why they have not been implemented, with this information to be included in future reports.

6. Annual Internal Audit Report

The Committee considered report EFA/058/15 by the Finance Director and Treasurer, presented by Daniel Harris of Baker Tilly, which presented the Annual Internal Audit Report - Year ended 31 March 2015.

Members noted the overall Green (positive) opinion relating to governance and the overall amber (positive) opinions relating to risk management and the control environment.

Mr Harris confirmed that the overall opinion relating to risk management was informed not only by the review of risk management processes as reported elsewhere on the agenda for this meeting (minute 5 above refers) but also by four internal audits (Budget Setting and Control, Fleet Management, Performance Management, Business Planning) which provided assurance on strategic risks and resulted in positive assurance opinions. These influenced the overall opinion that strategic risks are being managed effectively.

The following information was provided in response to Members' questions:

- All recommendations from the reviews in 2014/15 had been accepted.
- Essex Fire Authority requests the Auditor to examine areas of potential risk.
- The internal audit service provided by Baker Tilly was designed to conform to the Public Sector Internal Audit Standards (PSIAS). An external review had been commissioned in 2011 and a further review would take place in 2015/16, in line with PSIAS requirements.
- The Acting Chief Fire Officer confirmed that risk management initiatives were being delivered.
- The need to provide more robust assurance to the Committee regarding actions being taken was acknowledged.
- The period covered by the audit had been affected by exceptional levels of staff sickness and by strike action.

Resolved:

That the contents of the report be noted.

7. Annual Review of Governance Statement

The Committee considered report EFA/059/15 by the Finance Director and Treasurer which sought the review and agreement of the schedule setting out how the Authority meets the principles of the Local Code of Corporate Governance and determination as to whether an effective system of internal audit had been in place during the year to 31 March 2014. The Committee was also asked to approve the Annual Governance Statement.

Noting that there had been no review of the effectiveness of the Audit, Governance and Review Committee in the last year, (although attendance at meetings was reported annually to the Fire Authority), Members considered whether further work on reviewing the Committee's effectiveness should be undertaken. It was agreed that Members would benefit from further development, and that action should be taken to identify their training needs.

Cllr Turrell abstained from approving the Annual Governance Statement.

Resolved:

1. That the schedule setting out how the Authority meets the principles of the Local Code of Corporate Governance be agreed.

2. That the system of internal audit in place during the year to 31 March 2014 be determined as effective.
3. That the Annual Governance Statement be approved
4. That the Director of Human Resources and Organisational Development circulate a training needs analysis to members of the Committee prior to the next meeting and liaise with Democratic Services at Essex County Council regarding the provision of any training required.

8. Dates and Times of Future Meetings

The Committee considered report EFA/060/15 by the Committee Services Manager (presented by Cllr Guglielmi), which informed the Committee of future meeting dates. Further to comments made by Members at the meeting of Essex Fire Authority on 10 June, the report proposed that future meetings be held in the morning, with a start time of 10am.

Resolved:

1. That the dates of future meetings of the Committee be noted as follows:

2015

7 October

2016

20 January

20 April

13 July

5 October*

2017

18 January*

19 April*

12 July*

* provisional date

2. That future meetings of this Committee commence at 10am.

9. Budget Review May 2015

The Committee considered report EFA/061/15 by the Finance Director and Treasurer which reported on expenditure against budget as at 31 May 2015 and identified major variances to the budget for the period.

In introducing the report, the Finance Director and Treasurer highlighted a small overall underspend on staffing costs, with a combination of an underspend for whole time fire-fighters and an overspend on support staff pay.

In response to members' questions regarding staffing, the following information was provided:

- Overspend on support staff is being addressed by review with budget holders and virements relating to individual projects. There is no intention of using reserves.
- The numbers of Watch Based Fire-fighters is below the Optimum Rider Resilience Level but above the Critical Minimum Rider Requirement.
- The Optimum Rider Resilience Level was originally agreed by the Policy and Strategy Committee in 2011 and reduced and approved last year. The level is based on all watches at full strength.
- There are no plans to recruit whole time fire-fighters.
- An on-going project relating to heavy duty pumps will reduce watches from 15 to 12, thereby releasing 24 people (equivalent to a full cohort of new recruits).
- Ongoing staffing numbers will be addressed through the 2020 project.
- There are 67 members of staff aged over 50 with more than 25 years of service but only 4 with over 30 years of service.
- A formal transfer process and more flexible working patterns have been introduced.

The Finance Director and Treasurer outlined the capital spend to date. The largest item included is £3.7m for new appliances. This is to replace 42 appliances, from a fleet of 75, that have come to the end of their lifetime based on reliability and value for money. The old appliances will be sold on directly by EFA, not through EFA (Trading) Ltd, meaning profit will come directly to EFA. The capital spend also includes £290K for Solar Panels, a project approved by the Policy and Scrutiny Committee which is estimated to realise £200k in savings this year. Any risks of underspend due to areas of Capital expenditure suspended until the completion of the 2020 project will be reported to the meeting of Policy and Scrutiny Committee in September 2015.

In response to questions regarding EFA (Trading) Ltd, the Finance Director and Treasurer confirmed the Authority has £120k invested in the trading company at present. EFA (Trading) Ltd has an annual turnover of between £500-£600k and all profits go to an endowed fund to support community safety projects.

Resolved:

1. That the review of income and expenditure against the budget be noted.
2. That the actual position with regard to capital expenditure be noted.

10. Treasury Management Report Outturn 2014-15

The Committee considered report EFA/061/15 by the Finance Director and Treasurer which provided a review of the Authority's performance in 2014/15 against a set of treasury management and capital financing indicators approved by the Authority in February 2014. The indicators are intended to demonstrate that capital investment plans are affordable and that consequential borrowing will be based upon sound treasury management strategy.

The Finance Director and Treasurer confirmed that the Capital Financing Requirement is higher than estimated in 2014/15 due to the impact of personal injury claims and that the Authority has remained well within the operational and authorised limits regarding External Debt during 2014/15. The Finance Director and Treasurer referred to the overall debt plan and confirmed there was no financial advantage in early repayment of loans.

Members were asked to note the financial implications outlined in Appendix A to the report.

Resolved:

1. That the treasury management outturn position for 2014/15 be noted
2. That the performance against the capital financing indicators for 2014/15 be noted.
3. That the financial implications outlined in Appendix A to report EFA/061/15 be noted.

11. Organisational Performance Report June 2014 to May 2015

The Committee considered report FP/062/15 by the Director of Human Resources and Organisational Development which provided an overview of the Service's performance for the period June 2014 to May 2015.

In introducing the report, the Director of Human Resources and Organisational Development advised the Committee that some of the indicators were based on annual data so were not reported and some indicators were still under development.

Members reviewed the information provided concerning performance against success measures, and received updates on actions taken or proposed in response. The following information was provided in response to issues raised:

- A community safety project is undertaking work to reduce kitchen fires, which comprise 61% of Accidental Dwelling Fires (ADF).
- Although new response standards are currently under consultation, the information reported against under Objective 2 continues to reflect the previous standards.
- Response times have been affected by challenges with the control system and the changes between systems. Data relating to call handling has been manually captured which may affect accuracy. A significant improvement in this area is expected by the time of the next report.
- Wholetime Turnout continues to be affected by health and safety issues and differences between night and day shifts. This indicator remains under review.

- A new process for Appraisals has been introduced and a significant improvement in this area is expected by the time of the next report.
- There are no financial implications as a result of performance measures not being met.

It was agreed that the Director of HR and OD provide an update on response time performance to the Committee prior to the next meeting

In response to a comment regarding fitting of safety measures, the Director of Human Resources and Organisational Development confirmed that the Assistant Chief Fire Officer, Safer Communities would be presenting a separate report at the next meeting of this committee.

The Assistant Chief Fire Officer, Operations confirmed that he was confident that, with regard to the mobility system, all incidents were being captured and any issues were reported in the weekly update.

Resolved:

1. That the report be noted.
2. That the Director of Human Resources and Organisational Development report back to members of the Committee with an update on performance on response times prior to the next meeting.
3. That the Committee receive a report on fitting of safety measures from the Assistant Chief Fire Officer, Safer Communities at the next meeting.

12. Pension Governance and Administration

The Committee considered report FP/063/15 by the Director of Human Resources and Organisational Development which provided information to Members regarding the governance of pension arrangements within the Authority and an update regarding the changes to the pension arrangements for Firefighters which were introduced in April 2015.

In introducing the report, the Director of Human Resources and Organisational Development highlighted the following key points:

- The Fire Service is the scheme employer for five pension schemes
- James Durrant had been appointed to a new permanent role of Pensions Manager from 2 March 2015.
- The Firefighters Pension Scheme 2015 came into effect on 1st April 2015 and the scheme was successfully implemented in a tight timescale of 2 weeks. The Chairman, endorsed by members, requested that thanks be passed to the HR, Payroll and IT teams involved in this.
- The Authority contracts with the Essex Pension Fund to provide the administering arrangements for the Fire Pension Schemes. The Service Level Agreement has been reviewed and the contract updated to ensure

continuing good value for money. Essex Pension Fund also provides the administration for the Local Government Pension Scheme.

- Since January, Essex Fire Authority has hosted and chaired four meetings of the Eastern Region Fire Officers Pension Group
- The Pensions Manager for the Fire Authority has become a member of the national technical working group for the Firefighter Schemes.
- KPMG will conduct an external audit of pension arrangements within the Authority and will report to this Committee.

Further discussion took place around the introduction of Pension Boards for all Public Sector Pension Schemes in April 2015. Members were asked to note the draft Terms of Reference for the Pension Board of Essex County Fire and Rescue Service set out in Appendix 1 of the report. It was noted that this Committee would retain governance of the Scheme and the Pension Board would provide a scrutiny role. The Director of Human Resources and Organisational Development confirmed that agreement would be sought to co-opt the Pensions Manager onto the Board to provide advice. It was also confirmed that the Pensions Manager had been elected to the LGPS Local Pension Board

Resolved:

That the report be noted.

13. Programme 2020 - Update Report

The Committee considered report FP/064/15 by the Acting Chief Fire Officer which provided an update on the work Programme 2020 and provides a forward view of planned work and deliverables. The Director of Human Resources and Organisational Development introduced the report and highlighted key activities to date which included briefings to Essex MPs and presentation of the Integrated Risk Management Planning (IRMP) process to the Chief Fire and Rescue Adviser and the Fire Minister.

The Director of Human Resources and Organisational Development gave a brief overview of responses to the consultation to date and confirmed this closes during September, when a report will be brought to the EFA meeting in October.

Resolved:

That the report be noted.

14. Date of Next Meeting

Members noted that the next meeting of the Committee would take place on Wednesday 7 October 2015 at 10:00am.

Note from Secretary

Following the meeting it was confirmed that an extraordinary meeting of the Essex Fire Authority would be taking place on Wednesday 7 October 2015 at

10:00am. The next meeting of this Committee would therefore take place at
11:00am or on the rising of that meeting, whichever was the later.

15. Urgent Business

There was no urgent business.

The meeting closed at 16:20pm

Signed.....

Chairman
7 October 2015

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Audit, Governance & Review
Committee

AGENDA ITEM

4

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/086/15

SUBJECT

Audit Recommendation – Report on Progress Against Action Plans

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper reports on the progress against the action plans developed by the Service in response to audit reports. Items reported as completed in the previous quarter's report have been deleted from the table.

RECOMMENDATION

Members of the Audit Sub Committee are asked to review the progress.

BACKGROUND

This report brings forward the progress made by the Service in response to Audit recommendations. It includes those made by the Audit Commission in their annual audit letter, and in internal audit reports. The recommendations in the review of Risk Management are the subject of a separate action plan and a progress report will be made to the next meeting of the Committee.

MATTERS RAISED IN THE FOLLOW UP REVIEW

At the last meeting of the Committee the Internal Auditor presented their follow up review for 2014/15. Five recommendations that had been outstanding in the previous year were re-stated. The position regarding these audit recommendations is detailed below:

Original Recommendation	Current Position
Business Continuity - A planned schedule of Business Continuity testing should be established to ensure that the Business Continuity Plans are fit for purpose and teams	Completed - The dominant business continuity activity throughout 2014 was the response to industrial action by the Fire Brigades Union. The numbers of strikes, and the times each spanned, placed a level of

Original Recommendation	Current Position
are knowledgeable of their roles.	<p>demand on the Risk & Business Continuity Manager. During 2014/15, there were 42 periods of industrial action ranging in length from 1 to 96 hours.</p> <p>The department conducted four business continuity exercises in 14/15 involving nine departments. Joint exercises were held with particular regard to inter-dependencies.</p> <ul style="list-style-type: none"> •27 January. Operations and Finance •29 April. Technical Fire Safety and Safer Communities •4 July. HR&OD, Learning & Development and Occupational Health •24 October. H&S and Executive Support. <p>Department activity over FY14/15 was reported to the Strategic Management Board on 21 May 2015. .</p>
Partnerships - A signed agreement between all parties should be held by the Service for each partnership to provide assurance to the Service that all parties have agreed to their respective responsibilities.	In Progress – One of the eight agreements on the Partnership register is fully signed off.
ICT Controls - Management should ensure that It policies are periodically reviewed, in particular the Information Technology Acceptable Use Policy, and all IT policy documents should identify the date for review and contain a review history.	Completed – All staff advised of acceptable use policy when new Wi-Fi enabled.
Property Maintenance - The Service should review the process to record and monitor if repairs are completed within the required timescales. This could then be utilised to determine whether job sheets have been provided and use this as a basis to approve payments for repairs conducted by contractors.	Completed - The implementation of the new Property Management System (Concerto) in the first quarter of 2015/16 brings in a complete process to ensure that all property related orders are recorded and monitored.
Procurement - Reporting should be undertaken using the system Dream to monitor ordering patterns that may be indicative of disaggregated ordering practice. It is recommended these be run twice a year, unless major issues are uncovered.	<p>Completed - A report has now been run through Dream on a biannual basis The report is constructed to identify two areas:</p> <ol style="list-style-type: none"> 1. Ongoing low to medium value orders placed with the same supplier for similar products or services. 2. Ongoing low value orders placed for similar products or services with a range of limited suppliers.

Original Recommendation	Current Position
Employee Taxes - In addition to the work already undertaken, Essex Fire Authority should continue to recover the excess Class 1A NIC from HMRC. As there is likely to be tax and NIC due to HMRC on the payments discussed in 3.7 any overpayment can be set off against these sums.	In Progress – This matter was overlooked by the department and is now being pursued.

RISK MANAGEMENT, LEGAL, FINANCIAL, ENVIRONMENTAL & EQUALITY IMPLICATIONS

There are no risk management, legal, financial, environmental or equality implications from this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Table of Recommendations	
Proper Officer:	Mike Clayton
Contact Officer:	The Finance Director and Treasurer Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 mike.clayton@essex-fire.gov.uk

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
ICT General Controls	All network users should formally agree that they are aware and will comply with the ICT Acceptable Use Policy.	<p>Agreed in principle to automate. Implementation deferred until resources available after completion of the Control Project.</p> <p>Resources not available to create this additional automated process as part of the user logging in process. All users notified of the acceptable use policy when the Wi-Fi system altered in Summer 2015.</p>	Head of ICT December 2015	Completed
HR Transactional Processes	We would recommend that a workshop is run to identify the HR Transactional processes and to identify opportunities for process simplification and automation.	We will be undertaking a complete review of processes to ensure they remain fit for purpose, under the SAP Next Steps Project.	Head of HR March 2016	On Track

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
HR Transactional Processes	In relation to the aspect of Frequently Asked Questions (FAQs) there is a need for an overhaul of the current system.	<p>The review of processes will include reviewing the FAQs as a dependency and will include all relevant links</p> <p>Where appropriate, the team will signpost staff to the FAQs – an additional sentence will be added to the intranet site to guide staff to do this and the team will ask them if they have accessed the FAQs if they call and send a link to the FAQs if they have e-mailed.</p> <p>A process will be introduced to review requests received that cannot be answered via an existing FAQ to introduce new FAQs where appropriate.</p>	Head of HR & OD Call management system to be implemented by September 2015	Completed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
HR Transactional Processes	<p>The Authority should develop and adopt a more functional and less manually intensive process for the receipt and management of queries. There will be a need to ensure that a structured and automated workflow/ call system is established to manage the process and include as a minimum;</p> <ul style="list-style-type: none"> <input type="checkbox"/> A Senior Responsible Officer; <input type="checkbox"/> RAG rating; <input type="checkbox"/> Timescales per query. <p>The reporting functionality should also be reviewed to determine whether automated reports can be run, to ensure accuracy and use of information to inform decision making.</p>	<p>SAP specialist/helpdesk operative would be involved in workflow/call system, call logs, response rates – if this does sit within IT – will need joint working</p> <p>RAG rating/triage for calls/emails will be introduced as part of process review and improvement – this will include SLAs/timescales for responding.</p>	<p>Head of HR & OD Head of ICT Call management system to be implemented by September 2015</p>	Completed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
HR Transactional Processes	<p>The Authority should undertake a 'Phase Two' of the HR Transaction Project to ensure the original PID is delivered.</p> <p>A separate Project Initiation Document (PID) should be drafted for the Phase Two piece of work and the Benefits identified within the original PID should be substantiated. The measures must also be quantified to ensure the Authority can identify whether all benefits have been realised.</p>	<p>The next steps project for SAP will address these issues. This is expected to be a 12 – 18 month project, so benefits realisation will be subject to the project milestones which are yet to be scoped and agreed.</p>	<p>Head of HR & OD March 2016</p>	On Track
Communications	<p>The Head of Communication should devise three separate strategies and implementation plans, demonstrating outcomes and performance measures for the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Corporate Public Relations; <input type="checkbox"/> Employee Engagement; and <input type="checkbox"/> Community Safety. <p>These documents should be approved at the Strategic Management Board, and then disseminated to staff via the Service intranet.</p>	<p>A restructure to give the Head of Corporate Communications strategic lead on these activities and professionalise the department with resources to deliver these three key strands of activity have been agreed and recruitment process is under way with funding from April 2014/15. Work to develop these strategies to support strategic ambitions of the Service is already under way.</p>	<p>Head of Corporate Communications Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016</p>	Delayed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Communications	<p>The Communications governance structure needs to be established for each of the three work streams:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Corporate Public Relations; <input type="checkbox"/> Employee Engagement; and <input type="checkbox"/> Community Safety. <p>This structured needs to demonstrate the relationship between each individual and group.</p>	<p>This proposal was put forward by the Head of Corporate Communications to introduce wider governance from within the SMB team with the benefit of ensuring more cohesive communications activities with consistent messages delivered to all stakeholders and all three strategies working together. Expanding reporting lines will also assist SMB in presenting a collective narrative. CFO to maintain line management for Corporate PR, Director HR & OD for Employee Engagement and Director Safer and Resilient Communities for Community Safety marketing</p>	<p>Head of Corporate Communications</p> <p>Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016</p>	Delayed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Communications	<p>The Fire Service should ensure there is an appropriate process for managing the Communications Plans for each project implemented. This should include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> An approval process, during project initiation, from the Head of Corporate Communications for each Project; and <input type="checkbox"/> Monitoring of the Communications Plan of the project. 	<p>This process is in place for major programme boards but a number of projects undertake communications activities beyond the oversight of the professional Corporate Communications team. This approach will ensure corporate scrutiny and provide more corporate context and alignment, maximising opportunities to share corporate lines. Will require buy in, particularly from operational side of the organisation. First step to consider communication implications in meeting papers and as part of all project planning. Additional resources will allow introduction of greater governance around communications activity</p>	<p>Head of Corporate Communications Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016</p>	Delayed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Communications	<p>The Fire Service need to ensure that it has appropriate policies, procedures and/or protocols in place governing the key channels of external communications, such as the media, press releases, 'images as incidents' and acceptable uses for all social media platforms.</p> <p>These should be approved, dated and assigned an annual review date to ensure they remain fit for purpose.</p> <p>Following this, the documents should be made available to all staff via the Service intranet</p>	<p>These policies, procedures and protocols exist in practice but need to be formalised.</p> <p>Additional resources will allow introduction of greater governance around communications activity.</p> <p>In January, the Service procured a social media management system and is currently training official service users to operate via a single, formal channel. This allows oversight of activity and encourages sharing of current messages and campaigns through a single portal. A programme of training supports new users and will allow expansion of official social media participants without some of the significant associated risk.</p>	<p>Head of Corporate Communications</p> <p>Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016</p>	Delayed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Communications	The Head of Corporate Communications should implement a training needs analysis, identifying which service personnel require communications training, and a training log, to effectively monitor training completion. Additionally, the Service could incorporate a training incentive scheme with the new social media software purchased by the Head of Corporate Communications.	Corporate Communications offers in house Media, Social Media and internal communications skills training, primarily to uniformed staff to give them the skills they need to present the Service in a professional way, limiting risks to ECFRS image. Currently delivered on request, there is some urgency now to train more station managers to be able to deliver information to the media, particularly at incidents. This recommendation supports the delivery of a more formal programme of training and development that is recorded and recognised. Rather than incentive, it is proposed to implement a proficiency standard before individuals can represent the Service to the media.	Head of Corporate Communications Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016	Delayed
Communications	The Fire Service should ensure a guidance document or procedure is developed for processing Freedom of Information requests, to ensure the process is implemented consistently.	This will be reviewed when management of the Fol process moves in to Corporate Communications. This work will be completed once additional resources are in place.	Head of Corporate Communications Following the departure of the Head of Corporate Communications agreement has been reached with Essex CC to provide oversight of Corporate communications. New Timescale March 2016	Delayed

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Key Financial Controls	HR should ensure that all starter, leaver and amendment documents are scanned and placed as an attachment to the employee records on the PRF Human Resources system in a timely manner.	A new service level agreement (SLA) will incorporate this	HR Support Team Manager September 2015	Completed
Business Planning	The Service should monitor the submission of departmental plans against planned completion dates. Each Department Strategy document should be annotated with details of submission date, document author, reviewer and approver.	Agreed – this will be incorporated into the process running during 2015/16.	Performance Improvement Manager March 2016	On Track
Business Planning	The Service should ensure that the Guide to Business Planning is reviewed annually to ensure it mirrors current practice and effectively guides the business planning process for the year ahead.	Agreed – the process is likely to change during 2015/16 as it will need to fit with changes being given by Programme 2020.	Performance Improvement Manager March 2016	On Track
Business Planning	The Service should ensure that the action plans within the Department Strategies are formally monitored.	Agreed – this will be monitored by SDB.	Performance Improvement Manager March 2016	On Track

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Business Planning	The Service should ensure that there is an annual self-assessment of the business planning process to identify areas where the process was effective and areas that could be improved upon, taking the process forward.	Agreed – this will be built into the business planning cycle from this point onward.	Performance Improvement Manager March 2016	On Track
Business Planning	As part of the Business Planning process, the Service should evidence and retain the initial assessment of resources required to meet objectives within the Departmental Strategies and future iterations including the final version which matches the approved budget.	Agreed – this will be built into the business planning process from this point onward.	Performance Improvement Manager March 2016	On Track
Risk Management	Provided the review frequencies are configured correctly in JCAD, risk owners must review their assigned risks in line with the next review dates.	Clearly, managers should heed their self-imposed review dates.	Departmental Managers Dec 2015	On Track
Risk Management	Risk descriptions should adequately state the actual risk, and follow the guidelines set down for risk descriptions in the Risk Management Guidance.	In addition to that already offered, further support will be available to managers to achieve this.	Departmental Managers Dec 2015	On Track

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Risk Management	Control descriptions should give sufficient detail to describe the workings of the control and how it mitigates the associated risk. There should be consistency in the description of controls across all departments.	In addition to that already offered, further support will be available to managers to achieve this.	Departmental Managers Dec 2015	On Track
Risk Management	The Service should ensure a documented process exists for the obtaining and recording of assurances, and that control owners are made sufficiently aware of their responsibilities in this regard. Furthermore, relevant assurances should be documented against existing risks to provide evidence that risks are being managed and controls are working.	Additional training and assistance to that already provided is in hand with managers. An assurance model and narrative will be added to the risk documents for approval by the Strategic Delivery Board	Corporate Risk & Business Continuity Manager Dec 2015	On Track
Risk Management	Risk scoring, as documented in the Risk Management Guidance, should be applied consistently across departments and individual programmes and projects.	This will be referred to managers at risk surgeries. Once this report is finalised, a summary will be provided to managers.	Corporate Risk & Business Continuity Manager Dec 2015	On Track

Source	Recommendation from Audit report	Original (or amended) Service Action Plan	Responsibility and Timescales	Progress
Risk Management	The risk escalation procedure should be clearly documented in narrative form, and roles and responsibilities in relation to escalation should be clearly defined	V II Risk Management Strategy contains a graphic that identifies reporting and escalation, and V III at Annex C contains an action plan for risk escalation. Further narrative can be added but it remains for the human component to take action. Nonetheless, additional narrative will be added to the appropriate documentation.	Corporate Risk & Business Continuity Manager Dec 2015	On Track
Risk Management	The SMB should ensure that the departmental and corporate risk registers are a regular part of its agenda. Additionally the Terms of Reference should be updated to state more clearly the wider risk management responsibilities of the Board and how this relates to and supports the work of other groups such as the Strategic Delivery Board.	SMB will be so advised.	Corporate Risk & Business Continuity Manager Dec 2015	On Track

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance & Review
Committee**

AGENDA ITEM

5

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/087/15

SUBJECT

Auditor's Report on Accounts

REPORT BY

The Finance Director and Treasurer, Mike Clayton

PRESENTED BY

The Finance Director and Treasurer, Mike Clayton

SUMMARY

To consider the attached report prepared by Ernst and Young LLP, which summarises the findings from the 2014/15 audit.

Essex Fire Authority

Policy and Strategy Committee Summary

For the year ended 31 March 2015

Audit Results Report – ISA (UK and Ireland) 260

September 2015



Building a better
working world

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Section 1

Executive summary

Executive summary – key findings

Audit results and other key matters

The Audit Commission's Code of Audit Practice (the Code) requires us to report to those charged with governance – the Policy and Strategy Committee – on the work we have carried out to discharge our statutory audit responsibilities together with any governance issues identified. This report summarises the findings from the 2014/15 audit which is substantially complete. It includes the messages arising from our audit of your financial statements and the results of the work we have undertaken to assess your arrangements to secure value for money in your use of resources.

Financial statements

- ▶ As of 16 September 2015, we expect to issue an unqualified opinion on the financial statements. Our audit results demonstrate, through the few matters we have to communicate, that the Authority has prepared its financial statements well.

Value for money

- ▶ We have concluded that the Authority has made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources, except for the weaknesses in arrangements for promoting and demonstrating the principles and values of good governance that have been identified in the independent cultural review that was commissioned by the Authority. We will therefore be qualifying our value for money conclusion in this respect.

Whole of Government Accounts

- ▶ We expect to report to the National Audit Office (NAO) regarding the Whole of Government Accounts that the Authority is below the specified audit threshold of £350 million.

Audit certificate

- ▶ The audit certificate is issued to demonstrate that the full requirements of the Audit Commission's Code of Audit Practice have been discharged for the relevant audit year. We expect to issue the audit certificate at the same time as the audit opinion.

Section 2

Extent and purpose of our work

Extent and purpose of our work

The Authority's responsibilities

- ▶ The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. In the Annual Governance Statement, the Authority reports publicly on the extent to which it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period.
- ▶ The Authority is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Purpose of our work

- ▶ Our audit was designed to:
 - ▶ Express an opinion on the 2014/15 financial statements and the consistency of other information published with them
 - ▶ Report on an exception basis on the Annual Governance Statement
 - ▶ Consider and report any matters that prevent us being satisfied that the Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources (the Value for Money conclusion)
 - ▶ Discharge the powers and duties set out in the Audit Commission Act 1998 and the Code of Audit Practice

In addition, this report contains our findings related to the areas of audit emphasis and any views on significant deficiencies in internal control or the Authority's accounting policies and key judgments.

As a component auditor, we also follow the NAO group instructions and report the results on completion of the WGA work through the Assurance Statement to the NAO and to the Authority. The extent of our review and the nature of our report are specified by the NAO. As the Authority is below the specified audit threshold of £350 million, there is no requirement for detailed work other than to submit the assurance statement to the NAO (WGA audit team) confirming the Authority is below the threshold.

This report is intended solely for the information and use of the Authority. It is not intended to be and should not be used by anyone other than the specified party.

Section 3

Addressing audit risks

Addressing audit risks – significant audit risks

We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

A significant audit risk in the context of the audit of the financial statements is an inherent risk with both a higher likelihood of occurrence and a higher magnitude of effect should it occur and which requires special audit consideration. For significant risks, we obtain an understanding of the entity's controls relevant to each risk and assess the design and implementation of the relevant controls.

Audit risk identified within our audit plan	Audit procedures performed	Assurance gained and issues arising
Significant audit risks (including fraud risks)		
<p>Risk of management override As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p> <p>For fire authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override.</p>	<ul style="list-style-type: none"> • We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. • We reviewed the accounting estimates for pensions, depreciation and valuation for evidence of management bias. • We checked for significant unusual transactions and evaluated the business rationale, where these were found. • We tested capital expenditure on property, plant and equipment to ensure it met the relevant accounting requirements to be capitalised. 	<ul style="list-style-type: none"> • We did not identify any material errors in our sample testing of journal entries or management bias in accounting estimates. • We did not identify any significant unusual transactions. • We did not identify any material errors in our sample testing of additions on property, plant and equipment.
<p>Valuation of fixed assets The Authority appointed an external valuer to carry out a full valuation of all its land and building assets as at 31 March 2015.</p> <p>This work required a revaluation of the assets to the relevant basis and adjustments to be made to the asset register and financial statements to reflect the new values. The resulting entries in the Authority's accounts were likely to be material.</p>	<ul style="list-style-type: none"> • We assessed the work of the valuers, including reviewing the figures produced for the revaluation of the assets and ensuring that an appropriate basis for valuation has been used. • We agreed the figures produced by the valuer for the revaluation of the assets to the asset register. • We tested the accounting transactions for the adjustments made in the financial statements to ensure the Authority's accounts were materially accurate and compliant with the CIPFA Code of practice. 	<ul style="list-style-type: none"> • We did not identify any material errors in our sample testing of the revaluation of land and building assets. • We did not identify any material errors in our sample testing of the accounting transactions for the adjustments in the financial statements.

Addressing audit risks – other financial statement risks

- We identified the following audit risks during the planning phase of our audit, and reported these to you in our Audit Plan. Here, we set out how we have gained audit assurance over those issues.

Audit risk identified within our Audit Plan	Audit procedures performed	Assurance gained and issues arising
Other financial statement risks		
<p>Firefighters' pension injury payments</p> <p>In 2013/14, the Authority identified that payments in respect of firefighters' pension injury benefits had been incorrectly paid from the firefighters' pension fund instead of the general fund.</p> <p>The Authority corrected this error in the 2013/14 financial statements. However, there remained a risk regarding the correct classification of current year payments.</p>	<ul style="list-style-type: none"> • We reviewed management's response to the issues identified in 2013/14 and the associated controls. • We tested a sample of payments made in 2014/15 from the firefighters' pension fund to ensure they were correctly classified. • We reviewed the accounting treatment of firefighters' pension injury benefits to ensure the Authority's accounts were materially accurate and compliant with the CIPFA Code of practice. 	<ul style="list-style-type: none"> • We did not identify any material errors in our sample testing of firefighters' pension injury payments.

Section 4

Financial statements audit – issues and findings

Financial statements audit – issues and misstatements arising from the audit

Progress of our audit

- ▶ The following areas of our work programme remain to be completed. We will provide an update of progress at the Policy and Strategy Committee meeting:
 - ▶ Completion of Director review and following up review points from Manager and Director review of the audit work performed.
 - ▶ Receipt of a Letter of Representation and signed accounts.
 - ▶ Final Director review of the financial statements
- ▶ In addition to the above, the accounts will need to be amended to include an appropriate post balance sheet disclosure in relation to the recent high court ruling on a pensions case (Milne v GAD) . This will have an impact on all Fire bodies. The additional pensions, lump sums and interest payments that will be due as a result of this court ruling will be fully funded by the Department for Communities and Local Government (DCLG) and will have no impact on the financial position of either the Authority or Firefighters Pension Fund. These payments are expected to be made in 2015/16 once the sums due have been calculated and have no material impact on the Authority Accounts for 2014/15.
- ▶ Subject to the satisfactory resolution of the above items, we propose to issue an unqualified audit report on the financial statements.

Uncorrected misstatements

- ▶ Our work to date has not identified any errors within the draft financial statements, which management have chosen not to adjust.

Corrected misstatements

- ▶ Our audit identified a number of further misstatements which our team have highlighted to management for amendment. These have been corrected during the course of our work and further details are provided at Appendix A.
- ▶ One of the disclosure misstatements related to a miscalculation between the number of officers in the banding £120,000 - £124,999 and £125,000 - £129,999 in note 25.

Other matters

- ▶ As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we are required to communicate to you significant findings from the audit and other matters that are significant to your oversight of the Authority's financial reporting process including the following:
 - ▶ Qualitative aspects of your accounting practices; estimates and disclosures;
 - ▶ Matters specifically required by other auditing standards to be communicated to those charged with governance. For example, issues about fraud, compliance with laws and regulations, external confirmations and related party transactions;
 - ▶ Any significant difficulties encountered during the audit; and
 - ▶ Other audit matters of governance interest

We have no matters we wish to report.

Financial statements audit – application of materiality

Our application of materiality

- ▶ When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole.

Item	
Planning materiality and tolerable error	<p>We determined planning materiality to be £1.7 million (2014: £1.5 million), which is 1.5% of gross expenditure reported in the accounts of £83.0 million adjusted for pension admin costs of £0.015 million, interest payable on debt of £1.7 million and net interest on the defined benefit pensions liability of £26.3 million.</p> <p>We consider gross expenditure to be one of the principal considerations for stakeholders in assessing the financial performance of the Authority.</p> <p>We set a tolerable error for the audit. Tolerable error is the application of planning materiality at the individual account or balance level. It is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds planning materiality. The level of tolerable error drives the extent of detailed audit testing required to support our opinion.</p> <p>We have set tolerable error at the upper level of the available range because the material misstatement which was corrected in the 2013/14 financial statements related to the incorrect accounting treatment of firefighters' pension injury payments. This was identified by the Finance team based on further guidance from DCLG. Further misstatements, both corrected and uncorrected were not material either individually or cumulatively and had no impacted on the General Fund.</p>
Reporting threshold	<p>We agreed with the Audit, Governance and Review Committee that we would report all audit differences in excess of £0.083 million (2014: £0.076 million)</p>

Financial statements audit – application of materiality

Our application of materiality to specific areas of the accounts

We also identified the following areas where misstatement at a level lower than our overall materiality level might influence the reader. For these areas we developed an audit strategy specific to these areas. The areas identified and audit strategy applied include:

- Remuneration disclosures including any severance payments, exit packages and termination benefits – Strategy applied was that we:
 - checked the bandings reported in the disclosure notes;
 - tested the completeness of the disclosures;
 - verified compliance with the Code; and
 - sample checked transactions to the payroll system and supporting documentation.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations.

Financial statements audit – internal control, written representations and whole of government accounts

Internal control

- ▶ It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.
- ▶ We have tested the controls of the Authority only to the extent necessary for us to complete our audit. We are not expressing an opinion on the overall effectiveness of internal control.
- ▶ We sample tested the key controls within the payroll and pensions systems, including:
 - ▶ Checking the annual upload of parameters.
 - ▶ Sample testing pension fund reports and payroll error reports.
 - ▶ Sample testing approvals for lump sum payments and ongoing entitlements from the firefighters' pension fund.
 - ▶ Sample testing approvals for retained firefighter hours.
 - ▶ Sample testing the payroll control account reconciliation .
- ▶ We have reviewed the Annual Governance Statement and can confirm that:
 - ▶ It complies with the requirements of CIPFA/SOLACE Delivering Good Governance in Local Government Framework; and
 - ▶ It is consistent with other information that we are aware of from our audit of the financial statements.
- ▶ We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

Request for written representations

- ▶ We have requested a management representation letter to gain management's confirmation in relation to a number of matters. We have not requested any specific representations.

Whole of Government Accounts

- ▶ Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the National Audit Office.
- ▶ As the Authority is below the specified audit threshold of £350 million, there is no requirement for detailed work other than to submit the assurance statement to the NAO (WGA audit team) confirming the Authority is below the threshold.
- ▶ We are currently concluding our work in this area and do not expect to have any matters to report.

Section 5

**Arrangements to
secure economy,
efficiency and
effectiveness**

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that Essex Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Authority's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Criteria 1 – arrangements for securing financial resilience

- ▶ 'Whether the Authority has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future'
- ▶ Since issuing our Audit Plan in March 2015, we have identified a significant risk in relation to this criteria. The significant risk is in relation to the level of future budget gap in the Authority's medium term financial strategy (MTFS). The Authority clearly recognises the scale of the challenge and the fact that plans to manage the expected reductions in Government funding need to be developed.
- ▶ To address the specific risk identified we have undertaken a more detailed review of the Authority's MTFS and the key assumptions within this. We have also looked at the level and planned use of reserves and the Authority's track record in delivering previous budgets and savings plans. Our key findings in relation to these areas are set out on the next page of this report.
- ▶ As a result of our work, we have concluded that the Authority has good track record in delivering savings and a balanced budget. It is taking a measured and strategic approach to developing plans to address the expected reductions in funding and resulting budget gaps. As part of this process, the Authority has consulted on its Integrated Risk Management Plan and is continuing with its 2020 Programme of work. The aim of this is to investigate, develop and engage stakeholders in preparing a plan to design a Fire & Rescue Service that can improve community safety, meet future strategic challenges, provide value for money and remain fit for purpose in 2020 and beyond.
- ▶ We have therefore concluded that the Authority has adequate arrangements in place for securing financial resilience.
- ▶ We will consider the Authority's progress in addressing the budget gaps identified in the MTFS and its plans for service transformation as part of our 2015/16 value for money conclusion work.

Arrangements for securing financial resilience

As noted in our conclusion, the Authority has a good track record in delivering savings and a balanced budget. Essex Fire Authority, along with other Fire Authorities, is facing significant uncertainty in terms of the levels of future Government Funding and is expecting to face significant financial challenges that could impact on its future financial stability. We have set out below further details on how the Authority has responded to the challenges it is facing along with our understanding of the current financial position.

Current budget gap and track record in delivering previous budgets and savings

- ▶ In its MTFS issued in September 2014, the Authority has reported a budget gap of £0.67 million for 2015/16. This gap has subsequently been addressed and the Authority set a balanced budget for 2015/16 which included a planned contribution to reserves of £0.5 million.
- ▶ The Authority has a strong track record of delivering its budget and planned savings, reporting underspends in previous years. In 2014/15, the Authority spent in line with its budget, and was also able to reduce the planned use of reserves of £1.8 million by approximately £1 million.

Reserves and balances

- ▶ At 31 March 2014, the Authority had £9.9m in earmarked reserves and £2.6m in its general reserve. The general reserve represents 3.6% of planned expenditure in 2015/16 and is above the minimum level of £2.2 million recommended by the Finance Director and Treasurer.
- ▶ At the end of 2015, the level of General Fund balances had increased to £3.7 million, with earmarked reserves reducing slightly to £7.8 million. This reduction in the overall level of reserves reflects the planned use of the earmarked reserves in 2014/15 (which was actually reduced by around £1 million).
- ▶ A proportion (around £3.5 million) of the Authority's earmarked reserves are required for specific purposes. The remainder of around £4.3 million have been set aside to support future projects such as spend to save initiatives and therefore are available to help the Authority to implement any necessary changes to the service resulting from the 2020 Programme and the Integrated Risk Management Plan Consultation.

MTFS and future plans

- ▶ The September 2014 MTFS identifies a budget gap totalling £8.4 million over the two years from 2016/17 to 2017/18 (£3.2 million in 2016/17 and £5.2 million in 2017/18).
- ▶ Within the MTFS, the Authority emphasised the uncertainty of the scale and timing of the anticipated reductions in government funding. The MTFS makes clear that in the future Government Funding is expected to reduce in future years and includes an assumed reduction of around £2 million per year in both 2016/17 and 2017/18. This represents around a 7% reduction each year.
- ▶ The Authority is clear that plans to manage the expected reductions in funding need to be developed and that many of the changes that will be required to achieve the necessary savings will take time to develop and implement. With this in mind, the Authority has put in place its 2020 programme with the aim of transforming the Service to meet the demands of a modern Fire and Rescue Service.
- ▶ As part of the 2020 Programme, the Authority is undertaking wide ranging engagement and consultation with stakeholders with the aim of designing a Fire & Rescue Service that can improve community safety, meet future strategic challenges, provide value for money and remain fit for purpose in 2020 and beyond. The Integrated Risk Management Plan is a key element of the 2020 Programme and the Fire and Rescue Service has been consulting on this widely over the 2015 Summer. The Authority aims to agree a Service Plan arising from these streams of work in early 2016.
- ▶ As noted above, the Authority is undertaking a wide ranging consultation process to update its Service Plan for the future. For this reason, detailed plans have not currently been developed to address the budget gaps that have been identified for 2016/17 and future years. The Authority has already identified and earmarked reserves that will support the delivery of any agreed transformation and change programme. It is however crucial that the Authority and Service work together to agree the future Vision for the Service which enables the financial and cultural challenges that are facing Essex Fire and Rescue Service to be addressed on a timely basis.

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that Essex Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Authority's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Criteria 2 – arrangements for securing economy, efficiency and effectiveness

- ▶ 'Whether the Authority is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity'.
- ▶ We did not identify any significant risks in relation to this criteria in our Audit Plan
- ▶ However, since we issued our Plan in March 2015, the Authority has commissioned a wide-ranging review, including the Fire and Rescue Authority itself, to look at how the culture of the Fire and Rescue Service in Essex is having a detrimental impact on the organisation, its employees and the communities it serves. The review was initiated by the Authority in response to widely recognised and publically reported issues, which include serious incidents, allegations of bullying and intimidation, and ongoing and protracted industrial disputes.
- ▶ The outcome from this review, which was undertaken by Irene Lucas CBE, was reported in an 'Independent Cultural Review of Essex County Fire and Rescue Service' which was issued to the Fire Authority in September 2015. The report was issued publically at the same time it was released to the Fire Authority. We have therefore considered the conclusions of this review as part of our value for money assessment.
- ▶ One of the main conclusions from the review was that:
 - ▶ *Culturally, Essex County Fire and Rescue Service is a failing organisation. From its leadership to the frontline, the service is in urgent need of a radical overhaul to ensure that it is held to account, and becomes more adaptable to the needs of the twenty-first century, and ensures the safety and wellbeing of its employees.'*
- ▶ The report however also recognised that:
 - ▶ *'There is an appetite for change across the board'*
- ▶ The report made a number of recommendations, one of which was that:
 - ▶ *The governance of the service needs to be strengthened with greater clarity and visibility given to the role of the FRA who need to focus on the strategic challenges facing the service, with more scrutiny support for elected members.*

Arrangements to secure economy, efficiency and effectiveness

The Code of Audit Practice (2010) sets out our responsibility to satisfy ourselves that Essex Fire Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In examining the Authority's corporate performance management and financial management arrangements, we have regard to the following criteria and focus specified by the Audit Commission.

Criteria 2 – arrangements for securing economy, efficiency and effectiveness

- ▶ We have considered the actions the Authority has taken to address the challenges it faces along with the conclusions from the independent review that it commissioned in terms of the impact on our value for money conclusion.
- ▶ We recognise the challenging nature of the issues being faced by the Fire and Rescue Service, and the action that has been taken to try to address these in commissioning this publically reported independent review. We also recognise that the Authority has already publically responded to the report and has fully accepted its findings and recommendations.
- ▶ The Authority considered the report and its recommendation at a full Authority meeting in September, and now needs to develop its detailed response and action plan to address the conclusions reached and the recommendations made. The issues outlined in the report are difficult and wide ranging, and that the Authority and Fire Service will need to work together to address them. The report makes a number of recommendations which the Authority now needs to consider carefully in order to action them effectively. It is expected that the Authority will continue to need external specialist support to help it implement the necessary changes. We will consider the Authority's response to the report and recommendations as part of our 2015/16 value for money conclusion.
- ▶ As a result of the issues identified in the report commissioned by the Authority, we have concluded that the Authority's arrangements for promoting and demonstrating the principles and values of good governance are inadequate. We will therefore be qualifying our value for money conclusion regarding the Authority's arrangements for securing economy, efficiency and effectiveness in this respect. We do however recognise the action the Authority has taken over the last year to start to address three challenging issues.
- ▶ Our work did not identify any other matters relating to aspects of your corporate performance and financial management framework which are not covered by the scope of the two specified criteria above..

Section 6

Independence and audit fees

Independence and audit fees

Independence

- ▶ We confirm there are no changes in our assessment of independence since our confirmation in our Audit Plan dated 18 March 2015.
- ▶ We complied with the Auditing Practices Board's Ethical Standards for Auditors and the requirements of the Audit Commission's Code and Standing Guidance. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.
- ▶ We confirm that we are not aware of any relationships that may affect the independence and objectivity of the firm that we are required by auditing and ethical standards to report to you.
- ▶ We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Policy and Strategy Committee on 23 September 2015.

- ▶ We confirm that we have met the reporting requirements to the Policy and Strategy Committee, as 'those charged with governance' under International Standards on Auditing (UK and Ireland) 260 – Communication with those charged with governance. Our communication plan to meet these requirements was set out in our Audit Plan of 18 March 2015.

Audit fees

- ▶ The table below sets out the scale fee and our final proposed audit fees.

	Proposed final fee 2014/2015	Scale fee 2014/2015	Variation comments
	£	£	
Audit Fee: Code work	47,500	47,500	None

- ▶ Our actual fee is in line with the agreed fee at this point in time, subject to the satisfactory clearance of the outstanding audit work.
- ▶ We confirm that we have not undertaken any non-audit work outside of the Audit Commission's Audit Code requirements.

Section 7

Appendices

Appendix A – corrected audit misstatements

- ▶ The following corrected misstatement, greater than £1.2 million, has been identified during the course of our audit and in our professional judgement warrants communicating to you.
- ▶ This item has been corrected by management within the revised financial statements

Cash flow statement

Item of cash flow	Description	Type	Operating cash flows	Investing cash flows	Financing cash flows
			Increase/(decrease) £000	Increase/(decrease) £000	Increase/(decrease) £000
Adjustment to surplus or deficit on the provision of services for non-cash movements	Capital creditors were incorrectly included in 'operating cash flows' but should have been included in 'investing cash flows.'	F	1,628		
Purchase of assets		F		(1,628)	
Cumulative effect of uncorrected misstatement			1,628	(1,628)	

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

Appendix A – corrected audit misstatements (cont'd)

- ▶ The following corrected misstatements have been identified during the course of our audit and in our professional judgement warrant communicating to you.
- ▶ These items have been corrected by management within the revised financial statements

Disclosures

Disclosure	Type	Description of misstatement
Note 25.1 Senior officer remuneration 2014/15	F	The car & mileage taxable benefits disclosures for the Finance Director & Treasurer and Director of Human Resources & Organisational Development had been incorrectly stated. The benefits for the Finance Director & Treasurer had been stated as £7,675, but should be £6,720. The benefits for the Director of Human Resources & Organisational Development had been stated as £12,327, should be £11,372.
Note 31 Redundancy and early retirement costs – exit packages	F	The redundancy and early retirement costs in the note had been incorrectly stated to include a compensation payment. The total number of compulsory exit packages had been stated as 13, but should be 12. The total cost had been stated as £119, 000, but should be £112,000.

Key

- ▶ F – Factual misstatement
- ▶ P – Projected misstatement based on audit sample error and population extrapolation
- ▶ J – Judgemental misstatement

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ED None

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ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance & Review
Committee**

AGENDA ITEM

6

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/088/15

SUBJECT

Internal Audit Progress Report 2015

REPORT BY

The Finance Director and Treasurer, Mike Clayton

PRESENTED BY

The Finance Director and Treasurer, Mike Clayton

SUMMARY

To consider the update provided by Baker Tilly on progress against the internal audit action plan, attached as an appendix.

Essex Fire Authority

Internal Audit Progress Report

Audit, Governance and Review Committee

7 October 2015

Contents

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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from Baker Tilly Risk Advisory Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Risk Advisory Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Baker Tilly Risk Advisory Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

1 Introduction

The Internal Audit Plan for 2015/16 was approved by the Audit, Governance & Review Committee in April 2015. This report provides a summary update on progress against that plan and summarises the work completed and results of the 2014/15 & 2015/16 internal audit plans.

2 Reports considered at this Audit, Governance & Review Committ

The following table confirms the one remaining 2014/15 audit report has now been finalised, this completes our plan for 2014/15. All other reports from 2014/15 have been finalised and reported to previous Committee meetings.

2014/15

Assignment Reports considered today are shown in bold	Status	Opinion issued	Actions agreed		
			H	M	L
Follow up (8.14/15)	Final	Reasonable Progress	0	6	1

3 Looking ahead

The internal audit plan for 2015/16 was approved by the Audit, Governance & Review Committee in April 2015. The table below provides a summary update on progress against that plan and dates when audits are planned subject to the availability of key staff within the service.

2015/16

Assignment area	Start Dates	Notes
ICT (Healthcheck, DPA, Security etc.)	14 September 2015	Fieldwork complete. In Quality Assurance
Workforce Planning / Utilisation	16 September 2015	Fieldwork complete. In Quality Assurance
Data Retention	October 2015	Scope agreed. Originally planned for August 15, but delayed by management. We are currently agreeing a new fieldwork date in October 15.
Project / Contract Management	5 October 2015	Scope agreed
Key Financial Controls	17 December 2015	Scope in discussion with management
Property Maintenance	15 February 2016	Scope in discussion with management
Risk Management	22 February 2015	Scope in discussion with management
Governance	01 March 2016	Scope agreed
Follow up	21 March 2016	
PAYE / VAT Health check	March 2015	

4 Other matters

4.1 Changes to audit plan

There have been no changes to audits areas within the 2015/16 audit plan, however there have been a number of amendments to the timing of audits following requests by management for changes to fieldwork dates.

The Committee should note that the assurances given in our audit assignments are included within our Annual Assurance report. In particular the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

4.2 Information and briefings

We have issued the following update electronically since the last Joint Audit Committee:

- General Emergency Services News Briefing – June 2015
- Emergency Services News Briefing – August 2015
 - Fire Works: A Collaborative Way Forward for the Fire and Rescue Service
 - Beyond fighting fires: The role of the fire and rescue service in improving the public's health

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ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Audit, Governance & Review
Committee

AGENDA ITEM

7

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/089/15

SUBJECT

Investment Policy & Use of Reserves

REPORT BY

The Finance Director & Treasurer, Mike Clayton

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper brings forward a draft report on the Authority's cash and reserves position and seeks Member's views on the policy to be followed in respect of investment, cash holdings and reserves.

RECOMMENDATION

Members of the Audit Sub Committee are asked to consider the report and determine whether any changes to the Authority's policy on investment, cash holdings and reserves are required.

BACKGROUND

When the Authority considered the overall level of reserves as part of the budget setting process for 2015/16 it agreed to establish a sub-group of Members to review the policy to be followed in respect of investment, cash holdings and reserves. A meeting of the sub-group was held on 15 July 2015 but only one Member was able to attend. It was agreed to bring a report forward through the Audit, Governance and Review Committee as all Members of the sub-group sit on the Committee.

The Fire Authority or its Committees have made few changes to the Authority's policies concerning investment and reserves. The longest established position was adopted some 8 years ago when it was agreed that reserves would not be held as cash, but instead be used to reduce the borrowing requirements of the Authority. One impact of this policy is that the Authority currently has £33.5m of loans for around £100m of assets.

DEBT PORTFOLIO

The present debt portfolio of the Authority consists of borrowings from the Public Works Loan Board (PWLb). These are listed in the table below:

Start Date	Maturity Date	Original Principal	Interest Rate	Annual Interest Cost
07/03/2008	01/01/2016	£4,000,000	4.49	£179,600
12/08/2009	31/08/2016	£1,500,000	3.66	£54,900
25/03/2010	25/03/2019	£1,000,000	3.96	£39,600
27/03/2009	31/08/2019	£2,500,000	3.57	£89,250
25/03/2010	25/03/2023	£1,000,000	4.41	£44,100
21/12/2004	01/03/2025	£1,000,000	4.55	£45,500
21/12/2004	01/11/2025	£1,000,000	4.55	£45,500
11/06/2007	01/08/2028	£5,000,000	5.05	£252,500
02/08/2007	01/05/2029	£5,000,000	4.95	£247,500
02/08/2007	01/09/2030	£5,000,000	4.95	£247,500
25/03/2010	25/03/2033	£2,000,000	4.65	£93,000
11/12/2009	11/12/2034	£4,500,000	4.39	£197,550
Total		£33,500,000	4.59	£1,536,500

No new loans have been entered into since March 2010 as the Authority has had sufficient cash balances to fund the level of capital expenditure. Changes to the rules concerning PWLB loans were made a few years ago and as a result there is no financial benefit in early repayment of a loan. This is because the full amount of interest due until the end of the loan period has to be paid.

CASH MOVEMENTS

In cash terms the Authority's accounts are generally fairly simple, with little movement in current assets and liabilities in most years. As a result, the movement in the cash balance is largely determined by the size of any revenue underspend (increases cash); the charge for capital financing (essentially historic cost depreciation that increases cash), capital receipts (increases cash) and capital expenditure (reduces cash). One exception is the provision in our 2013/14 accounts for the repayment to the government of pension injury payments – this liability remains on the Authority's balance sheet as no decision has yet been made by the government concerning the amount and timing of this repayment.

INVESTMENTS

The Authority considers on an annual basis the criteria for counter parties for the investment of surplus cash. At present we spread our investments between our main bank and a low risk money market fund (CCLA). Members' agreed to the use of the CCLA Property Fund in February 2015, this is a vehicle suitable for longer term investment. The present position is that the Authority has investments of £9m with Lloyds and £14.5m in the CCLA Money Market Fund.

LOOKING AHEAD

There are two areas that need to be considered in looking at the longer term position of the Authority. If there is a desire to build up a larger investment portfolio to provide income over the longer term then this will need to be achieved through either the sale of assets or running a surplus on the income and expenditure account. In the longer term the interest costs would need to exceed the interest rates on PWLB (or alternative) loans. A 2% margin above the loans on (say) £20m of investment would generate net income of £400k per annum.

There are other factors that will need to be considered. These include the potential revenue costs of changes to service design agreed as part of the 2020 programme, the potential for assets sales as a result of the programme and major capital expenditure need over the next few years at Service Workshops and some larger fire stations.

CASH FORECASTS

The current cash position with £23.5m invested is a short term position. The Authority has a provision of £13.3 in respect of amounts due to the government for pension injury payments. No decision by the government on the repayment of this amount has been made.

For the rest of 2015/16 the forecast outturn includes £7.9m of non-cash items in the income and expenditure accounts and £10.6m of capital spending. This suggests that cash balances will reduce by £2.7m to fund the planned level of capital spending. In addition there will be a repayment of £4m of PWLB loans.

In total these outflows amount to £20m, reducing the forecast cash position to £3.5m by the year end. Cash forecasts have been prepared to show the potential impact of these changes.

2020 PROGRAMME

The proposals for the 2020 programme have not yet been drawn up or agreed. There is a potential need for up-front funding for change measures that will need to be financed by cash. If cash forecasts are exceeded the Authority has the potential to borrow money to fund the capital programme in the current year, or the next financial year. In addition further cash receipts are expected in the current financial year from the sale of the former headquarters at Hutton, but the timing of this receipt remains uncertain.

RISK MANAGEMENT, LEGAL, FINANCIAL, ENVIRONMENTAL & EQUALITY IMPLICATIONS

There are no legal, environmental or equality implications from this report.

The financial implications are set out in the report.

The risk management implications centre on the trade-off between risk and reward in making investments, and the time period over which investments produce returns. At present the Authority has adopted a low risk strategy to managing its cash, with a preference not to hold reserves as cash, but to reduce borrowing. This approach has saved the Authority money. For example if the Authority borrowed £10m to fund the current years capital expenditure and invested £10m in a money market fund then costs would be up to £400k higher.

The other risk for the Authority is not having cash available to fund expenditure. This risk is managed through the cash forecasting process – the Finance department have a detailed forecast for the remainder of the financial year, and through the flexibility in borrowing to fund capital spending.

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audi, Governance &
Review Committee**

AGENDA ITEM

8

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/090/15

SUBJECT

Budget Review – August 2015

REPORT BY

The Finance Director & Treasurer

PRESENTED BY

The Finance Director & Treasurer, Mike Clayton

SUMMARY

This paper reports on expenditure against budget as at 31 August 2015 and identifies major variances to the budget for the period. The report also reviews the forecast outturn for 2015/16 and reports the approval of some significant budget virements.

RECOMMENDATIONS

Members are asked to:

1. Note the review of income and expenditure against the budget;
2. Note the forecast position for 2015/16;
3. Note the budget virements summarised in the paper; and
4. Note the actual position with capital expenditure;

BACKGROUND

This report reviews the actual expenditure against budget to 31 August 2015 for both revenue and capital expenditure. .

A summary of the net revenue expenditure for the two months to 31 August is shown in the table below.

Description	YTD			
	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	Commitments £'000s
Firefighters	13,828	(199)	-1%	-
On-Call Fire-Fighters	1,973	155	9%	-
Control	537	(43)	-7%	-
Support Staff	4,662	258	6%	74
Total Employment Costs	21,000	171	1%	74
Support Costs	778	(77)	-9%	131
Premises & Equipment	4,124	(105)	-2%	754
Other Costs & Services	1,471	27	2%	545
Ill health pension costs	821	(13)	-2%	-
Financing Items	750	(4)	-1%	0
Operational income	(1,976)	(261)	15%	0
Contribution to/(from) Reserves	-	(211)	0%	-
Total Other Costs	5,968	(643)	-10%	1,431
Total Budget	26,968	(472)	-2%	1,505
Total Funding	(31,846)	(0)	0%	-
Funding Gap / (Surplus)	(4,878)	(473)		1,505

More detailed figures are provided at page 9.

STAFFING

Overall employments costs are £171K (1%) above budget for the 5 months to 31 August

The underspend for whole time fire-fighters is £199K (1%), the major element here is a reduction in employers pension contributions following the introduction of the new firefighters pension scheme from 1st April 2015 (£175K). The employers' contribution rates for the firefighter's pension scheme were not announced until after the budget was finalised.

For on-call firefighters, spend is £155K over budget, The industrial action on 13/14th June and 6th August accounts for additional resilience costs of £158k.

The impact of the changed employers contribution rates for the firefighters pension scheme will result in lower contributions overall and therefore produce an underspending against budget in 2015-16.

The £258K overspend on support staff pay mainly relates to casual and temporary staff for specific project work in the HR, Community Safety and Property departments. Budget holders are currently considering virements to deals with this position.

Whole-time fire-fighter numbers at 729.0 are 11.0 (1%) under phased budget at the end of August, the main reason for this is a high number of retirements and leavers (14 in total) during April. There are no plans to recruit more whole-time fire-fighters at the current time.

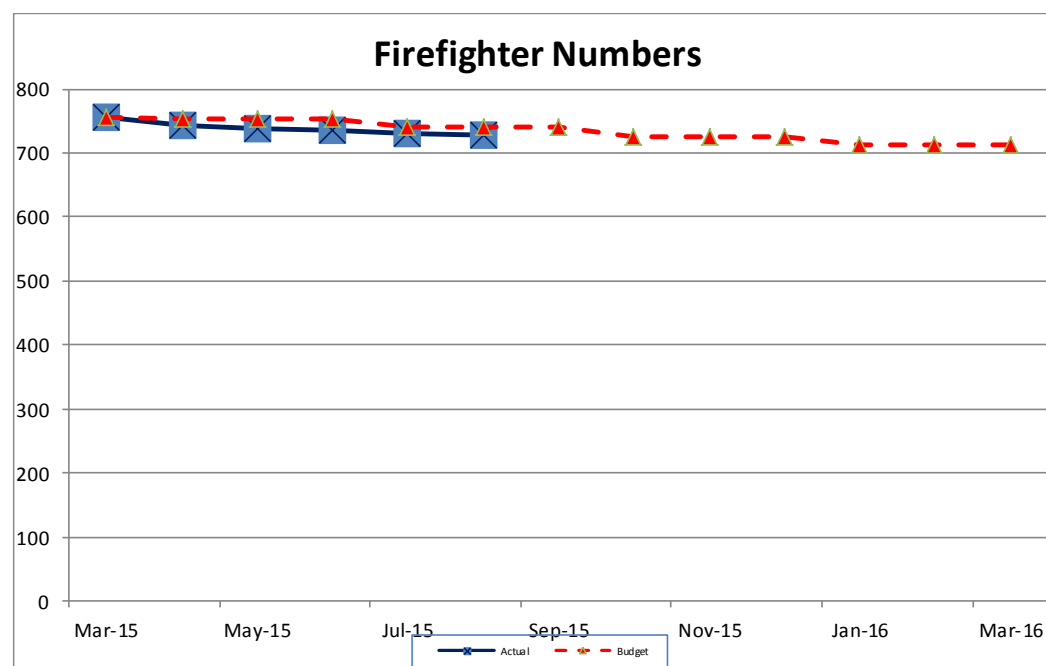
The staffing position at the end of August is summarised below (% figures rounded):

31 Aug 2015	Actual	Budget	Variance	
Wholetime Firefighters - FTE	729.0	740.0	-11.0	-1%
On-Call Firefighters - Headcount	472.0	514.0	-42.0	-8%
Control - FTE	34.0	34.0	0.0	0%
Support Staff - FTE	258.0	262.0	-4.0	-2%
Total	1,493.0	1,550.0	-57.0	-4%

The figures in the table above show on-call fire-fighters on a headcount basis. On a full time equivalent basis there are 375 fire-fighters against a maximum station requirement of 454. Changes to the recruitment process for on-call firefighters are being made and an increase in the number of on-call firefighters is expected by the year end.

The number of whole-time fire-fighters aged over 50 with more than 30 years' service was 7 at the end of August; we have experienced higher retirement rates in the first months of the year than anticipated in the budget. The number of fire-fighters over 50 with more than 25 years' service was 79 at the end of August.

The graph below shows the numbers of whole-time fire-fighters compared to the budget for the month.



WATCH BASED FIREFIGHTERS

The numbers of Watch Based Fire-fighters compared to the target levels set by the Authority are shown below:

Date	Budgeted Rider Resource	Optimum Rider Resilience Level	Critical Minimum Rider Requirement	Actual Riders	Wholetime Rota Day Working (FTE)	On-Call Firefighters Mixed Crewing (FTE)
31/07/2015	611	608	576	577.5	0.0	3.2
31/08/2015	611	608	576	576.0	0.0	3.2

Watch based numbers are below the optimum rider resilience level; this level will reduce when the final stage of the withdrawal of Rescue Tenders is completed in the late summer. Action, short of a strike by the Fire Brigades Union as part of the national dispute over pensions is preventing any additional shift working or voluntary overtime by firefighters. The additional shifts worked by on-call fire-fighters, mainly at Dunmow are reported as Full Time Equivalent (FTE) posts in the table above.

NON PAY RELATED EXPENDITURE

Non pay expenditure is £172k underspent for the 5 months to 31 August; in addition operational income is £261K better than budget.

Support costs are £77K (9%) underspent overall, clothing (£31K), occupation health (£27K) and travelling/subsistence (£66K) are all underspent, contributions to the pension fund for financial strain relate to support staff early retirements and are £63k overspent.

Premises and equipment is £105K (2%) underspend, the main elements are a slower than budget take up on property maintenance partially offset by higher electricity costs.

Operational income is £261k better than budget; the main reasons for this are higher secondment recharging (£89K) and higher government grants for business rates support than budgeted for (£196K).

FORECAST 2015-16

The forecast for the year reflects the projection forward of staff costs based on expected staff headcount and budget holders forecasts of outturn expenditure. The forecast included in the finance report for July has now been updated to take account of continuing industrial action up to and including the 1st September. The updated forecast shows that we are now expecting a small underspend of c. £28k for the year.

The budget agreed by the Fire Authority in February was £71.8m; in addition, a number of earmarked reserves were created last year to enable funding of specific expenditure in 2015-16. These reserves included £.07m relating to workforce planning, solar panel installation at stations and the costs of the cultural review currently being undertaken. The total net expenditure budget for the year therefore stands at £72.5m.

The outturn forecast is summarised below.

Description	Current Full Year Budget £'000s	July Forecast £'000s	Forecast Variance £'000s	% Forecast Variance
Firefighters	33,293	32,961	(332)	-1%
On-Call Fire-Fighters	5,208	5,624	416	8%
Control	1,401	1,334	(67)	-5%
Support Staff	10,611	11,096	485	5%
Total Employment Costs	50,513	51,015	501	1%
Support Costs	2,140	1,901	(239)	-11%
Premises & Equipment	10,151	10,231	81	1%
Other Costs & Services	3,444	3,788	344	10%
Ill health pension costs	2,000	2,000	-	0%
Financing Items	7,879	7,879	(0)	0%
Operational income	(4,116)	(4,552)	(436)	11%
Contribution to/(from) Reserves	506	226	(280)	-55%
Total Other Costs	22,002	21,472	(530)	-2%
Total Budget	72,515	72,487	(28)	0%
Total Funding	(71,827)	(71,828)	(0)	0%
Funding Gap / (Surplus)	688	660	(28)	

The main factor contributing to the underspend on firefighters pay is a reduction in employers pension contributions following the introduction of the new firefighters pension scheme from 1st April 2015. The employers' contribution rates for the firefighter's pension scheme were not announced until after the budget was finalised.

On call fire-fighters pay is forecast to be £416K overspent, £375K of this relates to the impact of resilience payments as a result of industrial action for the period from the 13th June to 1st September. No further forecast is made for the effects of any further industrial action not yet announced as it is not possible to predict during the remaining part of the year.

Support staff pay is forecast to be £485K (5%) overspent for the year, there are two main contributory factors, firstly we have included £250K for the impact of implementing the recommendations of a job evaluation report, whilst this has yet to be agreed by Members of the Fire Authority it is included in this forecast to be prudent. The other main factor is additional support costs in ICT to support the ongoing Control mobilisation project.

Premises and equipment shows a forecast overspend of £81K, this mainly relates to utilities where the savings from solar panels have not reached the levels included in the budget.

Operational income is forecast to be better than budget, in particular secondment income is forecast to be c.£190K better than the budget of £100K, and business rates support is forecast to be £250K better than the budget of £220K.

JOB EVALUATION

The Service Job Evaluation Project under the Workforce Transformation Programme sought to review the current Green Book job evaluation provision to ensure value for money and time efficiencies and made recommendations for Green Book Job Evaluation going forward. The Project Report reviewed the current arrangements for Green Book Job Evaluation and outlines the current issues. It assesses the findings

of information gathered from other Fire and Rescue Services and job evaluation providers and makes fact based recommendations for the future approach of Green Book job evaluation.

In summary the Project Report identified that the average number of job evaluations undertaken was 27 per year, with an average expenditure of £9k per annum. This cost excludes management time. Under the current arrangements for external evaluations this figures has risen to £15k per annum.

Of the three job evaluation schemes identified within the Project Report, the most commonly used by Local Government was the Hay scheme. It can be applied to the full range of Green Book roles and provides a disciplined, methodology and process which makes as near objective decisions as practical. This methodology will continue to be used.

Currently the Service experiences difficulties recruiting to specialist roles within a number of departments including HR, Health & Safety, ICT and Performance Management & Improvement. The Service's support staff turnover rate is 19% compared to an average public sector turnover rate of 9%. In addition, in 2014/15 the Service spent £1m on temporary and agency staff to cover vacancies and other short term requirements.

Hay Management Group undertook a comparison of the Service's current pay policy against Hay Group market data. This piece of work identified that not all of our Green Book pay is competitive. These findings suggest that the current pay policy does not align with the market value of some specialist roles. The comparison found that the pay policy is between lower quartile to the median for grades up to PO1 and that the pay policy becomes less competitive from PO2 onwards, with pay at M1, M2 and M3 benchmarked between the lower decile and lower quartile of the market.

In recognition that the pay policy is not competitive the Strategic Management Board agreed with the recommendation from the Director of HR and Organisational Development that the Service addresses the pay policy issues in the coming year. A recent study by Oxford Economics suggests an average cost to recruit a single employee is £31k. This is made up of recruitment costs, hiring temporary workers before the replacement starts, management time spent interviewing, recruitment agency fees, advertising the new role and HR time spent processing replacement and costs from lost output as new employees take 28 weeks to reach optimum productivity.

Hay Management Group will be used to provide support and advice on the design of new pay and grading structures. Hay Management Group estimated the cost to bring Green Book employees to the public and not for profit market median is in the region of £450,000 (7% of pay bill). The potential cost on the pay-bill has not been included within the budget for 2015/16 and approval from Members for a virement to cover this additional cost is required, based on a 1 October 2015 implementation date. The balance of the additional cost will be built into the 216/17 budget.

BUDGET VIREMENTS

A number of factors reflected in the forecast shown above required the formal approval of the Policy & Strategy Committee for budget virements. The approval was given at their meeting on 23 September. These are:

1. A virement of £360k to reduce the pensions budget for wholetime firefighters to reflect the 2015/16 employer pension contribution rate:
2. A virement of £250k to support staff costs to reflect the impact in 2015/16 of the job evaluation review for "Green Book" staff; and
3. A virement of £192k for the costs of backfilling posts seconded to the 2020 programme.

CAPITAL EXPENDITURE

Capital expenditure spent and committed for the 5 months to 31 August 2015 is shown in the table below.

Total capital expenditure is £6.3m, the largest item included is £3.7m for new appliances. The figure also includes £290K for Solar Panels and £395K for asset protection. The equipment spend and commitment of £667K includes Thermal imaging Cameras (£344K) and Heavy rescue equipment (£241K)

The investment of £1,016K in information technology relates to replacing the MIS system for Community Safety, the water section and Fleet Workshops.

	Original Budget 2015/16 £'000s	Approved Changes £'000s	Revised Budget - 18/3/15 £'000s	Total Spend including Commitments £'000s
Property				
New Premises				
Solar Panels	-	291	291	290
Asset Protection	2,170	-	2,170	395
Total Property	2,170	291	2,461	685
Equipment	736	639	1,375	667
Information Technology				
Projects > £250k	1,300	-	1,300	910
Projects < £250k	200	-	200	106
Total Information Technology	1,500	-	1,500	1,016
Vehicles				
New Appliances	3,161	1,221	4,382	3,697
Other Vehicles	608	243	851	273
Total Vehicles	3,769	1,464	5,233	3,970
Total Capital Expenditure	8,175	2,394	10,569	6,338

RISK MANAGEMENT IMPLICATIONS

The review of expenditure against the profiled budget is part of the overall financial control process of the Authority. In exceptional circumstances it allows for budget virements to ensure that underspending against budget heads can be utilised to fund expenditure against other priorities. If virements are not made there is a risk that the Authority will miss out on opportunities to improve performance and meet key objectives during the year. The Authority's reserves within their target range and the Authority is able to fund short term fluctuations in activity from them when necessary.

The review of the management accounts is one control measure to mitigate the risk of overspending the Authority's budget for the year.

LEGAL IMPLICATIONS

There are no direct legal implications within this report.

USE OF RESOURCES

There are no use of resources implications within this report

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications arising from this report

EQUALITY IMPLICATIONS

There are no equality implications arising from this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
Appendix 1 – Expenditure compared to budget to 31 August 2015	
List of background documents (not attached):	
Proper Officer:	The Finance Director and Treasurer
Contact Officer:	The Finance Director and Treasurer, Mike Clayton Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: mike.clayton@essex-fire.gov.uk

EXPENDITURE COMPARED TO BUDGET TO 31 AUGUST 2015

Description	YTD Actual £'000s	Variance YTD £'000s	% Variance YTD	YTD Commitments £'000s
Firefighters	13,828	(199)	-1%	-
On-Call Fire-Fighters	1,973	155	9%	-
Control	537	(43)	-7%	-
Support Staff	4,662	258	6%	74
Total Employment Costs	21,000	171	1%	74
Training	240	(21)	-8%	21
Employee Support Costs	333	10	3%	108
Travel & Subsistence	204	(66)	-24%	2
Support Costs	778	(77)	-9%	131
Property Maintenance	751	(202)	-21%	416
Utilities	256	58	29%	0
Rent & Rates	629	30	5%	0
Equipment & Supplies	593	(4)	-1%	78
Communications	572	44	8%	79
Information Systems	916	(3)	0%	148
Transport	407	(27)	-6%	33
Premises & Equipment	4,124	(105)	-2%	754
Establishment Expenses	384	(137)	-26%	119
Insurance	230	17	8%	-
Professional Fees & Services	752	149	25%	359
Democratic Representation	59	(6)	-9%	-
Agency Services	46	4	9%	67
Other Costs & Services	1,471	27	2%	545
III Health Pension costs	821	(13)	-2%	-
Lease & Interest Charges	750	(4)	-1%	0
Financing Items	750	(4)	-1%	0
Operational income	(1,976)	(261)	15%	0
Contributions to/ (from) General Balance	-	(211)	0%	-
Total Net Financing Requirement	26,968	(472)	-2%	1,505
Revenue Support Grant	(9,386)	(0)	0%	-
National Non-Domestic Rates	(6,389)	-	0%	-
Council Tax Collection Account	(332)	-	0%	-
Council Tax	(15,739)	-	0%	-
Total Funding	(31,846)	(0)	0%	-

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

**Audit, Governance & Review
Committee**

AGENDA ITEM

9

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/091/15

SUBJECT

Organisational Performance Report

REPORT BY

Director of HR and Organisational Development, Lindsey Stafford Scott

PRESENTED BY

Director of HR and Organisational Development, Lindsey Stafford Scott

SUMMARY

To provide Members of the Audit, Governance and Review Committee with an overview of the Service's performance for the period September 2014 to August 2015.

RECOMMENDATIONS

Members of the Audit, Governance and Review Committee are asked to note the contents of the performance report.

Performance to August 2015

The following measures are annual measures and not reported against here;

- 4a Improved staff satisfaction
- 4b The percentage of employees who are satisfied with the training they receive to do their role
- 5a Annual reduction in carbon footprint
- 6a Improved satisfaction with leadership within the Service

The following measures continue to be measures under development:

- 2a Achieve a timely response to incidents (response standard 20:20)
- 2c Percentage of respondents who were satisfied with the response they received (20:20)
- 3b Cost per hour of appliance availability. Proposed measures suggested by Mike Clayton to replace 3b are under consideration.
- 5b Percentage of survey respondents who were aware of the range of work we undertake (20:20)

We have introduced into this report an at a glance performance box which colour codes both performance against month (m) and year to date (ytd) the key to the colour coding is as follows:

Colour key:

	>10% worse than target
	0-10% worse than target
	0-10% better than target
	>10% better than target
	No data/reported quarterly

Overview of Organisation Performance by Strategic Objective

Objective 1. We will identify the risks to our communities and work in partnership with them to manage the risk, to reduce its likelihood or its impact on our communities.

1a. Number of Incidents attended in Essex

M	YTD	1a Number of incidents attended in Essex
		Performance against Month and YTD target

ECFRS attended 1,378 incidents in August 2015, an increase on the number recorded over the same month last year (target is to be below previous year's out-turn). The rolling 12 month total stands at 13358. Over the previous 12 months, fires have increased by 9.8% (389 more fires) with the majority of this increase being in secondary fires. Emergency special service calls have reduced by 8% (296 fewer incidents) with attendances at false alarms down by 3.5% (205 fewer attendances) compared to last year.

1b. Rate of Accidental Dwelling Fires (ADF)

M	YTD	1b Rate of Accidental Dwelling Fires (ADF) Performance against Month and YTD target
---	-----	--

ECFRS recorded 68 ADFs in August 2015, slightly more than the 65 recorded in the same month in 2014. The rate of ADFs per 10,000 dwellings was 0.9 in August 2015, matching the target of 0.9 and better than the rate recorded in August 2014.

The current rolling 12-monthly rate of accidental dwelling fires is 10.8, slightly worse than the target of 9.9 but better than the rate recorded for the previous rolling year.

Kitchen fires, which comprise the bulk of accidental dwelling fires (59.6%), have increased in proportion slightly in the most recent 12 months compared to the same time period from the previous year. More than half of these fires relate to cooking.

1c. Number of people killed or seriously injured in road traffic collisions

M	YTD	1c Number of people killed or seriously injured in RTCs Performance against Month and YTD target
---	-----	---

Currently green against target but actual KSI figures are a likely underestimate as casualty data entering the police recording database is always several weeks in arrears.

There were 18 people killed or seriously injured in road traffic collisions during August 2015. The long term rolling 12-monthly trend had been increasing towards the end of 2014, being worse than target by December 2014. Since this time, numbers have reduced slightly which has moved Performance to be currently better than target.

1d. Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population

M	YTD	1f Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population Performance against Month and YTD target
---	-----	---

Essex recorded 1 fire-related fatality in August 2015, along with 4 non-fatal casualties. The 12-month rolling rate of casualties is now 5.5 per 100,000 population, which is on target and slightly worse than then same period in the previous year (5.4).

Objective 2. We will provide a resilient, timely, safe and effective response when risks become incidents.

2a. Achieve a timely response to incidents

The development of a response standard was an output of the Service's response review. That work is ongoing and until a new standard is agreed, we continue to report on the existing measures of Control call handling and station turnout.

M	YTD	Call to alert in 90 seconds Performance against Month and YTD target
----------	------------	---

76% of calls were handled within 90 seconds in August 2015. This is worse than the previous year and below the target of 90%. However it must be noted that performance against target reported in May was 33% of calls were handled within 90 seconds; the more recent August figures demonstrate a massive improvement in Performance for the period May to August 2015. The Control room have been back on the old NX system since 28 March 2015, which has contributed in the improvement of performance.

M	YTD	Wholetime Turnout – Time of station alert to proceeding % within 2 minutes Performance against Month and YTD target
----------	------------	--

53% of turnouts in Wholetime Stations were within 2 minutes during August 2015. This is worse than in August 2014 as well as being worse than the 75% target set for that month. This indicator remains under review.

M	YTD	Retained Turnout – Time of station alert to proceeding % within 6 minutes Performance against Month and YTD target
----------	------------	---

71% of turnouts in Retained stations were within 6 minutes during August 2015. This was slightly worse than the previous year and slightly under the 75% target set for that month.

2b. Rate of Accidents per 100,000 employees

There were 150 accidents from September 2014 to August 2015, a 24% reduction (47 fewer) than the same period in the previous year. The annual accident rate per 100,000 employees (on a rolling 12 month basis) is 10,684.

Objective 3. We will use our resources flexibly, efficiently and effectively, reducing the cost of the Service to match the funding available.

3a Achieve appliance availability targets

M	YTD	3a Achieve appliance availability targets Performance against Month and YTD target
----------	------------	---

Total appliance availability for August 2015 is 76.9%. This is worse than target (90%) and worse than the same period in 2014.

No data on appliance availability exists for the period 14 January 2015 to 9 June 2015 therefore the YTD rating should be used as a guide only as it is compiled using 6 months data instead of 12.

3c Reduction in projects running over timescale

3d Reduction in projects running over cost

The new Portfolio Management Office (PMO) is now in operation. Initial work has been undertaken to create a landscape analysis of all the change that is currently underway within the service. The PMO is aware of 4 Programmes, 39 Projects and 51 Initiatives as of September 2015. The Service Delivery Board is currently undertaking a priority review of all pieces of change. Following this piece of work more defined measures relating to project timescales and project costs will be developed.

Objective 4. We will ensure our people are involved, engaged and empowered to deliver excellence.

4c. Average days/shifts lost per person to sickness absence per year

M	YTD	4c Average days/shifts lost per person to sickness absence per year Performance against YTD target
---	-----	---

The average days/shifts lost to sickness absence per person by the end of August 2015 was 8.8. This is an improvement on the rate recorded for August 2014 but worse than the target of 7.6 days per person.

4d. Percentage of staff who received an appraisal in the past 12 months

M	YTD	4d Percentage of staff who received an appraisal in the past 12 months Performance against YTD target
---	-----	--

Completion rates for the end of year target review paper and Achievement First objective setting meetings have been monitored centrally. As of 28 August 2015 51.76% of target review papers had been completed this equates to 751 out of an expected 1451. 55.06% of Achievement First Objective Setting paper had also been received.

RISK MANAGEMENT IMPLICATIONS

The risk of not setting and reviewing its strategy and supporting performance measures is that resources might not be aligned to areas of priority, and that risks, both current and emerging are not responded to.

FINANCIAL IMPLICATIONS

There are no direct financial implications related to this report.

LEGAL IMPLICATIONS

There are no direct legal implications related to this report.

HEALTH AND SAFETY IMPLICATIONS

There are no direct Health and Safety implications related to this report.

EQUALITY IMPLICATIONS

There are no direct equality implications related to this report.

ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications related to this report.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper: Appendix 1 – August Performance Report	
List of background documents (not attached):	
Proper Officer:	Director of Human Resources & Organisational Development
Contact Officer:	Lindsey Stafford-Scott, Director of HR&OD Essex County Fire & Rescue Service, Kelvedon Park, London Road, Rivenhall, Witham CM8 3HB Tel: 01376 576000 E-mail: l.stafford-scott@essex-fire.gov.uk



Appendix 1: August 2015

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We will identify the risks to our communities and work in partnership with them to manage the risk, to reduce its likelihood or its impact on our communities

- 4 Number of Incidents attended in Essex
- 5 Number of people killed or seriously injured in RTCs
- 6 Rate of Accidental Dwelling Fires per 10,000 dwellings
- 7 Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population
- 8 Total Essex workplace premises risk score

We will provide a resilient, timely, safe and effective response when risks become incidents

- 9 Call to alert in 90 Seconds
- 10 Wholetime Mobilise - Time of station alert to proceeding - % within 2 minutes
- 11 Retained Mobilise - Time of station alert to proceeding - % within 6 minutes
- 12 Rate of Accidents per 100,000 employees

We will use our resources flexibly, efficiently and effectively, reducing the cost of the Service to match the funding available

- 13 Total appliance availability

We will ensure our people are involved, engaged and empowered to deliver excellence

- 14 Average days/shifts lost to sickness absence per person per year
- 15 Percentage of staff who received an appraisal in the past 12 months

Performance is colour coded throughout this report using this system

> 10% better than target
0-10% better than target
90-100% of target
<90% of target

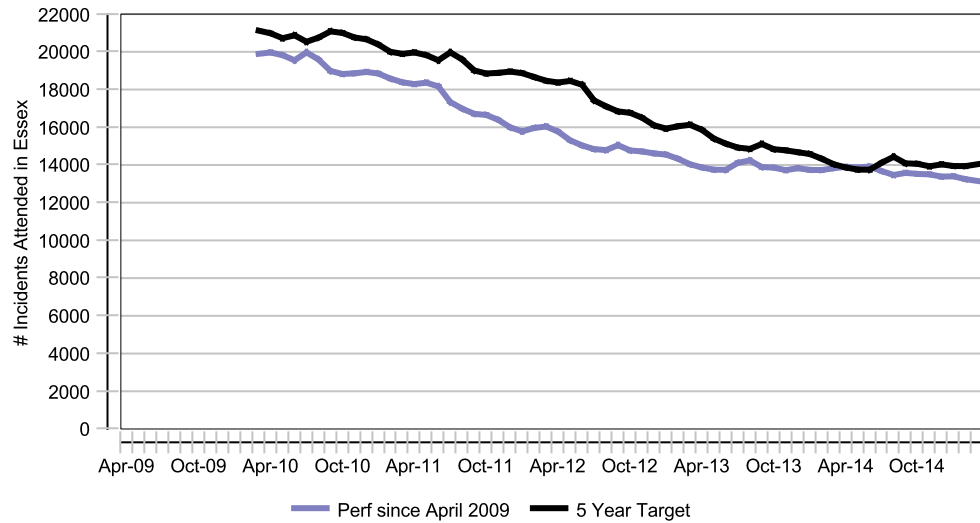
Performance summary

	Performance against target	Performance against previous year	Performance against Family Group
Number of Incidents attended in Essex			
Number of people killed or seriously injured in RTCs			
Rate of Accidental Dwelling Fires per 10,000 dwellings			
Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population			
Total Essex workplace premises risk score			
Call to alert in 90 Seconds			
Wholetime Mobilise - Time of station alert to proceeding - % within 2 minutes			
Retained Mobilise - Time of station alert to proceeding - % within 6 minutes			
Rate of Accidents per 100,000 employees			
Total appliance availability			
Average days/shifts lost to sickness absence per person per year			
Percentage of staff who received an appraisal in the past 12 months			

Number of Incidents attended in Essex

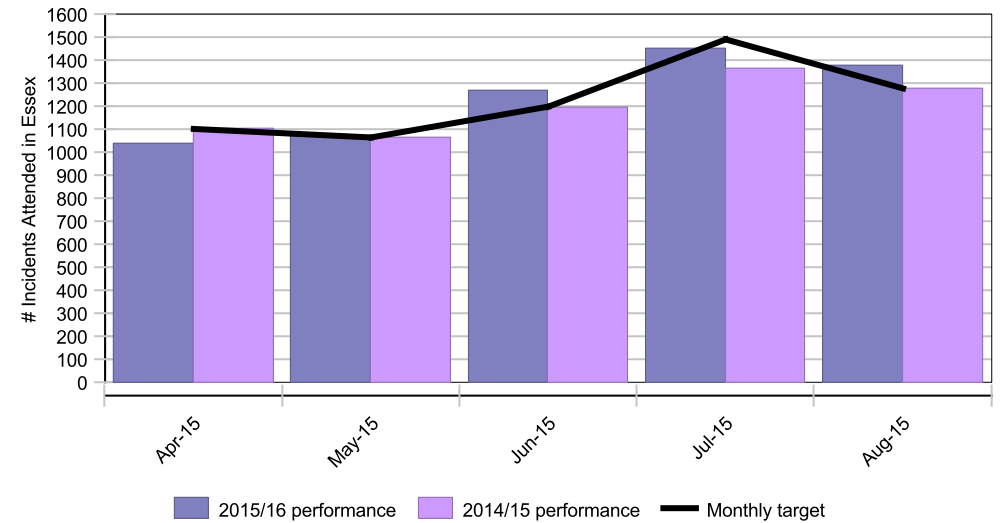
Moving Year (Aug-15)		
Actual	13,351	
Previous Year	13,470	Performance is 0.9% better than previous year
Target	13,619	Performance is 2.0% better than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



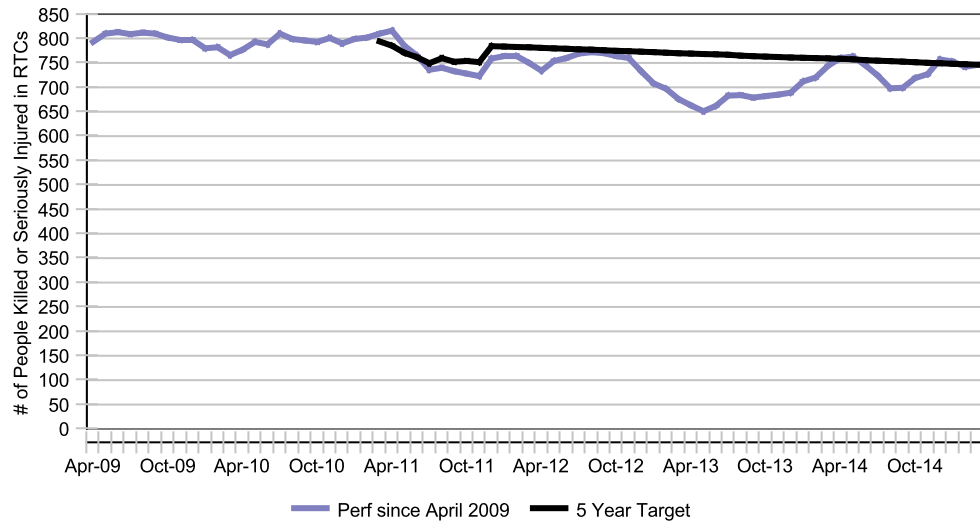
Strategic Dashboard Commentary

Action Plan

Number of people killed or seriously injured in RTCs

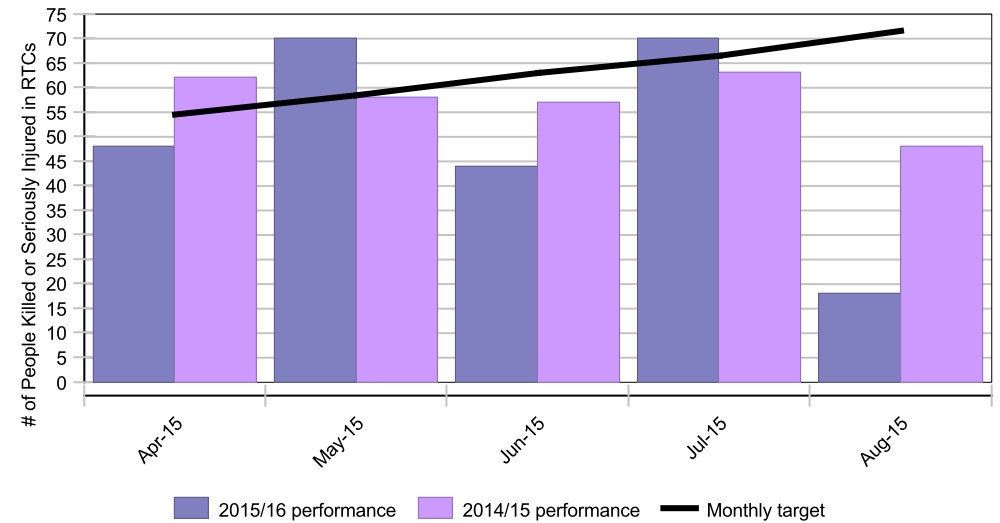
Moving Year (Aug-15)		
Actual	708	
Previous Year	698	Performance is 1.4% worse than previous year
Target	741	Performance is 4.5% better than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



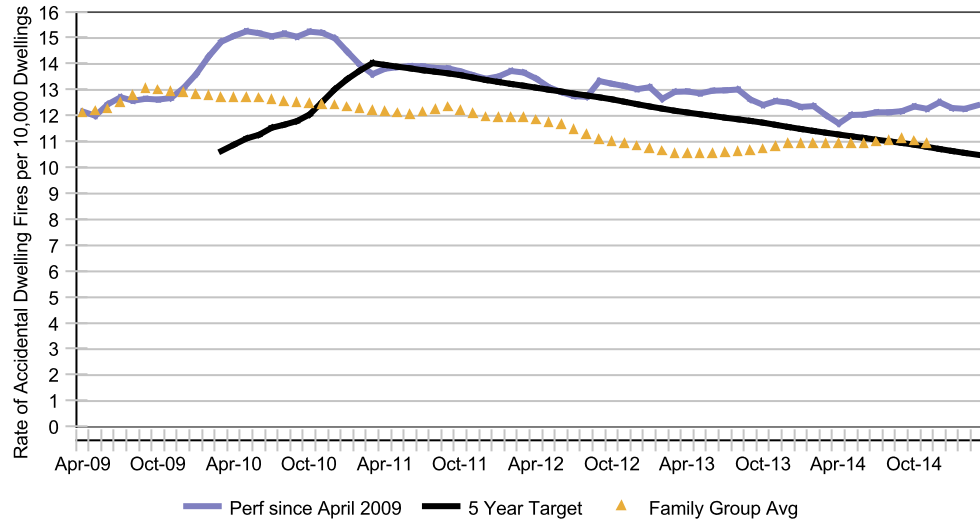
Strategic Dashboard Commentary

Action Plan

Rate of Accidental Dwelling Fires per 10,000 dwellings

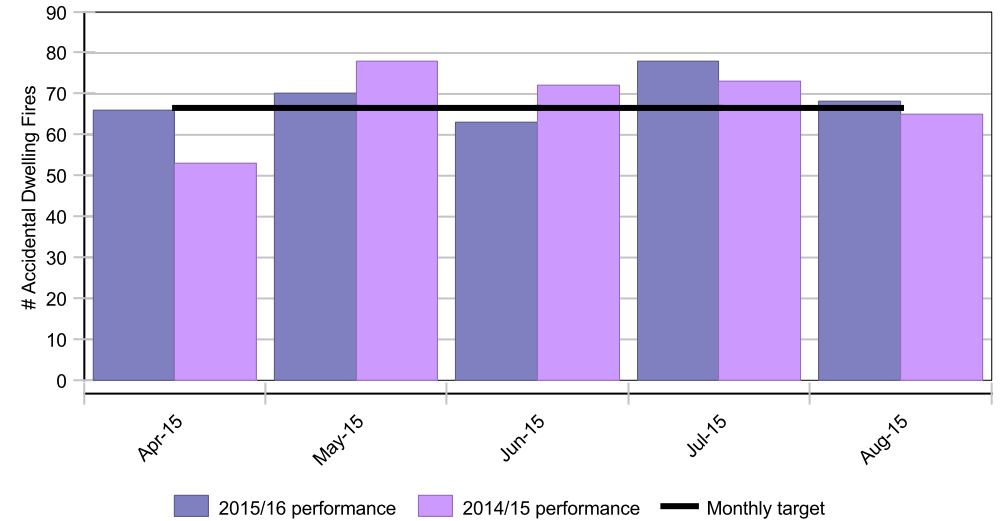
Moving Year (Aug-15)		
Actual	10.8	
Previous Year	12.1	Performance is 10.7% better than previous year
Target	9.9	Performance is 9.6% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



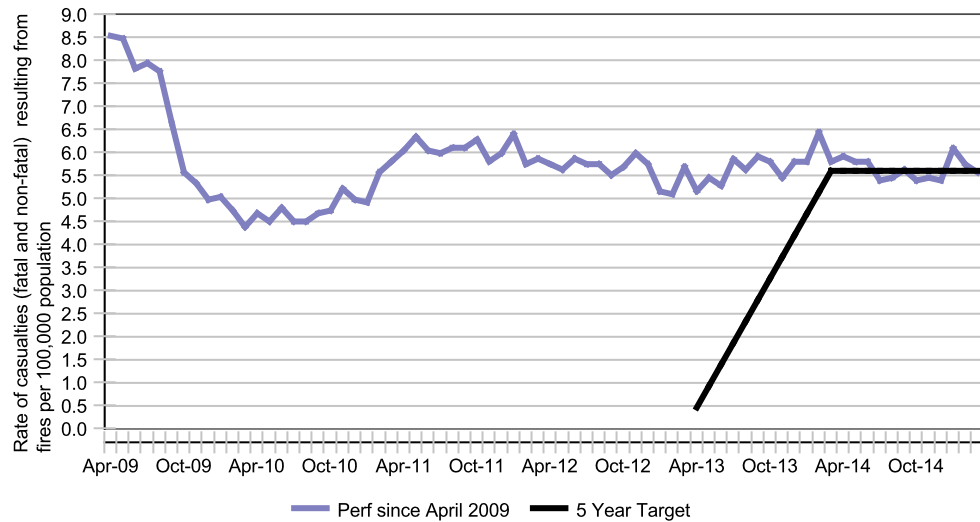
Action Plan

Strategic Dashboard Commentary

Rate of casualties (fatal and non-fatal) resulting from fires per 100,000 population

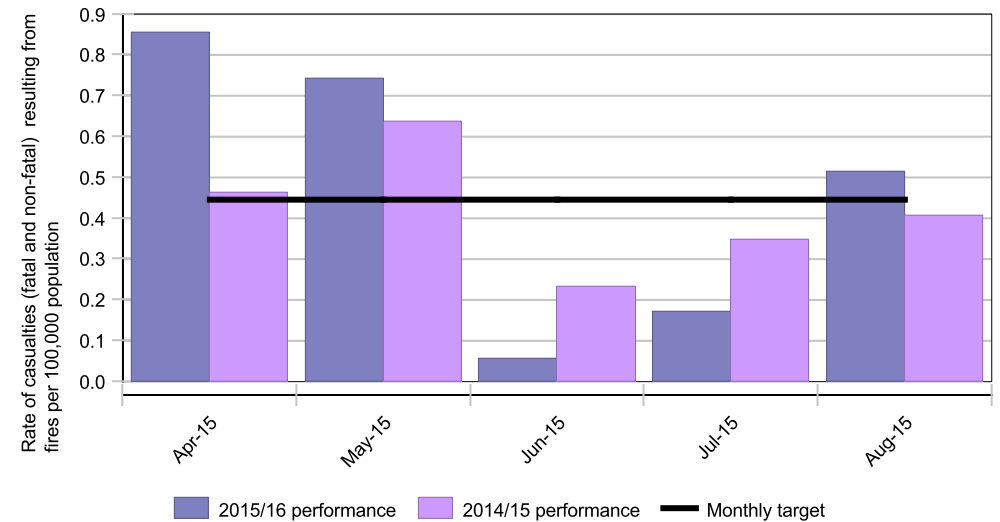
Moving Year (Aug-15)		
Actual	5.8	
Previous Year	5.4	Performance is 5.7% worse than previous year
Target	5.5	Performance is 4.8% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



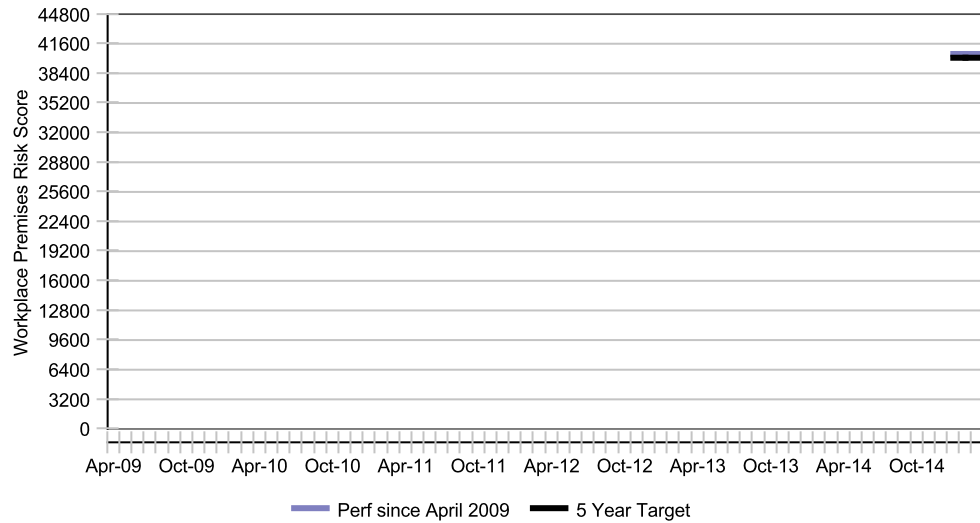
Strategic Dashboard Commentary

Action Plan

Total Essex workplace premises risk score

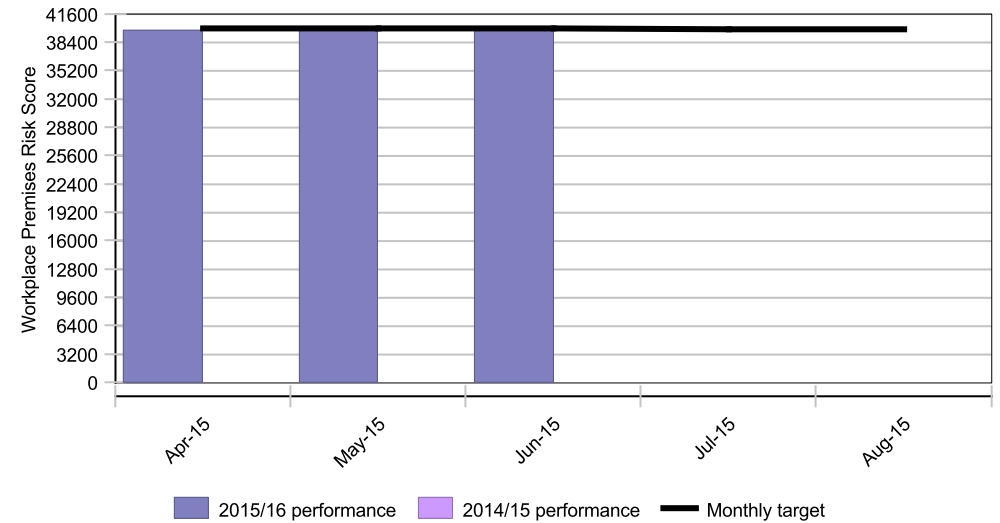
Moving Year (Aug-15)		
Actual	39,785	
Previous Year		
Target	39,988	Performance is 0.5% better than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



Strategic Dashboard Commentary

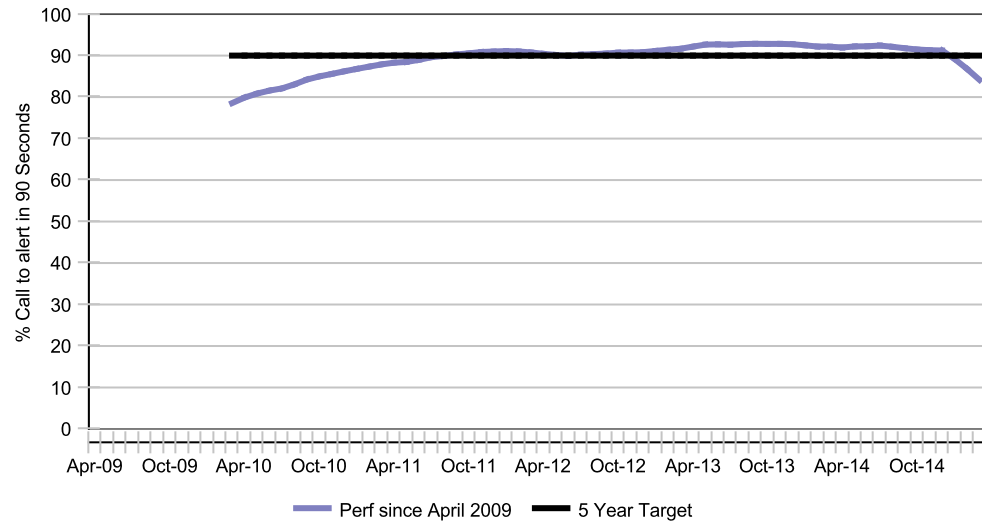
Action Plan

Call to alert in 90 Seconds

Moving Year (Aug-15)

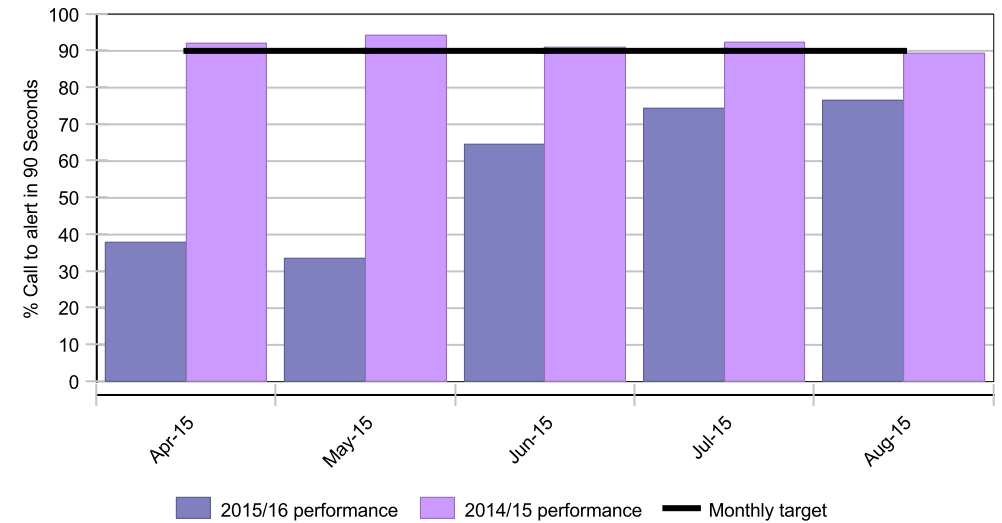
Actual	69%	
Previous Year	92%	Performance is 24.8% worse than previous year
Target	90%	Performance is 23.1% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



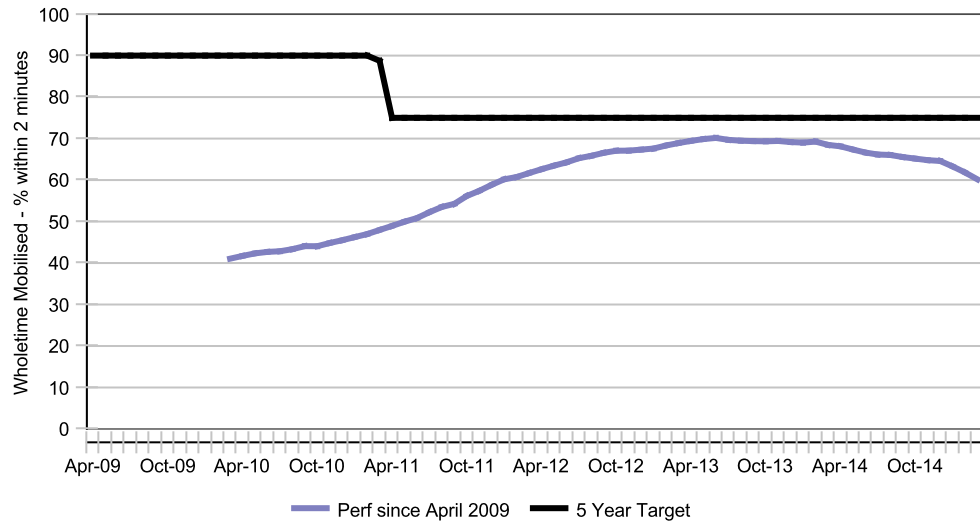
Strategic Dashboard Commentary

Action Plan

Wholetime Mobilise - Time of station alert to proceeding - % within 2 minutes

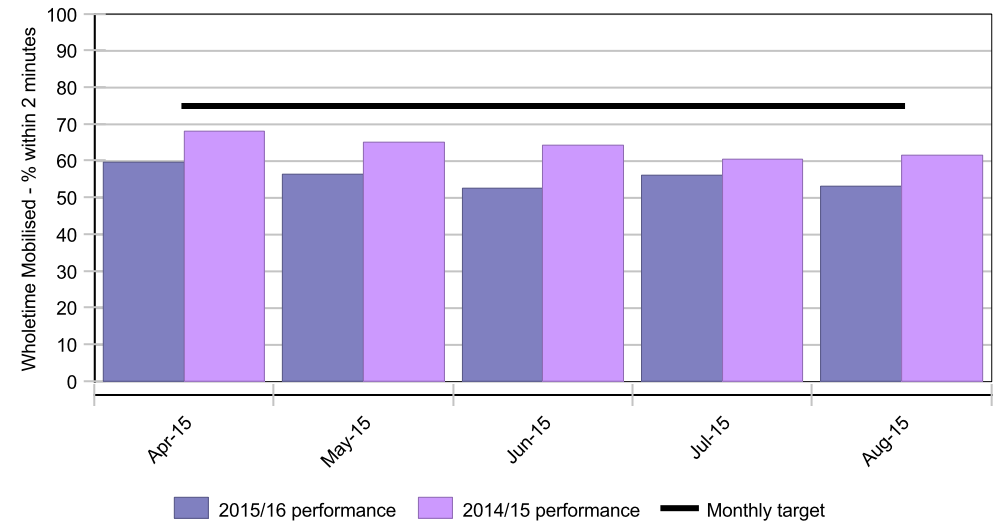
Moving Year (Aug-15)		
Actual	56%	
Previous Year	66%	Performance is 14.9% worse than previous year
Target	75%	Performance is 25.0% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



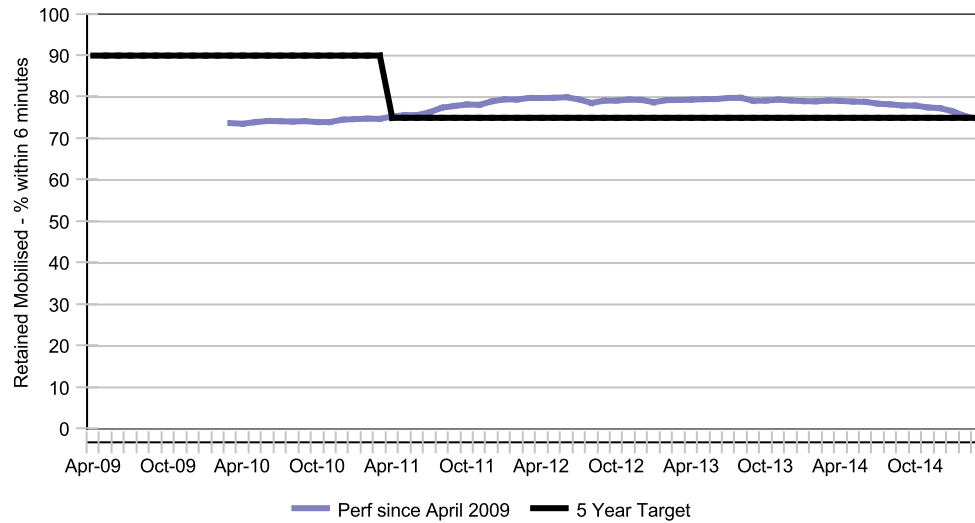
Strategic Dashboard Commentary

Action Plan

Retained Mobilise - Time of station alert to proceeding - % within 6 minutes

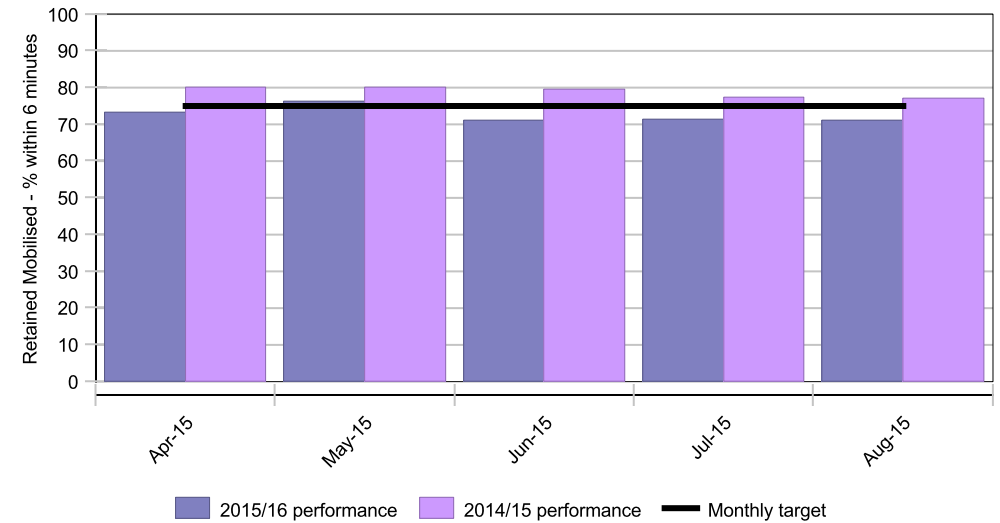
Moving Year (Aug-15)		
Actual	72%	
Previous Year	78%	Performance is 8.2% worse than previous year
Target	75%	Performance is 4.2% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



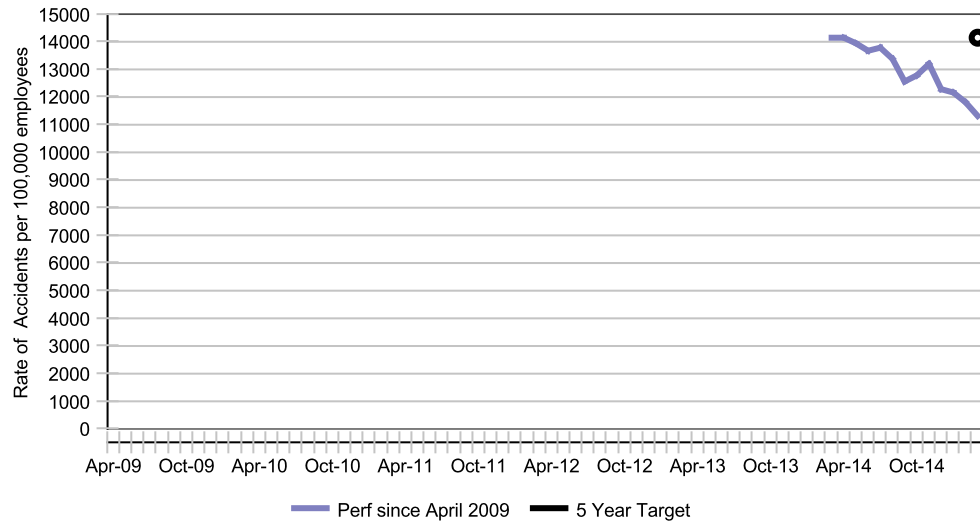
Strategic Dashboard Commentary

Action Plan

Rate of Accidents per 100,000 employees

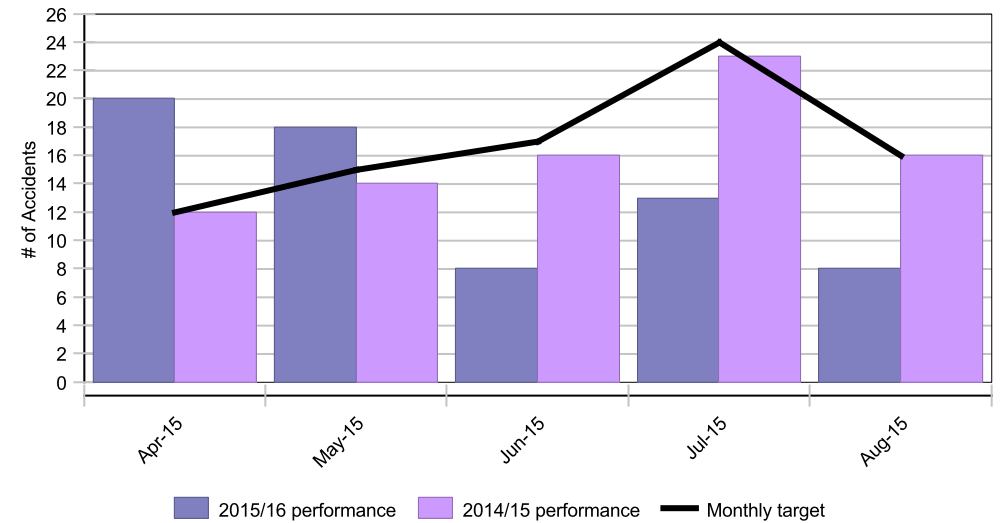
Moving Year (Aug-15)		
Actual	10,684.2	
Previous Year	13,381.3	Performance is 20.2% better than previous year
Target	13,585.1	Performance is 21.4% better than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



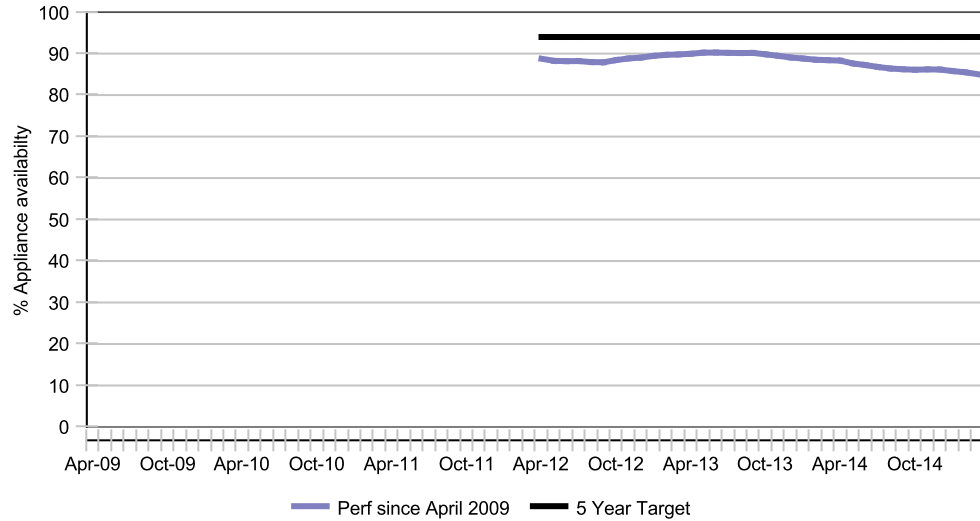
Strategic Dashboard Commentary

Action Plan

Total appliance availability

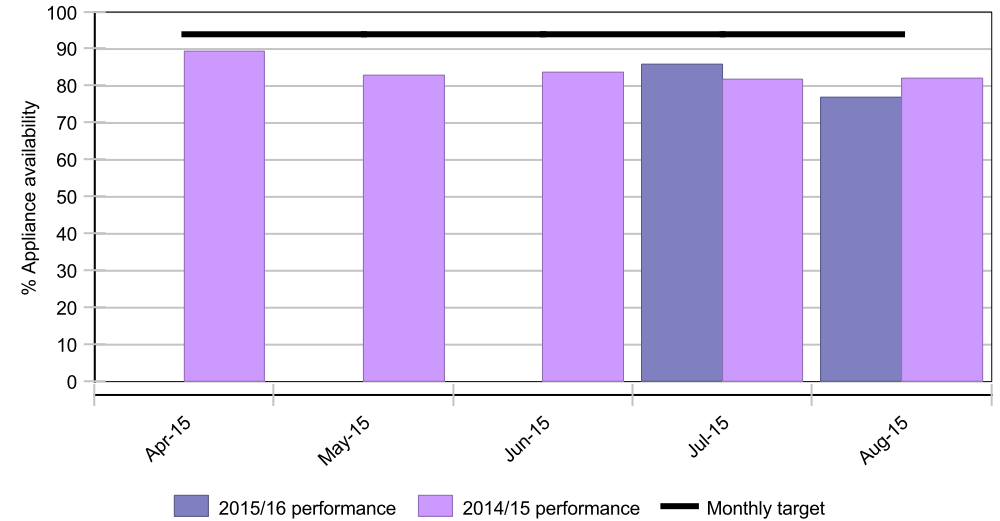
Moving Year (Aug-15)		
Actual	84.7%	
Previous Year	86.4%	Performance is 2.0% worse than previous year
Target	94.0%	Performance is 9.9% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



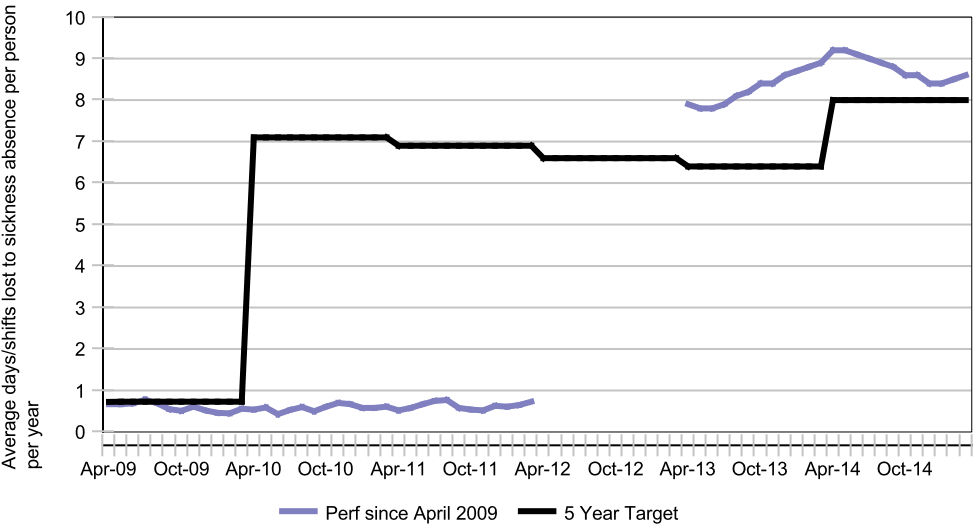
Strategic Dashboard Commentary

Action Plan

Average days/shifts lost to sickness absence per person per year

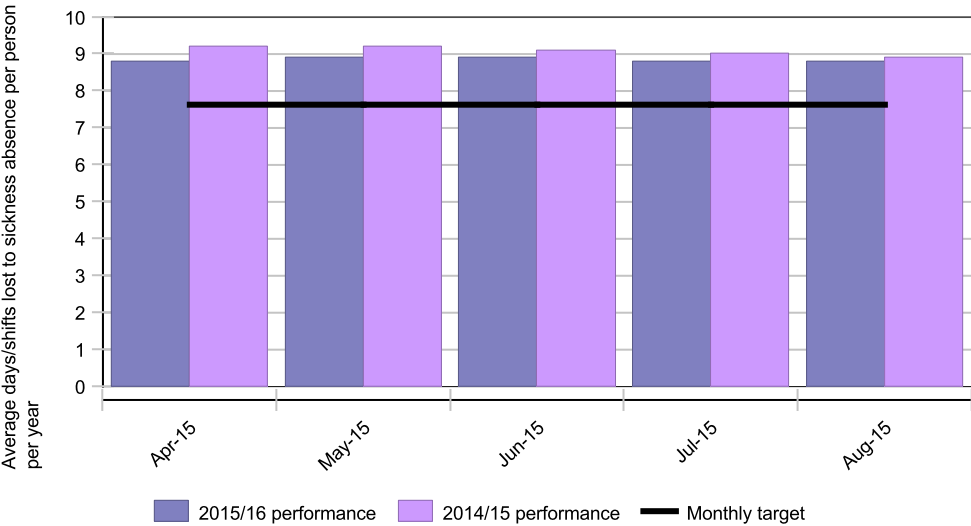
Moving Year (Aug-15)		
Actual	8.8	
Previous Year	8.9	Performance is 1.1% better than previous year
Target	7.6	Performance is 15.3% worse than target

Performance relative to 5 year target



Performance Overview

Monthly performance breakdown



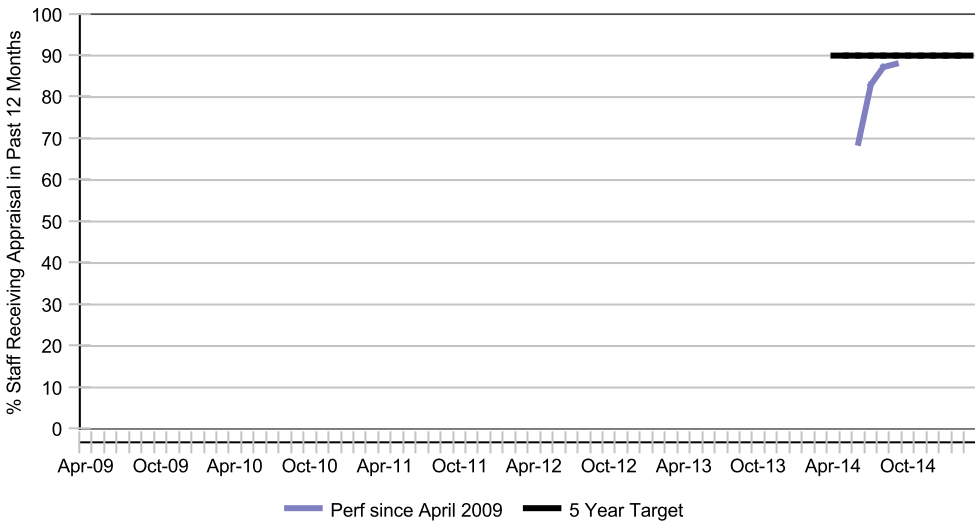
Strategic Dashboard Commentary

Action Plan

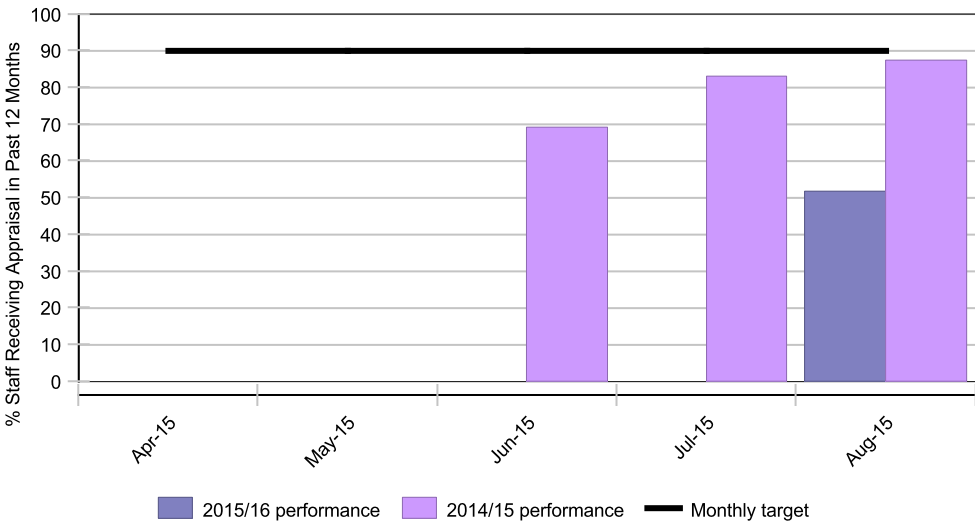
Percentage of staff who received an appraisal in the past 12 months

Moving Year (Aug-15)		
Actual	52%	
Previous Year	87%	Performance is 40.7% worse than previous year
Target	90%	Performance is 42.5% worse than target

Performance relative to 5 year target



Monthly performance breakdown



Performance Overview

Strategic Dashboard Commentary

Action Plan

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MEETING

Audit Governance & Review
Committee

AGENDA ITEM

10

MEETING DATE

7 October 2015

REPORT NUMBER

EFA/092/15

SUBJECT

Safer & Resilient Communities Update

REPORT BY

Assistant Chief Fire Officer Paul Hill

PRESENTED BY

Assistant Chief Fire Officer Paul Hill

Summary

The purpose of this paper is to update the Committee with a summary ECFRS Safer & Resilient Community activity in 2014/15.

Recommendations

It is recommended that:

1. Members of the Audit, Governance and Review Committee note the contents of this paper.

Background

The Fire & Rescue Services Act 2004 sets out the duties and powers of fire authorities. Under the Act, the Fire Authority has a number of core functions:

- Fire Safety - promoting fire safety, including the provision of information and publicity on steps to be taken to prevent fires and the giving of advice on how to prevent fires and on the means of escape from buildings in case of fire.
- Fire Fighting - extinguishing fires and protecting life and property in the event of fires.
- Road Traffic Accidents - rescuing people in the event of road traffic accidents and protecting people from serious harm in the event of road traffic accidents.
- Emergencies - when necessary deal with emergencies, other than fires and road traffic accidents.

ECFRS engages in activities that support the development of community resilience and the improvement of community safety in all parts of its service delivery. This paper captures major activity of 2014/15.

TECHNICAL FIRE SAFETY

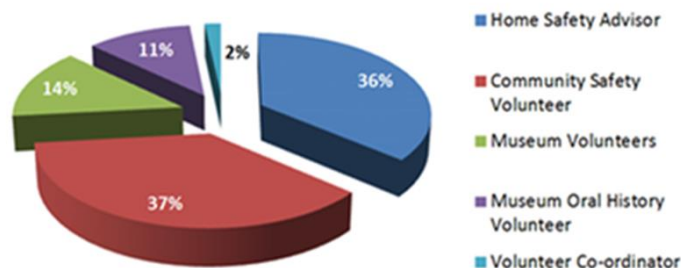
ECFRS visits commercial premises to check the fire risk assessment and fire prevention measures are appropriate. Fire Safety Officers help owner/occupiers understand the rules and how to comply with them. ECFRS can take action if we think their fire safety measures aren't adequate. For example, we might issue an informal notice suggesting safety measures. We could also give a formal (*Alteration, Enforcement or Prohibition*) fire safety notice. Minor penalties can be up to £5,000. Major penalties can have unlimited fines and up to 2 years in prison. ECFRS supports a number of other Fire Services with legal advice as SMB Member Roy Carter is a solicitor, firefighter and fire law expert.

The drive however is not to enforce but to support the creation of a safe space. This is usually best achieved in the timeliest way by working with the occupant, helping them understand their responsibilities and then offering advice on any solutions to fire risk.

In 2014 we visited approximately 3,100 premises and completed fire safety audits. We also consulted the Local Authority on approximately 4,000 new build schemes or alterations to premises. Of those audits about a quarter needed to improve fire safety standards in some way and we issued 11 enforcement and 15 prohibition notices

VOLUNTEERS

ECFRS Volunteer Service began to see significant returns on investment in 2014/15, with volunteers supporting all work streams in safer and Resilient Communities. The total number of hours donated in 2014/15 was 6,965. This is a 95% increase on the previous year (3570) and is equivalent to 995 working days, 4.2 full time posts. Volunteers support delivery of administration, home safety visits, crucial crew, roadster, firebreaks, flood alleviation and various other community safety events



COMMUNITY ENGAGEMENT TEAMS

In 2014/15 we started a new community engagement activity, which we called '**Targeted Interventions**'. We used our own data to identify which household types have most fires and matched them with a programme called Mosaic that uses 440 data elements and aggregates 141 person types into 67 household types. The outcome is that we can identify households that are most likely to have fires in the future – and so our operational crews knock on their door and offer them fire safety advice and a free home safety visit. This programme started in 2014/15 and has already visited over 12,000 households and made referrals for hundreds of full home safety visits.

After a significant fire a community engagement officer arranges an '**After Incident Response**' or AIR. ECFRS representatives (Crews, Fire Safety and Community Officers, Volunteers and Technical staff) visit premises that are local to the incident and talk to the owner/occupier about how they can protect themselves against a similar incident whilst the awful reality of the outcome is fresh in their mind. Approximately 300 AIRs were delivered between 2014/15.

We not only carry out fire investigations to determine the cause of a fire starting, but have started to carry out **Community Safety Investigations** to determine the circumstances that

allowed the fire start. The aim of the investigation is to determine whether the fire was preventable and if so why we have not, and then what we might need to do differently.

The Service's **Monthly Media Campaigns** focus on a range of subjects throughout the year which are aligned to the Chief Fire Officers Association national campaigns. There have been some exciting methods of delivery, created by the services media team. Below is an example of one of the kitchen fire campaigns:

There is always a strong focus on the danger of cooking fires and distraction in the kitchen. Last year 56% of Essex house fires started in the kitchen and cooking was responsible for five fires a week; making cooking fires the single most common cause of house fires in the county. Leaflets are distributed to crews and community engagement teams to support local activities, along with a full social media campaign which shares the messages with a further 18,000 people who subscribe to the Service's feeds.



The community engagement team devise, co-ordinate and attend about 750 **Community Based Events** annually. These community safety officers are regarded by our partners 'as the first port of call' when events are in the planning stage, and the seven community safety officers attend a whole range on community groups throughout the week. In addition the Community Safety Officers are able to support and assist station based personnel to deliver their own events as well as initiatives that are designed to address local trends or issues in the stations local area.

Delivering Differently in Neighbourhoods is a project started in 2014 that is driven from a desire to understand the potential for Essex's communities to play a more active role in helping to prevent Accidental Dwelling Fires (ADFs) across the county. A review of ECFRS Strategic Assessment of Risk (SAOR) document revealed that whilst a great deal of work was going on to support local communities there was more could be done to explore the potential for closer working and greater participation of community groups in the prevention of fire risks. What we have found from the community and organisations so far is a genuine appetite to work more closely with the fire service; we have also recognised that for the fire service to have a greater impact on the community this will require a cultural shift and change of emphasis from response to prevention. We are currently piloting work in four areas of Southend (St. Lukes), Harlow (Staple Tye), Thurrock (Purfleet) and Basildon (Vange).

Our Community Engagement Teams are supporting a number of **Partners Agendas**, a small number of examples are 'Prevent', 'Human Trafficking', 'Crime Prevention' and 'Winter Warmers'.

CHILDREN AND YOUNG PEOPLE

In 2014/15 522 participants attended 64 **Firebreak** courses, a 237% increase from the 27 Firebreak courses held during 2013/14. (*A further 4 courses were cancelled due to industrial action*). ECFRS works with many partner agencies to deliver these courses, including several Essex schools, councils, youth offending services, Extra 21, Little Havens and the office of the police and crime commissioner. Two significant contracts were delivered in 2014/15 – one with the Department of Work and Pensions for 8 Firebreak courses and one with Essex Council's Family Solutions for a further 16 courses.

Progress reports for each student are completed by their teachers three and six months after the course concludes. The reports for 2014/15 show very positive improvements in key areas.

Approximately 45% of students are said to have improved their attitude to their peers as well as their attitude to staff. Just 5% were reported to have deteriorated in this respect. Substantial improvements in attendance, punctuality, and motivation in lessons were also noted. Partner agencies have reported success for many 2014/15 Firebreak students. Several courses were funded by the Essex Police and Crime Commissioner, all currently reporting that 100% of participants have not currently reoffended and a 100% compliance rate with referral orders. Working alongside the Probation Service and Youth Offending Service, these Firebreak courses have helped their participants to greatly exceed national expectations for reoffending – 35.8% for young offenders¹. The DWP has also reported positive outcomes for the long term unemployed participants of their first Firebreak. One student has secured a car mechanic apprenticeship and another has found a job working on the rail network. Others have found places on training courses and several are completing work placements. All 12 are said to be meeting the criteria by which the DWP evaluate the success of the course – they are taking positive steps to gain employment.

Our **Fire Cadets** scheme is designed to take young people and impart motivational and team building skills using the Fire Service ethos. The course involves many of the skills and techniques used by operational firefighters, such as hose running, ladder pitching, using breathing apparatus, search and rescue, team building exercises, and first aid. Cadets will be taught the importance of teamwork, communication and community engagement. The first course was held in Clacton in 2013/14, part funded by the Tendring Community Safety Partnership. Another 4 squads have been established in 2014/15.

Fire Cadets have the opportunity to earn the Duke of Edinburgh award - Bronze, Silver, or Gold - and also to earn the BTEC Level 2 "Fire and Rescue Service in the Community" award/certificate. These are nationally recognised award schemes and will be of benefit to the student in his or her future life. The Clacton Fire Cadets were recognised in 2014 by the Essex Police and Crime Commissioner, Nick Alston, for their "outstanding contribution to community safety."

We have an extensive and inclusive **Education Programme** that delivers classroom-based fire safety awareness programmes to young people in Essex. The aim of the team is to help reduce the number of accidental dwelling fires and incidents of arson and hoax calls among young people. The Education team now cover all year 3, year 7 and year 8 children in the County: approximately 2000 classes (60,000 children). The Education Team instructed 117,147 children across the county between April 2014 and March 2015, a 13% increase on the previous year's performance.

The Education team now offer a pedestrian safety programme to all year 7 groups in the county. This was previously only delivered in Basildon, Braintree and Southend.

The two programmes that achieved the greatest increase in audience numbers were:

- Making a Safer Journey (RTC) – year 7. A 480% increase.
- Home Fire Safety programme – year 8. A 933% increase.

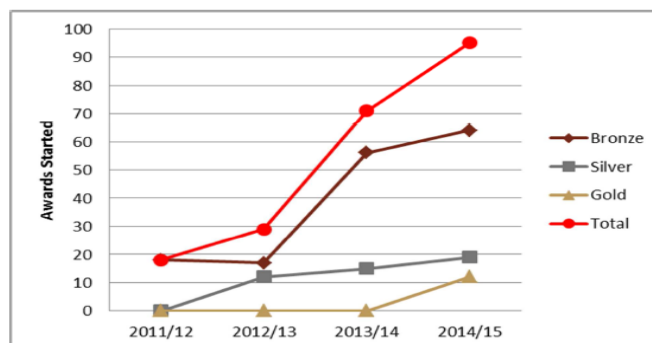
¹ Based on 2011/12 figures for England and Wales, released by Ministry of Justice in 2014 (most recent available). The report shows that 35.8% of young offenders reoffend within a year. This figure is far higher at 69.3% for young offenders who have been released from custody.

Both of these programmes were trialled and rolled out across the county in 2013/2014. The feedback from schools has been very positive and this has led to a big uptake in requests for both programmes. Additional programmes have been developed and reviewed by Roehampton University, to cover requests for year groups outside of the Education Team's core remit.

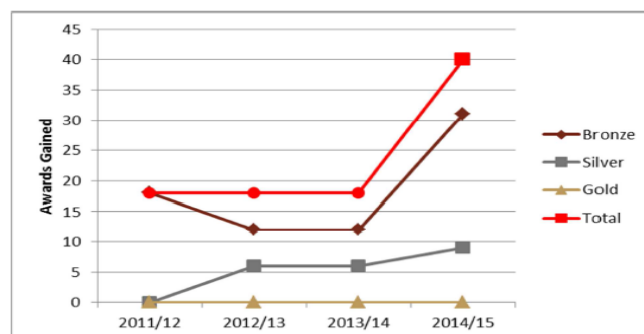
Through the **Juvenile Firesetter Scheme (JFS)** ECFRS engages with young people aged between three and seventeen years old to modify their fire setting behaviour. 100 JFS referrals made between April 2014 and March 2015. 20% cases did not complete because parents would not respond to phone calls / letters or refused the JFS service. 8 child safeguarding referrals were made (linked to JFS cases). 11% of JFS cases received between April 2014 – March 2015 were re-referrals from previous interventions (dating back 5 years).

Duke of Edinburgh Awards (DofE) - Local (ECFRS) The graphs to the right do not take into account students progressing to the next level, or those that are awaiting results. The graphs show the number of live accounts on ECFRS electronic DofE account :

Total – 128 participants.



Duke of Edinburgh Awards (DofE) - National (CFOA) – ECFRS has been selected to be the National Centre of Excellence for Duke of Edinburgh Awards for the Fire Service nationally; which forms part of the National Fire Cadet Framework. ECFRS will be responsible for the training of staff, compliance, registration, assessment, and verification of all DofE FRS' and their participants. The licence will be held by ECFRS for the next 3 years.



ROAD TRAFFIC COLLISION (RTC) REDUCTION

The RTC Reduction Department promotes road safety and seeks to reduce the number of people killed or seriously injured (KSI) on the roads of Essex as a result of RTCs. ECFRS has a range of products, initiatives and activities designed specifically to engage with and educate road users as to the risks and potential consequences associated with using the roads. In 2007 1,065 people were killed or seriously injured on the roads in Essex, in 2014 this fell by 30.6% to 740. The number of KSI remains unacceptably high and disappointingly between 2013 and 2014 the number of RTC KSI casualties increased by 7.4% overall.

ECFRS works alongside partners with responsibilities for road safety activities and is a key partner in the Essex Casualty Reduction Board and its new subsidiary the **Safer Essex Roads Partnership**.

FireBike is ECFRS's specialist motorcycle safety product through which we promote motorcycle safety. Motorcyclists remain the highest RTC KSI group in Essex. Motorcycles account for just 1% of the traffic on the roads of Essex, yet in 2014 were involved in 27% of all KSI collisions (an increase of 33.5% compared with 2013). The FireBikes attended 54 different

events in total and achieved 5,172 direct interactions with motorcyclists. FireBike 'Better Biking' Courses include a one-hour classroom session on motorcycle safety/roadcraft followed by a 4-hour observed ride on urban and rural roads to provide practical advice and guidance. The FireBike Advanced Machine is all about sharpening some key skills which, unfortunately, are rarely practiced but will help improve riding on the road and reduce the chances of a collision. 5 Advanced Machine Skills Courses were held in 2014 with 56 participants (compared with 3 courses and 32 participants in 2013).

Community Wheels is ECFRS's bespoke multi-media vehicle used to deliver road safety/RTC reduction messages to a wide audience. Community Wheels is well designed with SMART Board Technology, enabling mapped collision data to be displayed in great detail to the public and also has TV/DVD presentation facilities. It features a driving simulator fitted which is a popular and effective educational tool for use with young drivers in particular. In 2014 Community Wheels attended 153 Events in total and achieved 14,138 interactions with road users, compared with 136 events and 12,031 interactions in 2013, an increase on 12.5% and 17.5% respectively. 56 Community Wheels deployments were in direct support of partnership events. RTC KSIs involving young car drivers fell by 58.3% in 2013 compared with 2007. Between 2012 and 2013 they fell by 29.3%. RTC KSI's involving children and young people fell by 64.6% in 2013 compared with 2007. Unfortunately however, 2014 saw an increase in young car driver KSIs of 12% when compared with 2013. Increases were experienced across all key road user groups in 2014.

The **Ford Driving Simulator** at Waltham Abbey Fire Station is a dedicated resource which is used to provide road safety education to young drivers and those about to start their driving careers. A Ford Fiesta car body with a state of the art driving simulator inside and panoramic projection screens create an experience so immersive that it is almost indistinguishable from driving an actual car. The simulator is used as part of a robust educational programme involving a classroom. In 2014 41 programmes were delivered using the Simulator, involving 738 young people.

Significant, and growing problems with street racing activities have been experienced in several locations around Essex. These activities present a risk not only to the drivers but also to others who often gather in significant numbers to spectate.

Fire Car is a new initiative by which ECFRS seeks to engage and educate young 'cruiser car' or 'performance car' drivers in Essex, and affect behaviours and RTC risk amongst that road user group. The Fire Car is a Ford Focus 2.0i ST3, donated by the Ford Motor Company. The vehicle is appropriately 'branded' to identify it as part of the Fire Service, with an RTC reduction theme closely aligned with that used for the Community Wheels vehicle. The Fire Car was donated by Ford in July 2014, and by the end of the year it had been deployed on 39 occasions in 82 different locations achieving 6,572 interactions with drivers and event spectators.

Essex Fire Museum continued to see significant development in 2014. Our Museum remains a key part of the Safer Communities strategy for delivering safety messages to at risk groups and shares a strategy with the Museum association – 'Museums Change lives'. 2014 saw the centenary of WW1, and Essex Fire Museum was at the centre of local activity and research. Partnered with Essex Records Office, "Now the Last Poppy has Fallen" project focused on the lives of individuals, families and communities during the First World War in Essex. It resulted in a touring exhibition reflecting on stories from the Essex home front, developed museum education sessions for Secondary school pupils, created reflective school performances and commissioned artists to produce performances relating to these stories.

Overall numbers are down from the previous year but we have seen a significant growth in Family and Group attendance which are the audiences we are targeting.

	2007	2008	2009	2010	2011	2012	2013	2014
Adult	36	42	40	4	327	258	290	190
Family	4	3	5	17	96	116	164	353
Group	20	40	52	77	31	221	427	626
School	60	131	36	118	261	251	830	510
Total	120	216	133	216	715	846	1711	1679

EVALUATION

The perennial challenge when evaluating prevention and protection activity is how you prove something didn't happen because of what you did or did happen in spite of what you did or might not have happened if you did something differently. It is generally recognised that there is no science driven solely by statistics but common sense and an art to the design of solutions or interventions. This does not mean that we don't and won't continue to evaluate our work; constantly looking for more accurate ways of directing our efforts and honing our approach to protect the population of Essex.

We have many, many project, methodology, case study, partner examples of success; where our actions and interactions have kept our communities safe. A few simple examples of current outcomes and evaluation include:

Our extensive and destructive (we dismantled the internal walls and ceilings) **fire investigation** of a significant fire in Basildon provided evidence for remedial work that includes the installation of sprinklers, wholesale re-wiring and fitting of fire proof external cladding across an estate. A subsequent fire has not spread, not caused significant damage and did not pose a life risk to residents.

We have completed a detailed **evaluation of our methodology for delivering 'Targeted Interventions'** (see page 2). The objectives of the evaluation were to:

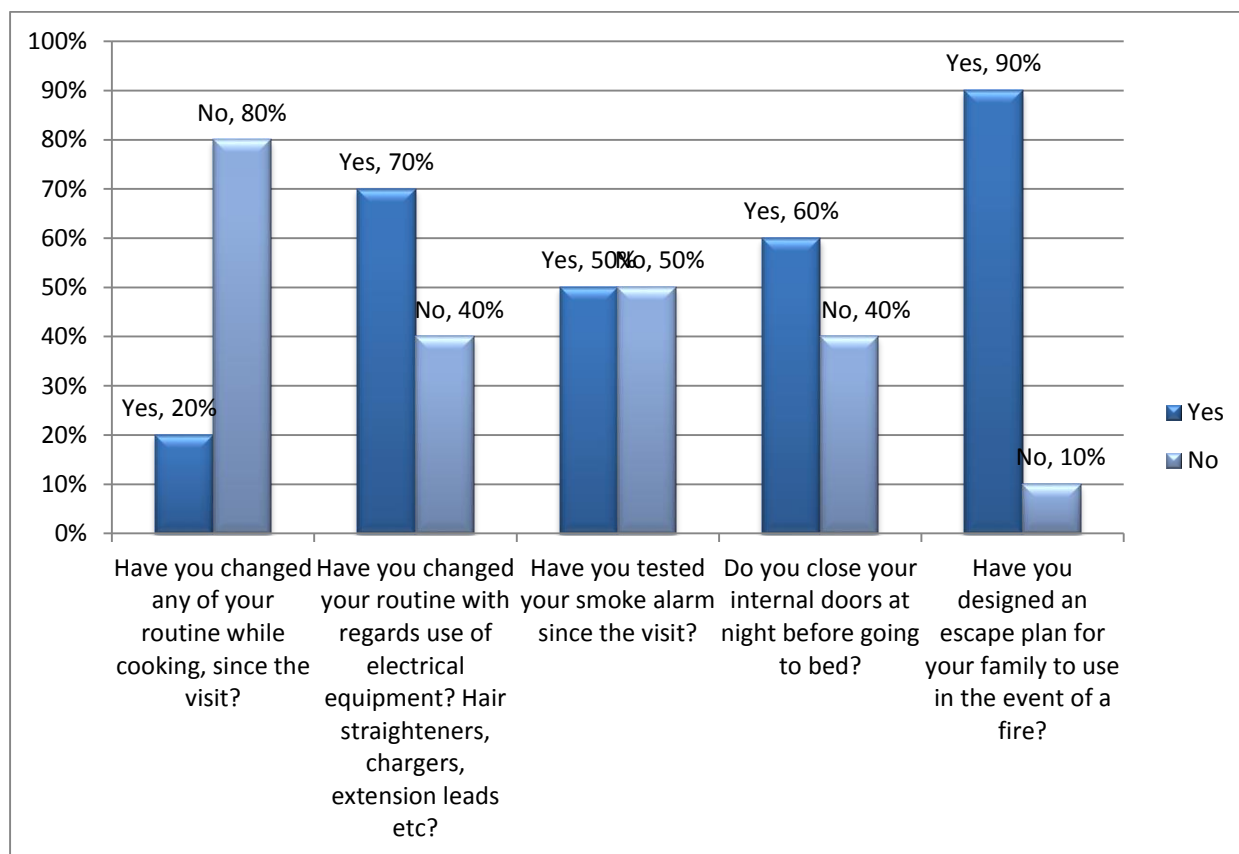
1. Examine the process and make recommendations on efficiency and effectiveness.
2. Capture data relating to smoke detector ownership in the area, and any links to ownership and behaviour.
3. Challenge and test assumptions made by Mosaic².
4. Include station personnel in a functional role and measure the impact on time / morale / motivation.
5. Test communication channels to prompt self-referral, including the use of short code text messaging.
6. Increase the number of Home Fire Safety Visit referrals from the area, specifically from the target group, and measure the timescales of visit after the request.
7. Measure the effectiveness of Home Fire Safety Visits in terms of message memory of key information, and subsequent behaviour after the visit.

² Mosaic is a segmentation tool which can be used at household level to identify whether householders of a particular 'Type', based on a variety of factors including economics, demographics, lifestyles and behaviours, vary in their risk of having an accidental fire in the home. Those most at risk, the 'Top 10', are selected from the Mosaic database for each ward and their addresses supplied to Community Safety for face to face interventions (door-knocking).

The conclusions and recommendations of the evaluation were:

- Targeted Interventions are successful in increasing referrals for HFSV, its impact on the target at risk group is less impressive than for non-target/risk addresses. Without previous evaluation of Targeted Interventions it is difficult to credit this success with the social marketing theories applied, however we can assume they contributed.
- An investment in the research into the target group, via focus groups, qualitative methods, testing etc, would give us a greater indication as to what the “competition” is in terms of adopting safer behaviour. How Mosaic target groups are engaged with may require a more creatively thought through approach to improve efficiency and effectiveness.
- Mosaic is a useful tool which if used effectively and consistently should dramatically enhance all Community Safety initiatives.
- Smoke detector ownership is very important but not a reflection of how safe the occupants are. An increased awareness of this would benefit both the public and staff.
- The messenger of the safety message is a key factor of the success of the programme. The brand of the Fire Service is vital in the success of the adoption of safety messages.
- Our publicity and communication channels may need more budget for messages to reach the target audience. A bigger budget media campaign including radio, TV, bus back, bus stop, may make it easier to “cut through” to the people we want to reach. The publicity could adopt a “Present and Prosper” type message which has been successful in public health campaigns. The focus on individual behaviour in the home and what people can do to make themselves safer should be included.
- An investment into a deeper analysis of message delivery and subsequent message memory post HFSV would reassure us that our interventions are offering the best possible outcome for families at risk.

An example of the type of information we gain from our evaluation is demonstrated from the question about residents behaviour after our ‘Home safety Visit’ that was generated from the ‘Targeted Intervention’ knock on the door,



We ran 64 Fire Break courses last year and have had extremely positive feedback from every single course. As an example of the type of **evaluation completed for Fire Break courses** the following case study comes directly from the outcomes identified by the Department for Working Pensions (DWP).

The aim of these Firebreak courses was to work with DWP and their customers to try and help them regain employment. The reason for this undertaking was to not only try and reduce the cost of unemployment to the taxpayer, but to also reduce the cost of the fire service to the tax payer. Mosaic profiling suggests that a person who is unemployed can be more at risk of fire in the home; this is due to the lifestyle they may lead, the time ratio that they would spend at home being higher than average, and their personal circumstance and wellbeing. By delivering the message of home safety we can aim to reduce the cost of the service to the tax payer.

Student 1 is a man in his thirties who has been unemployed for a number of years and at a point in his unemployment was living on the street before being housed by local authorities in Jaywick, Clacton. He was one of the more difficult student's to engage with due to his attitude towards authorities and general lifestyle and experience. He was open to the challenge of improving himself but his personal barriers at some points of the course got the better of him.

Initially Student 1 took part in the Firebreak course to:

- *Regain employment*
- *Improve self esteem*
- *Improve confidence*
- *Overcome personal life barriers*
- *Improve communication skills*
- *Become more disciplined*

Since completing the Firebreak course He has turned his life around and achieved his ambition of becoming self-employed in the gardening and landscaping trade. Whilst attending the Firebreak course he expressed his ambitions to be self-employed, but didn't feel he had the credentials for this. He felt the Firebreak course had given him "more knowledge on fire safety and a better understanding of disciplines needs to gain employment". The follow up sessions offered as part of the course also allowed him to gain an understanding of money management, drugs and substance misuse, behaviour management, and employment preparation.

The following table shows the total entitlements student 1 would have been able to claim whilst being unemployed. This is based on student 1 not having any special circumstances or dependants.

Entitlement	per year	per week	notes	how to apply?
Jobseeker's Allowance	£3,822.09	£73.10	Your entitlement is made up of £73.10 in income-based Jobseeker's Allowance.	How to apply for Jobseeker's Allowance
Council Tax Support	£678.04	£12.97	Your full Council Tax bill of £16.21 per week will be reduced to £3.24 per week because of your entitlement to Council Tax Support.	How to apply for Council Tax Support

Housing Benefit	£7,200.00	£138.46		How to apply for Housing Benefit
Total Entitlements	£11,700.13	£224.53		

Having entered self-employment following the Firebreak course and based on a year one wage of £12,000 for a 30 hour week, student 1 would be claiming £5683.70 less housing benefit than when he was unemployed.

**You could be £67.99
per week better off in work**

Income	per year	per week
Tax Credits	£2,536.48	£48.78
Council Tax Support	£0.00	£0.00
Housing Benefit	£1,516.30	£29.16
Client Earned Income (net)	£11,158.07	£214.58
Total:	£15,210.85	£292.52

*Estimation figures supplied by entitledto.co.uk

This is one example of a student completing our 6 week programme, but, since the completion of all four courses funded by the DWP, 18 individuals have gained employment, training or ceased claiming (with more figures still to come in from our last course). With the figures provided above, this is an average saving of **£250k a year** to the tax payer, just in relation to claimed benefits. It must be noted also, the economic benefit to these individuals now contributing back to society through tax they'll now be paying. Following an end of course assessment of the courses ECFRS completed in partnership with DWP, 96% of participants felt that we achieved the aims and objectives set out at the start of the Firebreak course.

We also have many **individual case studies** such as:

We have over the last eight months, been dealing with Pauline (*Name changed for this report*). Safeguarding referrals have been made on a number of occasions. Pauline is blind and elderly and was living in a caravan with no services provided. She calls the Fire Service and Police on a number of occasions throughout the year to report a number of different types of incident on the land. She has reported everything from anti-social behaviour and trespassers to attempted arson for which no evidence was ever found. Pauline mistrusts authority and is extremely difficult when she wants to be.

Pauline had a stand pipe at the top of the land where she would follow bits of string to find her way to retrieve water. The land was extremely hazardous even for someone without impaired vision. She would wear all the clothes she owned at the same time and share her caravan with her cat. Pauline was not the only inhabitants of the caravan as rats often crawled over her bedding. There was significant evidence with droppings a foul smell from the dwelling. Pauline used a bucket as a toilet at night, but during the day would go anywhere on the land.

We engaged a number of services including Social Services, Housing and the Police trying to resolve this issue. Pauline is stubborn and very wary of any assistance offered but the conditions in which she was living were not fit for purpose. Social Services tested her capacity and said that they would close the case as there was nothing they could do after speaking to her on the phone. One of our Community Engagement Officers arranged for all the services to

visit the land and the property. Local Authority Housing however, were extremely helpful through the whole process finding her a new flat after our shared visit

Pauline was re-housed and now attends all the events that the “very kind staff” (her words), put on. She has help 4 times a day, is very house proud keeping herself and her new flat very clean with the assistance of the staff. Pauline now visits the land but she enjoys returning home to her flat.

The work involved by the Community Safety team with Pauline has reduced calls to the Police and Fire Service by approximately 20 a year. More importantly Pauline is safe and her quality of life has been hugely improved by spending time with her, having contacts with support agencies and ensuring all parties worked together.

FINANCIAL IMPLICATIONS

There are no financial impacts as a result of this paper.

LEGAL IMPLICATIONS

There are no legal impacts arising as a result of this paper.

RISK MANAGEMENT IMPLICATIONS

There are no risks that change as a result of this paper.

USE OF RESOURCES

There are no resource impacts arising as a result of this paper.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985	
List of appendices attached to this paper:	
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