



## **Minutes of the meeting of the Essex Fire Audit, Governance & Review Committee, held on Wednesday, 12 July 2017**

### **Present:**

Councillor A Turrell	Chairman
Councillor A Watkins	Vice-Chairman
Councillor F Evans	
Councillor M Garnett	
Councillor I Henderson	
Councillor P Honeywood	
Councillor J Lumley	
Councillor B Massey	
Councillor J Moran	
Councillor W Schmitt*	
Councillor R Woodley	

\*For part of the meeting only

The following Officers were present in support throughout the meeting:

Adam Eckley	Acting Chief Fire Officer and Acting Chief Executive
Mike Clayton	Finance Director and Treasurer
Dave Bill	Director of Prevention, Protection and Response
Mark Stagg	Director of Transformation
Lucy Clayton	Performance Analyst
Shirley Jarlett	Clerk and Monitoring Officer to Essex Fire Authority
Suzanne Lane	RSM UK (Internal Auditors)
Anand Mistry	RSM UK (Internal Auditors)
Judith Dignum	Committee Services Manager (Essex County Council)

### **1 Apologies for Absence**

Apologies for absence were received on behalf of Councillors J Beavis, M

Hardware, R Pratt and K Smith.

## **2 Declarations of Interest**

Councillor R Woodley declared a Code Interest in Agenda Item 8 (Update on Public Sector Auditor Appointments) in that he is Deputy Chair of the LGA Improvement and Innovation Board (minute 8 below refers).

## **3 Minutes**

The minutes of the meeting held on 19 April 2017 were approved as a correct record and signed by the Chairman.

## **4 Budget Review May 2017**

The Committee considered report EFA/086/17 by the Finance Director and Treasurer which detailed expenditure against budget as at 31st May 2017 and identified and commented on major budget variations. In addition, the report included key indicators that acted as lead indicators for expenditure across the Authority.

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

- The underspend on whole time firefighters related to the actual average headcount being consistently below budget. Budgetary provision had been made for additional shift working but the agreement in respect of this had not yet been implemented (although it was due shortly).
- In future, and to assist with budget planning, all support service posts would be classified as 'Service Delivery' or 'Project' regardless of whether they were budgeted or filled by employees on Green Book or Grey Book conditions of service. This would take account of the number of roles that could be carried out by staff on either set of conditions, and ensure that any change of role from one set of conditions to another would not be seen as an increase in support staff numbers. The aim of this change was to provide greater clarity.
- Exit interviews were offered to all staff leaving the service, including retirees. At present, no particular trends could be identified from the reasons given for deciding to leave. For on-call firefighters, the decision was often related to a change in personal circumstances leading to less time available for duty. The earning capacity at individual fire stations was also a factor, with those experiencing higher numbers of incidents proving more popular.
- Some retirees opted to become on-call firefighters, and this was an important means of retaining experience within the service.
- Workforce planning took account of the numbers of firefighters with sufficient years service to make them eligible for retirement.
- It was confirmed that measures would be taken to manage the overspend in respect of support services, and that this would not involve the virement of funds from the budget for on-call firefighters.
- Information concerning on-call firefighter numbers, headcount targets and availability per station was available and would be provided to Members of the Committee.

- There were currently no arrangements in place for mixed crewing of appliances.

**Resolved:**

That the following be noted:

1. The position on income and expenditure at 31 May 2017 compared to the budget approved by Members.
2. The capital expenditure against budget for the period 31 May 2017.
3. The amendment to the support staff headcount numbers to reflect the additional posts in community safety and other departmental changes.
4. The approach to be adopted to provide greater clarity in roles for budget monitoring purposes going forward.

**5 Audit Recommendation - Report on Progress Against Action Plans**

The Committee considered report EFA/087/17 by the Finance Director and Treasurer which outlined progress against the action plans developed by the Service in response to audit reports. Items reported as completed in the previous quarter's report were not included.

**Resolved:**

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

**6 Audit Reports**

The Committee considered report EFA/088/17 by the Finance Director and Treasurer which provided for review the following four draft internal audit reports:

- Business Continuity
- Follow Up review
- Annual Report
- HR Transactions Follow Up

Suzanne Lane of RSM UK presented the reports and highlighted the main issues.

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

- The 82% staff turnover rate within HR had been challenging. However, all vacant posts had now been filled and a stable structure was in place.
- It was acknowledged that progress on performance was much poorer than usual, possibly as a result of the high level of staff turnover within HR. Once the Follow Up Review report had been finalised, a recommendation tracker would be introduced to maintain the visibility of outstanding actions and ensure that they were addressed.
- Appropriate controls were now in place with regard to approval of overtime,

and for the recruitment of temporary staff. It was not always possible for overtime to be approved in advance - for example, where operational crews were attending an incident.

- The finding of 'No Assurance' in relation to HR Training and Development related to record keeping rather than to delivery of training. This was being addressed by replacement of the existing HR system, and interim measures were now in place.
- As this was likely to be the last meeting of the Committee prior to the transfer of responsibility for the Service to the Police and Crime Commissioner, it was agreed that a single report bringing together all outstanding internal audit reports and recommendations should be submitted to the meeting of Essex Fire Authority on 6 September 2017.

### **Resolved**

1. That the report be noted.
2. That a report bringing together all outstanding internal audit reports and recommendations be submitted to the meeting of Essex Fire Authority on 6 September 2017.

### **7 2017-18 Essex Fire Authority Annual Fee Letter**

The Committee received the Annual Fee Letter from the Authority's External Auditors, Ernst and Young, for the year 2017/18. This confirmed the audit work proposed for the 2017/18 financial year and set out the indicative audit fee.

The Letter and its contents were **noted**.

### **8 Update on Public Sector Auditor Appointments**

Councillor R Woodley declared a Code Interest in this item, minute 2 above refers.

The Committee received an update on Public Sector Auditor Appointments (PSAA), attached as an appendix to report EFA/090/17 by the Finance Director and Treasurer. In presenting the report, the Finance Director and Treasurer advised that the Essex Police and Crime Commissioner had elected not to opt in to PSAA and would instead make local arrangements.

Councillor Woodley commented that, from his experience as Deputy Chair of the LGA Improvement and Innovation Board, he was aware that a number of opted-in Authorities had experienced a reduction in audit fees in comparison with their previous arrangements.

The report was **noted**.

### **9 Treasury Management Strategy**

The Committee received report EFA/091/17 by the Finance Director and Treasurer which brought forward a review of the Authority's performance in 2016/17 against the treasury management and capital financing indicators agreed

by the Authority in February 2016. The indicators were intended to demonstrate that capital investment plans were affordable and that consequential borrowing would be based upon sound treasury management strategy.

**Resolved:**

That the following be noted:

1. The Treasury Management outturn position for 2016/17; and
2. Performance against the capital financing indicators for 2016/17.

**10 General Data Protection Regulation**

The Committee received information concerning preparations for the introduction of the General Data Protection Regulations in May 2018, as set out in report EFA/092/17 by the Finance Director and Treasurer.

The following comments and questions arose from Members' consideration of the report:

- Councillor Schmitt congratulated Officers on the clear action plan in place to ensure compliance with the Regulations in time for their implementation in May 2018.
- The review by the Information Governance Team at Essex County Council had been carried out with a view to understanding what was needed to achieve compliance, and prior to any specific work towards this being undertaken by the Authority. The number of action points identified was therefore in line with expectations.
- The Committee was reassured that the Authority was fully compliant with existing information governance requirements, and that the deadline for completion of the actions to achieve compliance with the new framework was achievable. Time would be built into the process for a further review by Internal Audit in advance of the implementation of the Regulations, to allow for the resolution of any final issues.

The report was **noted**.

Councillor W Schmitt left the meeting.

**11 Joint Governance of Police and Fire & Rescue in Essex - Transition Update**

The Committee received an update on the progress towards implementing the proposed joint governance of Police and Fire and Rescue Services in Essex, as set out in report EFA/093/17 by the Acting Chief Fire Officer. The Police and Fire Governance Transition Programme Manager (Office of the Police and Crime Commissioner) was in attendance to answer Members' questions.

The following points arose from Members' consideration of the report:

- The Home Secretary's response following submission of the Local Business Case was expected imminently.
- Concern was expressed at the potential loss of Member knowledge about fire and rescue matters arising from the abolition of the Fire Authority. Members noted that they should raise this issue with their respective authorities, who had the ability to address it when agreeing their appointments to the new Police, Crime and Fire Panel.
- In response to concerns regarding a potential loss of transparency, the Police and Fire Governance Transition Programme Manager advised that the Police and Crime Commissioner had put in place robust processes with regard to governance, including scrutiny and challenge, and called on expert advice as required when making decisions. Records of decisions taken were published on the Essex Police and Crime Commissioner website. These practices would continue were the Local Business Case to be approved. Members of the Authority were due to meet with the Commissioner in the near future, and could take the opportunity on that occasion to raise with him their suggestion that, in common with many other Scrutiny Committees, the Police, Crime and Fire Panel should be chaired by a member of a political party other than that of the Commissioner.
- Members were reminded that, following the transfer of responsibility for fire and rescue to the Police and Crime Commissioner, their role would be limited to that of strategic scrutiny as part of the Police, Crime and Fire Panel, for which democratic support was provided by Essex County Council. The governance arrangements associated with the Police and Crime Commissioner continued to require the statutory roles of S151 Officer and Monitoring Officer, but no decision had yet been taken as to whether these roles would be configured jointly or individually in respect of police and fire.
- Were the Local Business Case to be approved, separate precepts would continue to be levied in respect of police and fire. The law required the services to be treated as separate entities with distinct budgets.
- The Police and Crime Commissioner was confident that all the necessary arrangements could be completed in time to implement the proposed revised governance arrangements with effect from 1 October 2017.

**Resolved:**

That the following be noted:

1. The key transition activities which are planned to be undertaken to ensure a smooth transition to the new governance model (which is subject to the Home Secretary's approval of the Local Business Case).
2. Progress in delivering the transition activities.

**12 End of Year Performance Report**

The Committee received the ECFRS End of Year Performance Report for 2016/17, presented by the Director of Transformation together with Lucy Clayton, Performance Analyst. A number of updates, based on discussion at the meeting

of Essex Fire Authority on 28 June, were circulated.

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

- ECFRS supported the Police in responding to domestic violence by implementing fire safety measures such as smoke alarms and hinged letterboxes.
- Information concerning rates of Accidental Dwelling Fires in Tendring District would be made available.
- Work was underway to understand locations and trends associated with high risk of accidental dwelling fires. A variety of communication methods, including face to face, were used to ensure contact with all sections of the community, and local stations were also involved due to their detailed knowledge of the most vulnerable areas.
- Members welcomed the efforts that had been made to provide a smarter analysis of data than had been the case previously.
- The increase in chimney fires was likely to be associated with the growth in popularity of wood burners, and also with the impact of more favourable weather leading to less frequent use of chimneys.

The Committee wished Lucy Clayton well for her forthcoming period of maternity leave.

The report was **noted**.

### **13 Target Setting Presentation**

The Committee received a presentation by Lucy Clayton, Performance Analyst, regarding target setting for the year 2017/18.

Arising from the presentation, Members gave detailed consideration to the challenges inherent in setting performance standards based on appliance response times, particularly in relation to rural areas with heavy reliance on on-call firefighters. The issue had been considered as part of the work on the Integrated Risk Management Plan (IRMP), with the conclusion that the mixed provision model (now adopted) would allow for a more effective response in urban areas. The challenges associated with firefighter availability were acknowledged, and praise expressed for the outstanding level of commitment demonstrated by on-call firefighters.

The Director of Prevention, Protection and Response stated that he welcomed Members' input with regard to prevention and protection work, due in particular to their local knowledge. In response to comments from Councillors Massey and Garnett, he undertook to arrange for work to be carried out in their localities to allay residents' fears regarding perceived or actual changes to their local stations.

The Committee was pleased to note the high numbers of children and young people who engaged with the Service.

**Resolved**

That the proposed performance targets for Essex County Fire and Rescue Service in 2017/18 be noted as satisfactory.

**14 Date of Next Meeting**

Members noted that the next meeting of the Committee would take place on Wednesday 4 October 2017, subject to the implementation date of the proposed joint Police and Fire Service governance arrangements\*.

Acknowledging that this was likely to be the Committee's last meeting, the Chairman thanked officers for all the assistance they had provided to Members over the years, and for their helpful and responsive approach. The Acting Chief Fire Officer in turn thanked Members for their support and encouragement.

**\*Secretary's note**

Following approval of the Local Business Case by the Home Secretary on 25 July, the revised governance arrangements will come into effect on 1 October 2017

Signed.....  
(Chairman)

Date.....