

ESSEX FIRE AUTHORITY

Essex County Fire & Rescue Service



MINUTES OF A MEETING OF THE ESSEX FIRE AUTHORITY AUDIT, GOVERNANCE AND REVIEW COMMITTEE HELD ON WEDNESDAY 7 OCTOBER 2015 AT 12.45 PM

Present:

Councillor J Knapman	Chairman
Councillor A Bayley	
Councillor G Butland	
Councillor C Guglielmi	
Councillor I Henderson	
Councillor P Honeywood	
Councillor M Hoy	
Councillor M McEwen	
Councillor J Moyies	
Councillor C Seagers	
Councillor A Turrell	
Councillor A Wood	

The following Officers were present in support throughout the meeting:

Dave Bill	Assistant Chief Fire Officer - Operations
Paul Hill	Assistant Chief Fire Officer – Safer and Resilient Communities
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)
Fiona Lancaster	Committee Officer

Apologies for absence were received from Councillors J Ware-Lane, M Coxshall, M Danvers, and Debbie Hanson and Martina Lee of Ernst & Young LLP (External Auditors).

1. Minutes

The minutes of the meeting held on 15 July 2015 were agreed as a correct record and signed by the Chairman.

2. Declarations of Interest

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

3. Audit Recommendation – Report on Progress Against Action Plans

The Committee considered report EFA/086/15 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. Items marked as completed in the previous quarter's report had been deleted from the table included with the report.

In presenting the report, the Finance Director and Treasurer advised that progress was being made in relation to getting signed agreement for each of the eight agreements on the Service's Partnership register, and that the outstanding work regarding employee taxes was now being pursued. He also reported that Andy Allsopp, Head of Communications and Marketing, Essex County Council, was currently overseeing the Fire Authority's work and helping to review the future requirements of the corporate team in the absence of a permanent Head of Corporate Communications.

Members noted that Business Continuity testing was ongoing and dates for future exercises would be incorporated into individual department Business Plans. A Risk Management review meeting was planned for later in the month to ensure progress against all internal audit recommendations was on track.

Resolved:

1. That the Director of Human Resources and Organisational Development would provide a further update on the recruitment plans for a new Head of Corporate Communications at the next meeting of the Committee on 20 January 2016.
2. That the progress made against the action plans developed by the Service in response to audit reports be noted.

4. Auditors Report on Accounts

The Committee considered report EFA/087/15 by Finance Director and Treasurer, which provided a summary of the findings from the 2014/15 audit, prepared by the External Auditors, Ernst and Young LLP.

Members noted the proposal to issue a qualified value for money conclusion in light of the weaknesses in arrangements for promoting and demonstrating the principles and values of good governance identified as part of the independent cultural review.

The report was otherwise noted.

5. Internal Audit Progress Report 2015

The Committee considered report EFA/088/15 by the Finance Director and Treasurer, which provided an update on progress against the internal audit action plan.

In commenting on the report, Daniel Harris of Baker Tilly advised that as a result of three audits being delayed following requests by management for changes to fieldwork dates, the reports on ICT, Workforce Planning/Utilisation and Data Retention would be presented to the next meeting of the Committee on 20 January 2016.

Members noted that no issues of concern had been identified from the fieldwork carried out to date which were likely to result in a qualified or negative annual opinion.

The report was otherwise noted.

6. Investment Policy and Use of Reserves

The Committee considered a report EFA/089/15 by the Finance Director and Treasurer on the Authority's cash and reserves position, and on the policy in respect of investment, cash holdings and reserves.

In considering the report, Members noted:

- That the rules concerning borrowings from the Public Works Loan Board (PWLB) meant that there would be no financial benefit for early repayments on loans, as the full amount of interest due until the end of the loan period would have to be paid. Interest rates were set on the date loans were taken out.
- No new loans had been entered into since March 2010 as the Authority had sufficient cash balances to fund its level of capital expenditure.
- That the CCLA Property Fund could be used for longer term investments.
- That the Authority was still waiting for a decision by central government in respect of amounts due to the government for pension injury payments. A provision of £13.3m had been made for this. The Authority did not anticipate being charged interest costs as a result of the government's delay of a decision.
- It was forecast that £2.7m of cash would be needed to fund the planned level of capital spending in the current year.
- There would be a repayment of £4m of PWLB loans in January 2016.
- The forecast cash position had been reduced to £3.5m by the year end.
- Proposals for the 2020 programme might need to be financed by cash, in which case it was likely that the Authority would need to borrow money to fund the capital programme.
- There was no specific reserve allocated for redundancy costs as the Authority's policy (adopted in 2010) was not to make compulsory redundancies.

The Committee thanked the Finance Director and Treasurer for answering the questions raised previously regarding the treatment of investment, cash holdings and reserves. In the light of the information provided, it was agreed that the existing policy should remain unchanged for the time being.

Resolved:

That no changes be made to the Authority's policy in respect of investment, cash holdings and reserves.

7. Budget Review – August 2015

The Committee considered report EFA/090/15 by the Finance Director and Treasurer which reported on expenditure against budget as at 31 August 2015, and which reviewed the forecast outturn for 2015/16 and reported on the approval of some significant budget virements.

In introducing the report, the Finance Director and Treasurer highlighted the underspend for whole time fire-fighter employment costs due to the reduction in employer contributions to the pension scheme. Payments for on-call firefighters were over budget, and the industrial action in June and August accounted for the additional resilience costs.

In considering the report, Members noted:

- That the current forecast projected a small underspend of £28k for the year, although continuing industrial action was likely to prevent this being achieved.
- That the Policy and Strategy Committee had formally approved the budget virements on 23 September 2015.
- That capital expenditure was on target and new appliances were now being delivered.
- That improvements had been made to the on-call firefighter's recruitment process.
- That there were accepted mechanisms in place for proper consultations with staff and Unions, and channels existed to allow for challenges to data.

Resolved:

1. That the review of income and expenditure against the budget be noted.
2. That the forecast position for 2015/16 be noted.
3. That the budget virements summarised in the paper be noted.
4. That the actual position with capital expenditure be noted.
5. That further details regarding the overspend on Support Staff (refer page 2 of report EAF/090/15) be provided in future reports.

8. Organisational Performance Reporting

The Committee considered report EFA/091/15 by the Director of Human Resources and Organisational Development which provided an update on the Service's Performance for the period September 2014 to August 2015.

The Members noted the annual measures which were not included in the update, as well as those measures still under development and subject to the confirmation of the 2020 programme.

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

- The Committee discussed the current position with regard to the mobilising system, including the impact on the morale and productivity of Control Room staff. It was noted that a review of the 12 hour shift pattern would be carried out in January 2016, and it was anticipated that the new mobilising system would also go 'live' in that month, the exact date to be determined based on feedback from staff, following a period of rigorous testing.

- Members noted that as a result of the summer holiday peak leave period and industrial action days, total appliance availability was below target.
- The Committee noted that all managers had been reminded to complete annual staff appraisals by the end of October. Although the process was not onerous, feedback had indicated that more simplicity was needed for the electronic forms. Ongoing appraisal training was available so that there could be a move away from focusing on quantity completed rather than quality.
- Sickiness levels were benchmarked against a range of other fire authorities and targets set accordingly. A new attendance policy was due to be implemented, and it was hoped that a move to a less punitive approach would improve the experience for staff, with an associated positive impact on attendance rates. Members noted that opportunities to work differently and to undertake modified duties were available to those who were temporarily unable to perform their usual roles.
- In considering the Performance Summary on page 3 of Appendix 1 to the report, Members noted that performance was not currently being measured against 'Family'.

Following lengthy discussion on the reasons for the below target performance levels and how improvements could be made, the report was noted.

9. Safer and Resilient Communities Update

The Committee considered report EFA/092/15 by the Assistant Chief Fire Officer – Safer and Resilient Communities, Paul Hill, which provided a detailed update on the Authority's Safer and Resilient Community activity in 2014/15.

During a presentation of the highlights, the Members noted that additional funding had been awarded in relation to Firebreak courses as a result of the positive outcomes achieved, and that the Authority had been selected to be the National Centre of Excellence for Duke of Edinburgh Awards for the Fire Service nationally.

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

- The Assistant Chief Fire Officer – Safer and Resilient Communities has responsibility for safeguarding matters, and regularly delivers presentations and briefings. Self-assessments and investigations were being carried out, although the Authority did not have a statutory obligation to do this.
- There was evidence to suggest that overnight charging of e-cigarettes could cause fires.
- The Authority works with Age UK Essex, local authorities, and private companies to offer fire safety courses, as well as providing more practical support to those residents aged 65 years and over. Budget pools with these organisations could be beneficial.

Members commended ACFO Paul Hill and his team for the wide range of activities and achievements of the past year, helping to reduce the level of incidents across the county.

The report was noted.

10. Date of Next Meeting

Members noted that the next meeting of the Committee would take place on Wednesday 20 January 2016 at 10.00 am.

The meeting closed at 2.30 pm.

Signed.....

Chairman
20 January 2016