



EAST SUSSEX FIRE AUTHORITY

Thursday, 6 December 2018 at 10:30 Hours

Members

East Sussex County Council (11)

Councillors Barnes, Dowling, Elford, Galley, Lambert, Osborne, Scott, Sheppard, Smith, Taylor and Tutt.

Brighton & Hove City Council (6)

Councillors Deane, Morris, O'Quinn, Peltzer Dunn, Penn and Theobald.

You are required to attend this meeting to be held at County Hall, St Annes Crescent, Lewes, BN7 1UE at 10:30 hours.

AGENDA

Item No.	Page No.	
62	1	Tribute & Minute's Silence The Fire Authority will pay tribute to and hold a minute's silence for Councillor Stuart Earl following his sad death on 18 October 2018
63	1	In relation to matters on the agenda, seek declarations of interest from Members, in accordance with the provisions of the Fire Authority's Code of Conduct for Members
64	1	Apologies for Absence
65	1	Notification of items which the Chairman considers urgent and proposes to take at the end of the agenda/Chairman's business items

(Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chairman before the start of the meeting. In so doing they must state the special circumstances which they consider justify the matter being considered urgently)

Item No.	Page No.	
66	2	To consider any public questions
67	2	To receive any petitions
68	3	<u>Non-confidential Minutes of the meeting held on 6 September 2018</u> (copy attached)
69	2	Callover
		<i>The Chairman will call the item numbers of the remaining items on the open agenda. Each item which is called by any Member shall be reserved for debate. The Chairman will then ask the Fire Authority to adopt without debate the recommendations and resolutions contained in the relevant reports for those items which have not been called</i>
70	13	<u>Provision of Monitoring Officer, Deputy Monitoring Officer & Legal Services – Report of the Chief Fire Officer</u> (copy attached)
71	17	<u>Collaboration Framework & Priorities (2018-2021) – Report of the Assistant Director Training & Assurance</u> (copy attached)
72	33	<u>Independent Review of Fire Authority Governance – Outcome Report – Report of the Chief Fire Officer</u> (copy attached)
73	2	Exclusion of the Press and Public
		<i>To consider whether, in view of the business to be transacted or the nature of the proceedings, the press and public should be excluded from the remainder of the meeting on the grounds that, if the public and press were present, there would be disclosure to them of exempt information.</i>
		<i>NOTE: Any item appearing in the confidential part of the Agenda states in its heading the category under which the information disclosed in the report is confidential and therefore not available to the public.</i>
74	71	<u>Confidential Minutes of the meeting held on 6 September 2018</u> (copy attached) (Exempt category under paragraph 3 of the Local Government Act 1972)
75	77	<u>HMICFRS Fire & Rescue Service Inspections Update – Information Letter from Her Majesty’s Inspector of Constabulary</u> (copy attached)

ABRAHAM GHEBRE-GHIORGHIS

**Monitoring Officer
East Sussex Fire Authority
c/o Brighton & Hove City Council**

EAST SUSSEX FIRE AUTHORITY

NON-CONFIDENTIAL Minutes of the meeting of the EAST SUSSEX FIRE AUTHORITY held at County Hall, St Anne's Crescent, Lewes BN7 1UE at 10:30 hours on Thursday, 6 September 2018.

Present: Councillors Barnes (Chairman), Dowling, Elford, Galley, Lambert, MacCafferty, Morris, Osborne, Peltzer Dunn, Penn, Sheppard, Smith and Taylor.

Also present:

D Whittaker (Chief Fire Officer), M O'Brien (Deputy Chief Fire Officer), M Andrews (Assistant Chief Fire Officer), A Ghebre-Ghiorghis (Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), L Ridley (Assistant Director Planning & Improvement), M Matthews (Assistant Director Safer Communities), H Scott-Youldon (Assistant Director Training & Assurance), V Chart (Assistant Director HR & OD), R Fowler (Assistant Director Operational Support & Resilience), L Woodley (Deputy Monitoring Officer), C George (Procurement Manager), E Curtis (Communications & Marketing Manager), L Stevenson (Contracts & Insurance Assistant), A Collins (Communications Officer), Huw Oxburgh (Press), E Simpkin (Democratic Services Officer), Z Downton (Democratic Services Officer) and A Blanshard (Senior Democratic Services Officer).

48 INTERESTS

48.1 It was noted that, in relation to matters on the agenda, no participating Member had any disclosable interest under the Fire Authority's Code of Conduct for Members.

49 APOLOGIES FOR ABSENCE

49.1 Apologies had been received from Councillors Deane, Earl, O'Quinn, Scott and Tutt.

50 URGENT ITEMS AND CHAIRMAN'S BUSINESS

50.1 The Chairman informed Members that East Sussex Fire & Rescue Service (ESFRS) had received an update from HM Inspector of Fire and Rescue Service on the HM Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspection regime. The key points of note were that:

- Tranche 1 of Fire and Rescue Service (FRS) Inspections were currently undergoing inspection fieldwork;
- Tranche 2 of the FRS were in the midst of data collection and discovery activity with inspections being undertaken in November and January.

50.2 ESFRS would be inspected in Tranche 3, commencing in Spring 2019. There was no date set, however officers were already working hard on preparing the service for inspection and working closely with HMICFRS on data submissions and other requirements.

51 TO CONSIDER PUBLIC QUESTIONS, IF ANY

51.1 There were none.

52 TO CONSIDER PUBLIC PETITIONS, IF ANY

52.1 There were none.

53 MINUTES OF THE MEETING HELD ON 14 JUNE 2018

53.1 **RESOLVED** – That the minutes of the meeting held on 14 June 2018 be approved and signed by the Chairman. (*Copy in Minute Book*)

54 CALLOVER

54.1 Members reserved the following items for debate:

55 Strategic Service Planning and Medium Term Financial Plan 2019/20

56 Provision of Insurance

57 2017/18 Annual Performance Outcome Report

58 Procurement Strategy

55 STRATEGIC SERVICE PLANNING AND MEDIUM TERM FINANCIAL PLAN 2019/20

55.1 The Fire Authority received the report of the Chief Fire Officer (CFO) and Assistant Director Resources/Treasurer (ADR/T) seeking to roll forward the Fire Authority's medium term service planning strategy and the medium term financial plan for 2019/20 to 2023/24. (*Copy in Minute Book*)

55.2 The report set the financial context for the service planning process, through an update to the Medium Term Finance Plan (MTFP) and determined how best to deliver the Authority's purpose and commitments, the Integrated Risk Management Plan (IRMP) and the targets and priorities that underpinned them. Closer alignment of business and resource planning was necessary to ensure the Authority could continue to deliver its corporate strategy and IRMP more effectively, this would continue for the 2019/20 budget setting process.

55.3 The ADR/T reminded the Authority that there remained uncertainty about the future of local government funding. There were ongoing consultations on the future funding arrangements but at this stage there was no certainty past the final year of the multi-year funding settlement, 2019/2020. Therefore, the last four years of the MTFP should be regarded as indicative at this stage. Much of the detail that was required to set the budget for 2019/20 and prepare the Authority's MTFP was unlikely to be available until January 2019.

- 55.4 The ADR/T explained that the revised MTFP models, following a balanced budget in 2019/20, forecast two scenarios: a probable and a worst case. The savings required under each were:
- Probable – savings required in 2020/21 of £0.360m increasing to £1.537m by 2023/24
 - Worst case – savings required in 2020/21 of 0.629m increasing to 2.424m by 2023/24
- 55.5 The ADR/T informed the Authority that this level of saving should be regarded as a minimum and that in order to fund additional investment in the service they would need to continue to drive through the service and budget planning process, identifying pressures and savings and cashable efficiencies sufficient to provide options to meet the probable scenario. This would enable the Authority to make informed choices about both balancing its budget over the medium term and delivering effective services once the position for 2020/21 was clearer.
- 55.6 Members were reminded that this report was outlining the very early stage of the budget setting process, there had been assumptions made in the forecasts about knowns and unknowns.
- 55.7 Members sought clarification on a number of points. At paragraph 3.24 of the report it stated that work on a new IRMP would commence in autumn 2019, including a full fire cover review, Members requested more information on what this would entail.
- 55.8 The CFO explained that a fire cover review was a significant piece of work that should be undertaken cyclically, every 5-8 years. It sat under the IRMP and assessed the level of resource required to meet changing risk in the communities we serve. During a review consideration would be made of community and risk profiles, historic incident attendance, fleet strategy and duty systems. A fire cover review was forward looking and considered growth estimates and anticipated changes in terms of risk. It would reflect change in business safety, categorisation of risk of premises, changes in demographic, road routing, and economic development.
- 55.9 The ADR/T explained that, as previously agreed by Members, the planned use of reserves would lead to a significant reduction in the overall level of reserves held over the next 5 years, as detailed in table 2 on page 24 of the agenda. The MTFP showed a forward view of the next 5 years. There was some degree of confidence in the next year, however, from 2020/21 the Authority would be entering a “perfect storm” with funding affected by the Comprehensive Spending Review (CSR), changes to business rates retention, from 50% to 75% and changes to formula by which funding was allocated across the fire sector (the Fairer Funding Review). The risk that FRS funding through the Business Rate Retention regime would be moved to a Home Officer Grant had lessened as this would require primary legislation which was unlikely in the short term.
- 55.10 The Authority asked, given the uncertainty surrounding government funding for Fire & Rescue Services, if ESFRS was lobbying for information on a national level.

The CFO responded that the Fire Authority were welcome to lobby, but that this would be a decision for Members to take. From an Officer perspective, ESFRS was actively involved in national funding discussions and consultations. The ADR/T was a member of the NFCC Finance Co-ordination Committee and the CFO was on the NFCC Financial Strategy Group who were actively submitting their thoughts and opinion on future funding, especially the CSR, to government. Members agreed that the Chairman should be requested to write to local MP's detailing the situation faced by FRS and ESFRS in particular asking for their support and agreement to lobby government for more detail on future FRS funding.

- 55.11 Members enquired as to whether ESFRS was conducting any contingency planning with regard to the UK's exit of the European Union. The CFO explained that Officers were working on national plans with colleagues at the NFCC. All plans were based on the government's current 70 statements. The ACFO added that the Sussex Resilience Forum was joining national discussions on technical notices. All plans were being made on assumptions made at a national level. These plans were based on perceived risks of a "No Deal" Brexit, with particular attention being paid to considered scenarios at ports.
- 55.12 In response to a Member question regarding the arrangements ESFRS had for external auditing of decisions and whether it had considered peer challenge, the CFO explained she was confident in the robustness of the Authority's general governance. ESFRS had been the first fire service in the country to have commissioned an independent governance review, the results of which would soon be ready. The results would be presented to a future Members Seminar and the findings considered and enacted. The CFO added that the Internal Audit function of ESFRS was independent as it was commissioned through ESCC. The audits conducted were thorough. Members could also take assurance from the work of external audit, conducted by EY the audit was extremely thorough and was presented directly to Members. The CFO added that there was a peer review of fire funding available, but that it had not yet been necessary to instigate. The HMICFRS inspection regime also included consideration of financial decision making, and ESFRS was due to be inspected in Spring 2019.
- 55.13 The ADR/T endorsed all the CFOs comments and added that work was being undertaken through the NFCC nationally to consider Fire Authority Reserves, submissions to the CSR, and debate on financial resilience. ESFRS endeavoured to provide full and transparent financial reporting through SLT, Policy & Resources Panel and the Full Fire Authority. The Authority was required to appoint a Treasurer in order to ensure that Members and Officers were provided with independent advice.
- 55.14 The Authority had been pragmatic about Council Tax by maintaining its base rate at the referendum threshold. It was also clear on specific savings and efficiencies, planned savings and the use of reserves. He agreed that the Authority would face challenges, but that it was currently in a relatively sound financial position. Members stated that they were impressed by the financial planning and that the Authority had been sensible with its approach to Council Tax precepts. They were clear that there was a marked difference between Combined Fire Authorities, such as ESFRS, and the County Council Fire Authorities. The current issues faced by

ESFRS were not a result of our processes and but more to do with external influences and issues.

55.15 **RESOLVED** – That the Fire Authority:

- i) approved the updated Medium Term Financial Plan for 2019/20 to 2023/24 and its underlying assumptions;
- ii) delegated authority to agree a submission of interest to join an East Sussex Business Rate Pilot to the Assistant Director Resources/Treasurer after consultation with the Chief Fire Officer and the Chairman; and
- iii) noted that an update on the Efficiency Strategy would be reported to the Policy & Resources Panel on 1 November 2018.

56 PROVISION OF INSURANCE

56.1 The Fire Authority received the Report of the Assistant Director Resources/Treasurer (ADR/T) presenting Members with a proposal for the Authority to join the Fire and Rescue Indemnity Company (FRIC), an entity formed by other Fire and Rescue Authorities to act as a pool for insurance purposes from 1 April 2019. (*Copy in Minute Book*)

56.2 The ADR/T explained that the Authority purchased insurance cover to meet its statutory requirements and mitigate risk. In the past this was arranged by tendering for services using an EU compliant process with the support of a broker. The current five year agreement would expire on 31 March 2019. After conducting an option appraisal, officers selected a collaborative approach through joining a FRIC, formed by other Fire and Rescue Authorities to act as a pool for insurance purposes. Under Pooling arrangements, all participating FRS would share the cost of establishing a pool fund from which any loss incurred by an individual member of the insurance pool would be met. The current arrangement was first established by nine FRS's in 2015 and a number of other fire authorities had either decided to join or were actively considering doing so.

56.3 Members were not adverse to the proposal and asked for clarity on any risk associated with the FRIC. The ADR/T confirmed that the Authority was naturally prudent on Insurance. It had taken time to consider the change to FRIC, and had waited to ensure lessons had been learned from previous enterprises. Membership of FRIC had been considered some years ago, but it had been decided to wait and track progress from outside of the pool during the early stages. It was not without risk, but equally there was no guarantee of the process being risk free with traditional Insurance companies. Currently the Insurance market did not have an offering that reflected the specific requirements of a FRS.

56.4 Members were informed that the FRIC, with its fire specific focus had developed a risk management assessment process. It had established and supported the Fire & Rescue Risk Group (FARRG) and as a result, the process was more specifically suited to the sector. It was anticipated the collaborative learning from FARRG should help reduce the frequency and severity of claims, this would not only save FRIC

money but also members operational and management time associated with incidents and related reputational impact.

- 56.5 The ADR/T added that the nine authorities currently in the FRIC had worked together to develop the risk management assessment process and sharing best practice, including benchmarking of risk management arrangements and a commitment to reach this standard. Support was provided to help FRIC members deliver the common risk management plan.
- 56.6 The Authority were concerned as to what would happen if ESFRS left the FRIC, the ADR/T confirmed that in this circumstance, the Service would simply return to the traditional method of purchasing insurance.
- 56.7 In response to a Member question, the ADR/T confirmed that there were some areas of activity that were not yet covered by FRIC, but these would be in place by November 2018. Any that were not included, ESFRS would arrange cover for in the traditional way. The ADR/T was content it was possible to replicate the current cover arrangements through FRIC, with the additional benefit of improved reporting and collective risk management.
- 56.8 The CFO added that once agreement was given by the Authority, FRIC would assess the Service to ensure that it met the criteria for membership, the ADR/T would ensure that Members were kept informed of the process.
- 56.9 **RESOLVED** – That the Authority agreed:
- 1 the Authority's participation in pooling arrangement and that the Authority become a full member of the Company and authorised the Assistant Director Resources/Treasurer and the Monitoring Officer to take all necessary steps to achieve this;
 - 2 that the Authority utilise the pooling arrangement for its corporate property, liability, motor and other miscellaneous insurance requirements for a minimum period of three years through FRIC with effect from 1 April 2019;
 - 3 to participate in a financial guarantee for supplementary premiums should claims against the pool exceed the funding available and authorised the Assistant Director Resources/Treasurer to take all necessary steps to achieve this;
 - 4 that officers may serve as Directors of the pooling entity and that the Assistant Director Resources/Treasurer or their nominee be empowered to represent the Authority's interests at any formal meetings of FRIC and to vote on its behalf if necessary;
 - 5 the existing Insurance Reserve of £249,000 be used to manage the risks and opportunities identified; and
 - 6 to waive the Authority's existing procurement rules that would require competing bids for the provision of insurance services to allow for the provision of cover for losses through the pooling company.

57 2017/18 ANNUAL PERFORMANCE OUTCOME REPORT

- 57.1 The Fire Authority considered the Report of the Assistant Director Planning & Improvement (ADP&I) which presented the annual performance results for 2017/18. (*Copy in Minute Book*)
- 57.2 The Report provided Members with details of ESFRS's performance for the period April 2017 to March 2018. The report provided a comparison against last year's performance, whether or not the target was achieved, and whether it had improved, stayed the same or declined from last year. Ten top level indicators improved or met the target set in 2017/18 (50%) and ten indicators declined.
- 57.3 Members found the report thorough and felt it showed good progress. They were keen to see the impact the new Business Intelligence System would have on the report in the future. It showed the Fire Authority was considering the right priorities, though there were some concerns that there seemed to be a dramatic variation across local authority areas and Members were keen to be given more detail on this.
- 57.4 The CFO explained that, following agreement from the Fire Authority, the performance indicators had been remodelled and reduced to better align with the FAs priority areas. When the detail of the HMICFRS datasets was known then they would be further aligned in time for reporting, it was proposed that a national website be created to contain Fire & Rescue Service data, similar to that currently used by Police Services. This raised some concerns as currently there were no national targets, only local defined performance indicators.
- 57.5 Members were informed that Rother was a particular area of focus with regard to the 18% increase in primary fires from the previous year, including an increase of 64% in deliberate primary fires. The number of secondary fires directly related to the demographic of the area. Nationally, East Sussex has the highest population of elderly people, this of course has a bearing on the ESFRS figures. The CFO was pleased with the targeted, integrated work that was being undertaken across the service to address this.
- 57.6 The Assistant Director Safer Communities (ADSC) added context to the primary fire figures for Rother Borough. The increase of 64% equated to 9 incidents, of these it was noted that 3 related to fire setting of toilet roll holders in public toilets. Following these incidents work had been undertaken with young people and the replacements made by the toilet owners were changed to metal. Also included in this figure were car fires and grass fires. Members were reassured that after every deliberate fire each incident was forensically assessed.
- 57.7 The ACFO informed the Authority that accidental dwelling fires had been a priority area for the service for a number of years. These had reduced by 38% from 2000/01, the figure of 499 recorded for 2017/18 was the lowest number of accidental dwelling fires recorded over the last 18 years.
- 57.8 Members were interested to know whether attendance times, agreed by the Authority in June 2018, would be monitored in future annual performance

reporting. The CFO confirmed that attendance times were regularly scrutinised and were now likely to be scrutinised nationally as part of the HMICFRS inspection regime. The lack of national standards made comparative analysis complex as the standards were all set locally.

57.9 In response to a Member question, the CFO addressed the matter of false alarms. There was an assumption that nuisance calls and false alarms were always a nuisance. Fire Services had a far lower percentage of nuisance calls than the volume received by the Police and Ambulance Services. Suspected nuisance calls were all challenged at the Sussex Control Centre, and some of these calls turned out to be near misses. The result of some false alarm turn outs was the discovery of poorly maintained alarm systems. ESFRS tackled issues at every single premises with staff, owners and residents were spoken to and improvements and changes discussed.

57.10 **RESOLVED** – That the Fire Authority:

- 1 considered the performance results and progress towards achieving the Service's purpose and commitments; and
- 2 considered the performance results and remedial actions that have been taken to address areas of underperformance in the Fire Authority's priority areas.

58 **PROCUREMENT STRATEGY**

58.1 The Fire Authority considered the Report of the Procurement Manager (PM) which presented the Authority with the new Procurement Strategy for the period 2018-2020 for approval. (*Copy in Minute Book*)

58.2 Members were reminded that the Authority faced many challenges both internal and external. Procurement must modernise in terms of its scope, use of technology, procedures and practices in order to meet them. The Procurement Strategy intended to widen the scope of Procurement within ESFRS and continue the transition from tactical/transactional function to strategic leadership.

58.3 The strategy had been designed to maximise the impact of procurement, there was a greater drive for reform and modernisation coming from such quarters as the Home Secretary and Ministers for Policing and Fire. Efficiency was a significant part of the Home Office Reform programme and the HMICFRS inspection regime was focussed on procurement as part of its wider assessment of efficiency and effectiveness.

58.4 As a response to the Reform programme, the NFCC had been working on harnessing national buying power, which had enabled significant data sharing, collaboration and transparency. The Procurement Strategy had been designed to align with this project.

58.5 Members were keen to ensure that in future the specifics were right on all tender documents and were pleased that, as outlined in paragraph 3.2 of the report, the pre-tender activities would be subject to greater effort and resource. They agreed

that the centralisation of Procurement resources on these activities would be beneficial to the Authority.

58.6 There was some concern regarding the absence of an Equality Impact Assessment (EIA) for the Strategy. The CFO reassured members that an EIA was conducted for each individual procurement undertaken and that Social Value was considered more broadly and applied as far as able.

58.7 **RESOLVED** – That the Fire Authority approved:

- 1 The introduction of the new Procurement Strategy for 2018-2020;
- 2 The introduction of a Category Management approach within the ESFA and the centralisation of pre and post tender activity in the Procurement Team; and
- 3 The release of £87,000 from the Improvement and Efficiency Reserve to fund an additional Category Specialist post on a two year fixed term basis.

59 **EXCLUSION OF THE PRESS AND PUBLIC**

That items no. 60, 61 and 62 be exempt under paragraphs 3 and 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly is not open for public inspection on the following grounds: it contains information relating to the financial or business affairs of any particular person (including the authority holding that information), and any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority and employees of the authority.

The meeting concluded at 14:01 hours.

Signed

Chairman

Dated this day of 2018

EAST SUSSEX FIRE AUTHORITY

Meeting Fire Authority

Date 6 December 2018

Title of Report Provision of Monitoring Officer, Deputy Monitoring Officer & Legal Services

By Chief Fire Officer

Lead Officer Duncan Savage, Assistant Director Resources/Treasurer

Background Papers Fire Authority 10 December 2015 – Item 894 - Provision of Monitoring Officer, Deputy Monitoring Officer & Legal Services 2016 – 2018

Policy & Resources Panel 2 November 2018 – Item 075 – Provision of Monitoring Officer, Deputy Monitoring Officer and Legal Services

Appendices None

Implications

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL	✓	POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To consider the arrangements for the provision of Legal Services and Monitoring Officer support from 1 April 2019.

EXECUTIVE SUMMARY The Legal Services agreement between East Sussex Fire Authority and Brighton & Hove City Council (B&HCC) expires on 31 March 2019. As the Fire Authority is responsible for the appointment of the Monitoring and Deputy Monitoring Officer, this paper outlines the current position, and recommends a course of action which suits business need and secures best value.

RECOMMENDATION The Fire Authority is recommended to:

- a) agree that the Monitoring Officer of Brighton & Hove City Council continues to be the appointed Monitoring Officer for the Authority;
 - b) agree that the provision of Legal Services, Monitoring Officer appointment and deputising arrangements are to be provided by B&HCC for a three-year period with an option to extend for two further years;
 - c) delegate authority to the AD Resources/Treasurer to agree the detail of the new agreement with BHCC; and
 - d) note that, in accordance with ESFA Contract Standing Orders (CSOs) 7.2, the Treasurer after consultation with the Monitoring Officer, Procurement Manager and Chairman has approved a waiver of CSO 13.7-13.8.
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1 INTRODUCTION

- 1.1 The existing three year agreement between both parties expires on 31 March 2019. Brighton and Hove City Council has provided Monitoring Officer, Deputy Monitoring Officer and Legal Services since the establishment of the Fire Authority in 1997. A separate contract is in place for legal support for the Authority's enforcement role (Business / Fire Safety).

2 LEGAL ASSESSMENT

- 2.1 Counsel's opinion has been sought on the current arrangement and this has confirmed that under Regulation 12(7) of the Public Contracts Regulations 2015, the Hamburg exception, a competitive procurement process for these services is not required.
- 2.2 The appointment of the Monitoring Officer is governed by S5 of the Local Government & Housing Act 1989. The Monitoring Officer role has to be an appointment of an individual person. Whilst general Legal Services can be undertaken by a company or body, the Monitoring Officer role has to be the appointment of a named person. It does not have to be an employee of the Fire Authority – the Fire Authority can designate any suitably qualified person to be the Monitoring Officer.

3 ASSESSMENT OF CURRENT SERVICE

- 3.1 The management of the current agreement for the provision of Monitoring Officer, Deputy Monitoring Officer and Legal Services rests with the Assistant Director Resources/Treasurer who meets to review performance on a quarterly basis with the Head of Legal Services at BHCC. Over the last 12 months a suite of key performance indicators has been put in place, including customer feedback and this is reported to SLT. The Service has accessed a wide range of legal advice under the existing contract (general, commercial, contract, employment, governance etc) and has found the service to be responsive and able to provide

support effectively outside of normal office hours when required. SLT has confirmed that the service meets our current needs and noted that improvements in service should result from the development of Orbis Public Law of which BHCC Legal Services is now a part.

- 3.2 There are alternative models of delivering these services, for example the Authority could appoint a suitably qualified individual as its Monitoring Officer and separately contract with legal services provider. This model is in operation elsewhere within the fire sector.

4 FINANCIAL ASSESSMENT

- 4.1 The actual expenditure with B&HCC on the provision of MO, DMO and legal services for the previous years is shown below:

Year	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/2019 £'000 (estimate)
Budget	105.6	106.7	109.4	112.1
Actual spend	187.4	120.7	191.4	122.0

- 4.2 The current spend for 2018/19 in is based on Q1 actuals only. Overspends have primarily been the result of legal advice relating to the Sussex Control Centre project and the related contract with Remsdaq and the sale of property.

- 4.3 Price increases during the current arrangement have reflected increases in staff costs (primarily pay awards and changes to pension costs). In addition to this, there are a number of added value areas which should be taken into account, namely:

- Every effort is made by B&HCC to prioritise our work. Given the emergency 24/7 nature of our work, this is of considerable assistance and would not necessarily be achieved with a more commercial contract;
- B&HCC / Orbis Public Law have specialist lawyers across all fields and, in the event that usual lawyers are not available, resources are allocated from elsewhere so resilience is built in;
- Availability of 24/7 support;
- Is consistent with the ethos and spirit of public sector partnership;
- There is a high level of understanding and experience of the FRS 'modus operandi'; and
- Research indicates that hourly rates for lawyers with four year's post qualification experience are below the minimum rate for the NEPO fixed framework rate.

5 CONTRACT STANDING ORDERS (CSO)

- 5.1 The proposal to proceed is permitted under CSO section 7.2 which states:

“Subject to CSO 7.3, the Treasurer may waive any provision of one or more CSOs in relation to a proposed Contract. Except in an emergency, the Treasurer shall consult the Monitoring Officer, the Procurement Manager and the relevant Member of the Authority before making a decision.”

- 5.2 Any waiver of a CSO must be reported to the Authority and this paper satisfies that requirement.

6 CORPORATE RISK

- 6.1 ESFA and ESFRS cannot operate without the provision of legal services and a nominated Monitoring Officer. Without a contract to support this provision in place at 1 April 2019, there would be a corporate risk to the ESFA.

7 CONCLUSION

- 7.1 Whilst there are alternative options for the provision of Monitoring Officer, Deputy Monitoring Officer and Legal Services, on the basis that the current service model meets the Authority’s need and can demonstrate value for money it is recommended that a new agreement should be put in place with BHCC for a period of three years with an option to extend by a further two years.

EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting Fire Authority

Date 6 December 2018

Title of Report Collaboration Framework & Priorities (2018 – 2021)

By Hannah Scott-Youldon, Assistant Director Training & Assurance

Lead Officer Hannah Scott-Youldon, Assistant Director Training & Assurance

Background Papers 3F Collaboration Agreement
ESFRS Collaboration Framework (SLT Paper – June 2018)
Efficiency Strategy

Appendices Appendix A – ESFRS Collaboration Framework & Priorities (2018-21)

Implications

CORPORATE RISK		LEGAL	X
ENVIRONMENTAL		POLICY	X
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT

- i) To provide oversight to the Fire Authority on current work in relation to collaborations and to provide one document in which the principles of collaboration and areas of work are captured.
- ii) The Fire Authority to agree the Collaboration Framework principles and the governance structure that wraps around the collaboration framework.

RECOMMENDATION That the Fire Authority approve the adoption of the ESFRS Collaboration Framework & Priorities (2018-2021) document and that the progress of the priority collaborations are reported to the Scrutiny & Audit panel on a quarterly basis.

1 INTRODUCTION

- 1.1 ESFRS has extensive experience of working in collaboration with a wide range of partners.
- 1.2 The Policing and Crime Act 2017 places a statutory requirement on the Service to consider collaboration agreements with other emergency services where it would be in the interests of effectiveness, efficiency and in the public interest.
- 1.3 As the Fire Authority are likely to be aware, the HMICFRS will be undertaking inspections and has already indicated that a key area of focus will be collaboration activities.

2 OVERVIEW

- 2.1 The statutory duty placed on ESFRS by the Policing and Crime Act 2017 provides a requirement to continually consider collaboration opportunities with other emergency services.
- 2.2 This report with the attached appendices sets to provide visibility to the Fire Authority on the collaborations currently being worked on across the Service.
- 2.3 The Service currently has in excess of 50 collaborations. Some of these collaborations have been moved into a business as usual model, where as some are still in the scoping and development stage.
- 2.4 Following SLT's approval of the Collaboration Framework, consideration needed to be given to both the delivery and outcomes of these collaborations and the requirement to report to both SLT and the Fire Authority on a regular basis.
- 2.5 The ESFRS Collaboration Framework & Priorities (2018-2021) document (appendix A) provides an overview of the collaborations the Assistant Directors believe to be the priority for 2018 - 2021 and therefore should be reported to the Fire Authority via the Scrutiny & Audit panel on a quarterly basis. This does not mean that other collaborations will not be developed or worked on during this time.
- 2.6 Assistant Directors have developed key outcomes, deliverables, measures and identifying where efficiencies and/or effectiveness can be made through the collaboration for each of the priority areas.
- 2.7 In future, as part of the annual business planning cycle, the collaboration priorities will be reviewed and identified for the forthcoming year in the strategic planning days so it remains intrinsically linked to the business planning and budget setting processes of the Organisation.

3 FINANCIAL IMPLICATIONS

- 3.1 In February 2018 the Authority approved the Medium Term Financial Plan and in September 2017 approved the Efficiency Strategy. These documents clearly identified that collaboration would be one element contributing to both the financial savings and a balanced budget moving forward required by the Authority.

3.2 Therefore, all collaborations will be required to identify where efficiencies can be made in the early development stages of a collaboration and then a follow-up piece of work will be undertaken once the collaboration 'goes live', by the relevant Assistant Director, to demonstrate how the efficiency has been realised.

3.3 This again, will be reported to the Fire Authority via the Scrutiny & Audit Panel.

4 EQUALITIES

4.1 An Equality Impact assessment (EIA) has not been specifically undertaken on this document as it will be included in any specific business cases that are proposed.

As part of the development of each collaboration consideration should be given to the 'greater good of the community' and demonstration of this within the business case / project paperwork. This will naturally inform the impact on people and therefore the EIA.

5 LEGAL

5.1 ESFRA has a statutory duty under the Policing and Crime Act 2017 to consider collaboration with other emergency services to improve efficiency and effectiveness. The structure outlined within this report would allow collaboration opportunities to be considered and demonstrate the Authority's clear commitment to collaborate.

6 COMMUNICATIONS

6.1 It is vital within any change process that may impact on any of the respective workforces and the wider communities that they are regularly informed about any proposed changes to the way in which services are delivered. Each Collaboration Programme should have an individual communication plan that encompasses all partners and the community.

7 RECOMMENDATIONS

7.1 That the Fire Authority approve the document and approve that the progress of the priority collaborations are reported to the Scrutiny & Audit panel on a quarterly basis.



East Sussex
Fire & Rescue Service

2018-2021



East Sussex Fire & Rescue Service

Collaboration Framework

and Priorities

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Foreword

Introduction

East Sussex Fire & Rescue Service's purpose is to make communities safer throughout East Sussex and the City of Brighton and Hove. To ensure we meet this purpose we deliver our preventative and protection activities to the most vulnerable in our communities.

Collaborating with others to ensure resources are being used efficiently and effectively and minimising risk to the communities that ESFRS serves must be a key priority. Working in collaboration can present challenges and should always be in the public's interest.

To ensure collaboration is in the public interest, ESFRS will work within this collaboration framework to provide confidence and assurance to any future collaborative workings.

ESFRS has always collaborated with our partners in the emergency services and the health sector, and the public sector more broadly. We are committed to exploring future collaborations for the benefit of the public safety and to ensure we remain a resilient organisation and continue to add value to the communities we serve.

Purpose and Intention

This document outlines our collaborative intention for how we will work with a wide range of partners, placing great emphasis on selecting the right partners in order to best serve our communities.

This will assist us in closing any risk gaps that exist both operationally and financially. It provides the high level framework and principles within which ESFRS can assess, progress and review collaboration activities.

Intention: ESFRS will seek opportunities to collaborate with partners that enable us to enhance the efficiency and effectiveness of the services we deliver to the communities in East Sussex and the City of Brighton and Hove.



Why should we collaborate?

There are numerous drivers for collaboration, both internal and external to ESFRS. These can directly or indirectly benefit the way we deliver our services. Importantly, the decision to collaborate must be more than the drive to realise financial benefits. The focus of any collaboration should be the ability to add value to the communities we serve. The benefits of collaboration can broadly fall into the following themes:

- **Increased Effectiveness:** Working with others will enable us to deliver the services our communities need in a timeframe they want. Collaboration has the potential to increase our capacity by gaining access to a broader range of skills, resources and information, increasing our ability to deliver improved services and becoming more resilient as a Service
- **Greater Efficiency:** In many cases, collaboration can drive a reduction in bureaucracy and duplication between different services, enabling those services to concentrate on delivering high quality services to their communities
- **Improved Value:** The catalyst for many collaborative approaches is the desire to deliver improved value and cost savings to the tax payer, via cost avoidance and cashable savings. Collaborating with others may increase bargaining power, access to specialist skills and experience to drive down costs, including resource assets, reduce duplication and ensure efficient use of resources
- **Improved Public Safety:** Collaboration may result in the further sharing of buildings, information and staff. The net result of these changes can contribute to our corporate Purpose and Commitments

- **More Resilient Organisation:** Working together with other Services and organisations may result in ESFRS becoming more resilient in the event of spate conditions and other events which affect business continuity.

Collaboration Principles

Importantly, the benefits of collaboration must enhance our ability to deliver ESFRS's Purpose and Commitments, as stated in the Service's Integrated Risk Management Plan. ESFRS will use the following three guiding principles to form the cornerstones for any collaborative arrangements entered into:

- **Deliver high quality services:** We will place an emphasis on collaboration that enhances ESFRS' ability to deliver high quality services to the communities of East Sussex and the City of Brighton and Hove
- **Have strong governance and financial stability:** All collaborations will have clear objectives and benefits. These may be in terms of both operational and financial. A long-term view will be taken when collaborative activities provide long-term sustainable solutions. Governance structures and arrangements will support the Authority's principles of good governance: openness, inclusivity, integrity and accountability
- **Maintain an engaged and motivated workforce:** At the core of any collaboration will be our workforce, working practices and processes will be designed and delivered by the workforce, taking into consideration workforce expertise and experience. ESFRS will lead our workforce through the journey of collaboration, engaging and being sensitive to their needs, whilst creating an innovative environment in which all employees feel engaged.

What have we been doing?

Working together is not new. The emergency services respond to many thousands of incidents every year and a significant number of these involve working in partnership, sometimes in very difficult and often dangerous situations. There are a number of areas where we have been working with partners to improve public value in East Sussex and the City of Brighton and Hove.

We will continue to look for opportunities to work with our colleagues from the other emergency services and do so in a way that ensures we provide the best possible service for all the people of East Sussex and the City of Brighton & Hove.

In 2016, the Home Office provided guidance on the areas for emergency service collaboration to enable meaningful comparison across services and help give emphasis at the national level to work that is ongoing in local services to improve outcomes for citizens.

Who will we work with?

ESFRS is open to collaborate with others for the benefit of the communities of East Sussex and the City of Brighton and Hove. ESFRS will remain open around who we collaborate with and will not limit itself to its traditional partners.

Whilst working with other blue light emergency services has its benefits, ESFRS will strive to work with other partners/agencies that enable ESFRS to deliver a more effective and efficient service.



Case Study 1: Shared HQ

ESFRS Headquarters had been located in central Eastbourne since February 2002. The Service owned the building outright.

In 2014, a decision was taken to explore an alternative location for headquarters because:

- The building needed substantial refurbishment
- The configuration of the building did not meet the changing needs of the Service
- Relocation of some functions, such as the Control Room, to other locations, had led to under-utilisation of the space
- Reductions in headcount had also reduced the amount of space the Headquarters function Service needed
- Future outsourcing and partnership arrangements could have also reduced the need for physical desks at headquarters
- Running costs on a more efficient building were a benefit.

The SHQ Relocation Project was formally established in July 2015 following Fire Authority approval of a stage 3 business case. The project involved the relocation of around 100 members of staff and telent staff, records and equipment to Lewes HQ, Eastbourne FS, Bexhill FS and Lewes FS with minimum impact on business critical processes and at a cost that was affordable to ESFRS.

In total the project length was 1 year and 9 months. The initial completion of the relocation was outlined for December 2016.

Whilst not within the original scope of the Project the final disposal of the SHQ

site in Eastbourne was achieved with a significantly higher than planned capital receipt realised which will enable the Authority to invest in its remaining estate.

The Project was delivered within its overall budget of £1.2m.

The revenue saving from the Project at £150,000 pa (from 18/19) is significantly higher than originally planned.

The project has also served as an enabler for further collaboration with Sussex Police as well as a broader cultural change and changes to ways of working within the Authority.



Current Situation

The Service currently has in excess of 50 collaborations. Some of these collaborations have been moved into a business as usual model, where some are still in the scoping and development stage.

The Collaboration Priorities (see table below) provides an overview of the collaborations the Assistant Directors believe to be the priority for 2018 and 2019 and therefore should be reported to the Senior Leadership Team (SLT) and the Fire Authority's Scrutiny & Audit Panel on a quarterly basis. This does not mean that other collaborations will not be developed or worked on during this period.

In February 2018 the Fire Authority approved the Medium Term Financial Plan and in September 2017 approved the Efficiency Strategy. These documents clearly identified that collaboration would be one element contributing to both the financial savings and a balanced budget moving forward required by the Fire Authority.

Therefore, all collaborations will be required to identify where efficiencies can be made in the early development stages of a collaboration and then a follow-up piece of work will be undertaken once the collaboration 'goes live', by the relevant Assistant Director, to demonstrate how the efficiency has been realised.

This again, will be reported to both the SLT and the Scrutiny & Audit Panel.

Each initiative has been assessed to identity its current status as follows:

- **Established:** The initiative has become day-to-day business. It has clear structures and process, which give confidence it is embedded in the on going work of all of the emergency services involved. Work is well developed and opportunities being exploited whilst further work is being actively considered
- **Partially Established:** Elements of the initiative have become day-to-day business, or the whole initiative has been delivered but only within a limited geographic area. There are no established plans for further development
- **Initial Work Only:** The initiative is at the scoping or pilot stage.



Business area / Dept	Initiative	Partners Currently Involved					Governance structure	AD	Status
		Police	Fire	Ambulance	Health/CCG	LA			
Community Safety	GP Surgery Collaboration							MM	Trial undertaken 2017 - further roll- out in 2018
	Joint Cadet scheme							MM	
Vehicles & Equipment	ITF - Joint Engineering Workshop						3F	RF	In development
	Collaborative PPE						National Collaboration led by KFRS	DS	Established – new PPE to be rolled out November 2019
	National Workwear project						National Collaboration led by KFRS	DS	Established – new workwear due Spring 2019
	Battery Operated Cutting Tools							RF	
	12 Tone Fire Appliance								
People	Joint Volunteer Scheme							MM	
	Occ Health & Wellbeing Collaboration						3F	VC	
	E-Learning						3F	HSY	
	Talent Management Framework						3F	VC	
	Recruitment & training of Firefighters						3F	HSY	
Policy & Process	Effecting entry to premises on behalf of SECAMB						Pan-Sussex	RF	
	Fire Investigation						3F	MM	
	Health & Safety KPIs						3F	HSY	
	Health & Safety Profiling						3F	HSY	
	Control of Noise at Work project						3F	HSY	
	Joint approach to Contaminants						3F	HSY	
	Driver Training						3F	HSY	Currently being defined
	Insurance & Risk Management							DS	
Estate	One Public estate							DS	
	SPACES							DS	

Case Study 2: GP Surgery Support

In 2016 ESFRS approached a GP Practice in Peacehaven, East Sussex to ask if they would share their patient data through an administrative process without consent in order to reduce risk within the home. The GP Practice had seen one of their patients die in an accidental dwelling fire and had no idea of the squalid living conditions that she had endured that had contributed to the fire starting. They agreed. An Information Sharing protocol was agreed and the GP Practice began sending the details of about 50+ patients a month for ESFRS to contact and offer a home safety visit.

The patient group chosen by the Practice was a cohort who were considered to be at high risk of an unplanned admission to hospital, typically people prone to falling, who lived on their own and with other factors that may be debilitating. ESFRS would visit the client and provide fire and home safety advice, referring to other services where necessary and then reporting back to the GP Practice (with consent) what was found and what ESFRS offered in respect of referrals. The feedback would provide additional information to the GP.

Initial evaluation by the Clinical Commissioning Group indicated that from the patient list submitted in the first 6 months, 134 patients expected to attend A&E did not do so. Additionally, of the cohort of patients visited during this period there was a 50% reduction in them revisiting their GP practice.

This project has now expanded with one practice in Brighton, two in north Wealden and shortly Hastings and Eastbourne signing up to this innovative approach.



Our Governance Structure

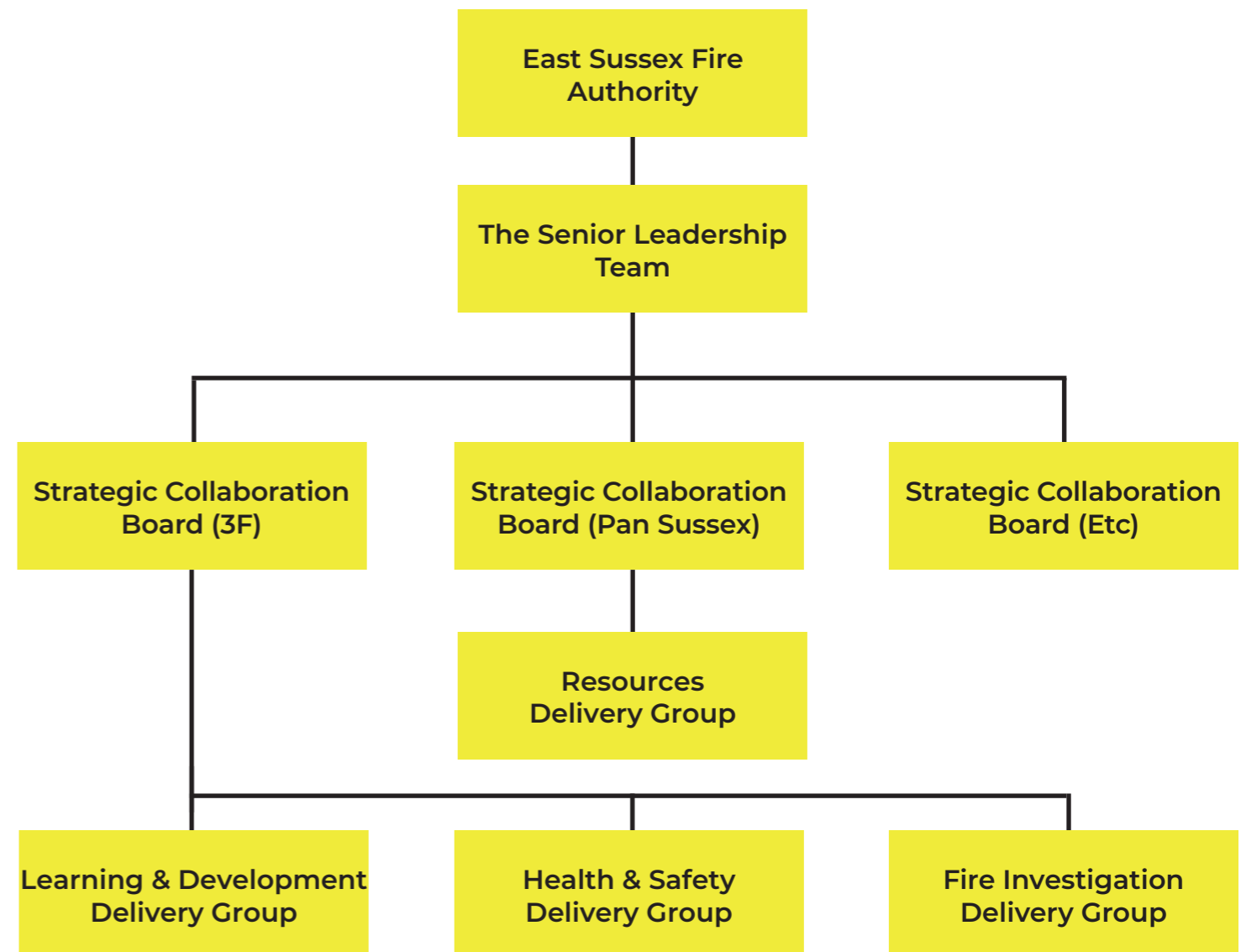
The diagram shows the structure and interdependencies with existing Governance structures within East Sussex Fire Authority. The East Sussex Fire Authority and its Officers are committed to ensuring that it has an excellent system of corporate governance. The Authority embraces the principles of good governance: openness, inclusivity, integrity and accountability.

Decision making will be informed by recommendations that are evidence based and are underpinned by an analysis of the operational, organisational and financial risk, threats and opportunities that exist. Governance and support structures will achieve flexibility and timely decision making. The Governance structures will ensure that accountability

is maintained.

The sample collaboration governance structure is detailed:

- A Strategic Collaboration Board (SCB) would provide the scrutiny and strategic direction to facilitate collaboration with other key partners
- This in turn would receive regular update reports from the collaboration delivery groups (via the Collaboration lead)
- The SCB will report to both the Senior Leadership Team (SLT) and the Fire Authority on a regular basis via the Collaboration lead.



Evaluation and Criteria for measuring success

For each of our projects in phase one and beyond, the evaluation process, and the benefits to be realised will be introduced as part of the Project Initiation Document. The use of standardised templates across each organisation will ensure a common approach enabling progress against planned milestones/deadlines can be tracked.

Making the best of our resources and improving value for money is extremely important to us, however, much of what we achieve will be measured in terms of improvements in the efficiency and effectiveness of the services we deliver to the public.

Fire Reform

The Fire & Rescue Service in England is undergoing a programme of reform led by the government. The purpose of the reform agenda is to maximise the availability of resources, enhance resilience and to deliver improved services to the public.

There are three pillars to the fire reform programme:

- A. Efficiency and Collaboration
- B. Accountability and Transparency
- C. Workforce Reform

In order that our programme is effective in driving positive change, we will ensure that everything we do is aimed at furthering one or more of these objectives. Early indications are that these areas will also be the areas looked at by Her Majesty's Inspectorate for Constabulary & Fire and Rescue Service.

We must ensure that the projects

realise their benefits, however, the type of evaluation we undertake will vary depending upon the type of project. For some projects, a quantitative evaluation is appropriate and for others a qualitative approach is required. Often it will be a mix of the two.

Our evaluation processes will be aimed at the outcomes, outputs or impacts of our work; this means that the emphasis will be placed on measuring the effects of our work rather than how well we run our projects. Each project will have a detailed PID with detailed project plan, which will contain the project deliverables, benefits and an evaluation plan; this will outline the evaluation methods to be employed. The evaluation methods will vary but are based around a set of shared principles, which will be consistent across all of our projects. Evidence collection methods and performance indicators will vary depending upon the type of project but may include:

- Document analysis
- Surveys/questionnaires
- Interviews
- Focus groups.

Our progress will be monitored on an ongoing basis and the results fed back to SLT and the Fire Authority (through the Scrutiny and Audit Panel) via a quarterly highlight report.

Greater Manchester Fire and Rescue Service evaluation toolkit

Detail of Collaboration Priorities for 2018 - 2021

Project Name: Battery Operated Cutting Tools

Description: This is a collaborative procurement framework led by Devon & Somerset FRS with six other FRSs. It provides a framework to purchase BOCT and provides savings due to scale of purchase.

Objectives: By 31st March 2019.

Benefits: Reduced cost of equipment.

Deliverables/Metrics: Cost savings. This can be measured against the cost of our tools previously.

Pillar: A = Efficiency and Collaboration.

Project Name: Gaining Entry to premises

Description: The aim of this project is to provide a service to SECamb to gain entry to premises where Ambulance staff are unable to do so.

Objectives: By 31st March 2019 we aim to have an MOU in place with SECamb and a policy for our staff to follow.

Benefits: This arrangement will provide faster access to casualties for SECamb crews, and provide the Fire Service with direct access to very vulnerable people, thus enabling CFS interventions.

Deliverables/Metrics: We can record jobs undertaken for SECamb (benefit for SECamb) and resulting CFS interventions for ESFRS.

Pillar: A = Efficiency and Collaboration.

Project Name: ITF – Joint Engineering Workshop

Description: This is a collaborative project with Sussex and Surrey Police, plus Surrey and West Sussex Fire and Rescue Service. The project is progressing slowly but some key strategic decisions still need to be made before construction can proceed. Adequate funding is not yet in place. If the new workshop is built, the Engineering department would benefit from modern purpose-built facilities with adequate capacity for the existing and projected fleet requirements. By combining with the Police, efficiencies of scale and greater resilience are expected.

Objectives: By 31st March 2019.

- Project scoping.
- Project manager appointed by programme.
- Costs confirmed.
- Strategic decision on whether or not to proceed.

Benefits: Cost savings, more efficient operation, benefits of scale

Deliverables/Metrics: New workshop in Bexhill, staff transferred to new company, cost savings (not yet identified).

Pillar: A = Efficiency and Collaboration; C = Workforce Reform

Note: Project is being overseen directly by the ACFO.

Project Name: Joint Volunteer Scheme

Description: The aim of this project is to increase the effectiveness of FRS volunteers through collaboration with the Police.

Objectives: To develop a more cross-cutting community volunteer cadre that will deliver tangible outcomes for the FRS and Police through closer collaboration.

Benefits:

1. Increase the number of people who volunteer because of the wider remit of FRS and Police.
2. Provide a wider range of voluntary opportunities for people to undertake.
3. Increase community cohesion through a better understanding of what the Police and FRS services actually deliver.
4. Reduce mistrust within more difficult to reach communities through the joint volunteering opportunities.
5. Reduce the community risk of fire, becoming a victim of crime and isolation.
6. Increase community confidence in both services.

Deliverables Metrics:

1. Joint community volunteer cadres badged under both services.
2. Opportunity to reduce crime through promotion of crime prevention advice offered in community settings.
3. Property security marking.
4. Improved access to local Police/ Fire services through better Communication.

Pillar: A = Efficiency and Collaboration

Project Name:
Talent Management Framework

Description: The aim of this project is to develop and deliver a tri-service approach to Strategic Workforce Planning including

a talent management framework. The approach will be developed in collaboration with Surrey FRS and West Sussex FRS'.

Objectives: By 31st March:

- Development of the framework and sign off by SLT
- Self-assessment - each Service to assess where they are within the framework i.e. what has been done and what needs to be done
- Prioritisation and resourcing of work - each Service to prioritise the work and agree resourcing (some projects may be delivered across all 3 Services).

Benefits: The project will provide a collaborated approach to Strategic Workforce Planning across the 3 Services (recognising that at present we are at different points on the journey). It will:

- Reduce duplication and overlap in the 3 Services with the potential to release capacity
- Enable closer working and alignment that will provide a co-ordinated and more effective approach to the 'people' elements of the business
- Provide consistency in the approach toward Strategic Workforce Planning including, performance management, talent management, promotions and talent pipelines, high potential schemes and multi-tier entry (a move from differentiation to integration
- Provide a robust foundation for future collaboration & cross-boundary leadership both within the blue light sector and beyond.

Deliverables: The project will deliver an agreed tri-service approach. Once agreed, a number of projects will need to be undertaken, namely:

- Establishment management and Resourcing Clear governance and protocols to manage the establishment and the movement of staff to ensure we make the best use of our workforce and the ability to accurately report on current and predictive data
- Performance Management Building and embedding an effective approach to performance management; including the tools that can support it
- Promotions and Career Pathways Creating a promotions framework to develop and retain our future leaders. Enabling staff to develop both breadth and depth of experience by creating vertical and lateral paths and career progression outside of the Service
- Leadership and Behavioural Framework Embedding the NFCC framework through all of our people practices to ensure a consistent approach to operational and professional competence and performance management
- Critical Roles and Succession Planning Identifying the roles & skills that are critical to the achievement of our strategic aims & developing succession plans to ensure business resilience now and in the future
- Talent Identifying, developing and retaining our most talented staff to fill key leadership and business critical roles.

Metrics: This specific project will complete once there is an agreed and formally signed off Framework, the self-assessment is complete and the building blocks have been prioritised and resourcing agreed.

Pillar: A = Efficiency and Collaboration; C = Workforce Reform.

Project Name:
12 tonne fire appliance

Description: The aim of this project is to provide cost savings by procuring jointly with West Sussex. It is hoped that the increase in the number of vehicles purchased will lead to a reduced unit cost per vehicle. Due to a review of the fleet, it is not yet known how many of these new appliances ESFRS will be purchasing.

Objectives: By 31st March 2019 the specification should be agreed and the tender process should be complete, allowing new vehicles to be purchased in 2019/20.

Benefits: Reduced cost of vehicles

Deliverables/Metrics: None possible. We could not say whether the vehicles are cheaper than if bought separately. We assume a saving.

Pillar: A = Efficiency and Collaboration.

Project Name:
GP Surgery Collaboration

Description: The aim of this project is to work in partnership with GP practices to reduce the risk of injury within client's homes.

Objectives: To reduce the number of clients who are admitted to hospital as a result of an accidental injury / fall within the home through the delivery of a home safety visit that will identify and reduce risks.

Benefits:

1. Reduction of attendances by the ambulance service, admission to hospital and subsequent rehabilitation
2. Reduction in the number of calls to the FRS due to potential fire related incidents and rescue from falling resulting from persons falling within

the home

3. Reduction of personal injury, pain and suffering and prolonging independent living.

Deliverables/Metrics:

1. Number of A&E admissions and ambulance attendances as measured by the appropriate Clinical Commissioning Group.
2. Number of calls to the FRS resulting from persons falling within the home
3. Improved independent living opportunities and reduction in costs for the Local Authority.

Pillar: A = Efficiency and Collaboration.

**Project Name:
Recruitment and Training of Firefighters
(3F Training workstream)**

Description: The aim of this project is to develop a joint recruitment, selection and initial training process for Wholetime Firefighters.

Objectives: By 31st March 2019.

Benefits: A joined up approach will ensure efficiencies to each Fire Service and the public – apply once instead of 3 times.

Deliverables/Metrics: A Wholetime course commencing in January 2019. A forward plan of future recruitment.

Pillar: A = Efficiency and Collaboration; C = Workforce Reform.

**Project Name:
Contaminants
(3F Health & Safety Workstream)**

Description: To develop a shared approach and response to the national work being undertaken on contaminants

and the potential risk of cancer.

Objectives: To monitor the outcomes of the expert advisory panel which has been set up by the NFCC. This advisory panel are specifically looking at the issue of cleaning processes for firekit and PPE across UK FRSs with a view to providing guidance on best practice to minimise the risk of exposure. As guidance becomes available the objectives for this workstream will be updated and made more targeted and specific.

Benefits: Adopting a joint approach to the identification and management of firefighter exposure to contaminants that present a potential risk of particular cancers.

To adopt a collective approach to addressing key risks to all operational firefighters and others who might be affected by exposure to contaminated kit or equipment.

Deliverables/Metrics: To be agreed once informed by the guidance published by the NFCC Advisory Panel.

Pillar: A = Efficiency and Collaboration.

**Project Name:
Fire Investigation**

Description: The aim of this project is to work regionally across East & West Sussex and Kent FRS to more effectively and efficiently deliver fire investigation, so as to provide Service wide understanding on the causes of fire and associated learning such as human behaviour, operational procedures, product safety, building construction and other related areas.

Objectives: By 31st March 2019.

Improve resilience in the provision of fire investigators within the collaborative partnership through sharing of investigators via the production and agreement to a cross border working

MOU. This is to ensure that if any FRS experiences future resourcing issues, there is an agreed procedure to call upon support from neighbouring FRS.

Benefits: A common picture and understanding of fire through more effective and efficient delivery of fire investigation services which reduces workloads and stress on level 2 fire investigators. Real fire intelligence to better inform Service delivery across all directorates and to support improvements to firefighter safety.

Deliverables/Metrics:

- Shared use of resources via cross border working during peaks in demand
- Improved understanding of causes of fire and related intelligence via regular briefings and case studies
- Improved utilisation of operational crews to identify outcomes from Level 1 investigations
- Trained and competent investigators across Level 1&2 investigations
- Reduction in work related stress amongst fire investigators
- Compliance with regulatory frameworks as required within the criminal justice system
- Reduction in arson through improved collaboration with police services
- Alignment of policies and procedures to better enable cross-border working and to deliver similar fire investigation services to tax payers across all 3 FRS.

Pillar: A = Efficiency and Collaboration

**Project Name:
Joint Cadet Scheme**

Description: The aim of this project is to provide a more cost-effective cadet scheme to both Sussex Police and East Sussex Fire & Rescue Service.

Objectives: By 31st March 2019 we will have established a joint administration/management post, further developed the existing Police Cadet scheme and embedded the first 2-4 ESFRS cadet schemes.

Benefits:

1. Reduction in costs by sharing the management/administration resource.
2. Improved shared understanding and collaboration between the two services.
3. Develop better relationships and understanding between staff of the two services.
4. Develop and nurture a mutual benefit to cadets from both services initially through shared activities and training and eventually (4-5 years) a joint Emergency Services Cadre with the expectation of involving the Ambulance Trust.

Deliverables/Metrics:

1. Reduction in overall delivery costs shared between the two services.
2. Wider reach into the community to enable engagement with hard to reach young people through one Service (FRS) that will build relationships with the other (Police).
3. Greater community cohesion through engaged and motivated young people.

Pillar: A = Efficiency and Collaboration

Project Name:
**Occupational Health & Wellbeing
Collaboration**

Description: The aim of this project is to adopt a new partnership model for the provision of Occupational Health and Wellbeing services to ESFRS.

Objectives: To deliver this model from 1 July 2018.

Benefits:

1. A 'blended approach' to Occupational Health and Wellbeing services provision, via a collaboration with Surrey and Sussex Police and Surrey Fire and Rescue Service.
2. Will provide greater resilience across the Occupational Health and Wellbeing service provision within ESFRS.
3. Support ESFRS strategies concerning Attendance Management, Wellbeing, and Engagement, plus wider Health and Safety activities.
4. Provide ESFRS with a tailored service better able to respond to the organisation's requirements by providing greater resilience in doctor and nurse time.
5. Support the development of positive stakeholder attitude towards Occupational Health and Wellbeing services, which will support increased take up; supporting more positive outcomes for staff and for ESFRS organisationally.
6. Provide ESFRS with an opportunity to share in best practice and utilise expertise that currently sits outside of the organisation.

Deliverables/Metrics: There is a collaboration agreement relating to the provision of Occupational Health Services

between the PCC for Sussex, the PCC for Surrey, Surrey Fire and Rescue Service and East Sussex Fire & Rescue Service. This has provision in it concerning KPI's and monitoring. The Agreement requires a Governance Board to agree the deliverables and outlines the obligations on the Board regarding frequency of meeting and attendance of partners.

Pillar: A = Efficiency & Collaboration; B = Accountability & Transparency; C = Workforce Reform.

Project Name:
Control of Noise at Work (3F Health & Safety Workstream)

Description: The aim of this project is to align and complete noise risk assessments on equipment, vehicles and personnel to meet the requirements under The Control of Noise at Work Regulations 2005.

Objectives:

By end of Q3 (December 2018):

- Acquire and share asset register/ inventory of equipment and vehicles
- Acquire and share manufacturer/ supplier safety datasheets
- Develop a shared noise assessment template form.

By end of Q4 (March 2019):

- Noise assessments complete.

Year 1 2018/2019:

- Will concentrate on compliance and identifying risk areas.

Year 2 2019/2020:

- Will concentrate on promotion/ behavioural awareness/ review/ health surveillance.

Benefits: Adopting a joint approach to noise management allowing all three Services to ensure the correct control measures are in place to protect employee's hearing against excessive noise.

Deliverables/Metrics: A shared set of noise risk assessments for equipment and vehicles.

Pillar: A = Efficiency and Collaboration in addressing a common area of concern regarding firefighter safety and potential long term health effects.

Project Name:
One Public Estate (OPE) Projects

Description: The aim of this project is to collaborate with other public sector organisations to identify opportunities to share property. We are currently involved in and been awarded funding from the OPE under two programmes, these are:

1. Greater Brighton Partnership

- We are reviewing our own operational requirements for the Preston Circus Fire Station in Brighton and seeking alternative uses for the remaining space not required, and also
- Lewes Fire Station where we are exploring a joint initiative with Lewes District Council to relocate the existing Fire Station and create an Emergency Services Hub with Sussex Police and SECamb (South East Ambulance Service).

**2. SPACES – Emergency Services
Collaboration**

- We have identified seven potential sites where co-location/collaboration could take place with Fire, Police and Ambulance. Under the first phase we are preparing feasibilities and business cases for the following sites:

- Uckfield – Police and Ambulance to relocate into the Fire Station site
- Heathfield – Police and Ambulance to create response posts within our Fire Station site
- Bexhill – Police and Ambulance are exploring opportunities to co-locate and identifying opportunities with Rother District Council to relocate into smaller and more suitable sites
- Battle – Police, Ambulance and Fire exploring opportunities to combine the existing Fire and Ambulance sites to create an Emergency Services Hub.

Objectives: By 30th September 2018 to have completed final Business Cases on the above projects setting out outline design and fully costed schemes outlining financial and non-financial benefits for each project.

Benefits: Release of capital receipts through asset disposals, reduced revenue running costs fostering greater operational collaboration between partners, local economic benefits from the redevelopment of surplus sites and delivery of housing to meet local targets.

Deliverables/Metrics: These are not yet defined and will form part of the Business Cases being prepared for each of the projects.

Pillar: A = Efficiency and Collaboration.

Project Name:
E-Learning

Description: To develop joint E-Learning packages based on the National Operational Guidance (NOG) and Tactical Operational Guidance (TOG) programme.

Objectives:

- To jointly recruit someone to undertake

the development of e learning packages by April 2018.

- To move towards one e-learning system – December 2019 (joint procurement process).
- To develop new e-learn packages as identified.
- To review, update and maintain current packages in line with changes to National Operational Guidance and to reflect specific risks within East Sussex.
- To validate the Station Based Training and Assessment Programme (SBTAP) and help embed blended learning within the Service.
- To increase standards of staff training and awareness across all National Incident types.

Benefits: A dedicated person to develop e-learning packages for operational maintenance of competence (MOC).

- Shared resource so more cost effective and packages provide a level of interoperability.
- Reduction in organisational risk.
- Assists in delivery of peripatetic training model.

Deliverables/Metrics:

- Employed person to develop one e-learn package per month over a 24 month period.
- One Learning Management System (LMS), reducing licencing costs moving forward.

Pillar: A = Efficiency and Collaboration

**Project Name:
Health & Safety Key Performance Indicators**

Description: The aim of this project is to develop a common set of KPIs
Objectives: By 1st July 2018 to deliver and implement a consistent and embedded single set of Key Performance Indicators (both leading & lagging) across the three Fire & Rescue Services in the 3F Collaboration.

Benefits: Adopting a joint approach to health and safety reporting so true comparisons can be made and areas of concern addressed. A collective approach to dealing with the areas of concern.

Deliverables/Metrics: A single set of agreed and comparable leading and lagging indicators.

Pillar: Accountability & Transparency
 Efficiency in relation to collective response to areas of concern.

**Project Name:
Health & Safety Risk Profiling**

Description: To develop a shared risk profiling process that supports the health and safety management system in each Service.

Objectives: To have agreed principles and process for risk profiling each Directorate within each Organisation.

Benefits: Adopting a joint approach to health and safety management and risk profiling procedures.

Deliverables / Metrics: Systems will be compliant with the Health and Safety at Work Act 1974 and Managing Health and Safety (HSG 65).

Pillar: A = Efficiency and Collaboration.

**Project Name:
Insurance and Risk Management**

Description: The aim of this project was to review the Authority's options for the provision of insurance as our current long term agreement ends 31 March 2019 and

cannot be extended.

Objectives: To submit a business case for approval by CFA setting out our preferred option for future provision of insurance and risk management.

Benefits:

- Increased focus on risk management
- Reduced revenue cost of insurance
- Collaboration on sector based best practice

Deliverables/Metrics: A business case was approved by CFA on 6 September 2018 to become a member of the Fire and Rescue Indemnity Company (FRIC) for a minimum period of three years from 1 April 2019. FRIC is a fire sector specific collaborative vehicle for risk management and insurance. It is a hybrid discretionary mutual with nine member fire authorities which has been running since April 2016. It manages a large deductible and buys external insurance. It focuses on improving risk management through collaboration, thereby reducing cost.

The Authority is currently completing the FRIC on-boarding process. As well as improved risk management, the Authority expects to see a reduction in its current cost of insurance of £180,000 or over 30%.

Pillar: A = Efficiency and Collaboration





East Sussex
Fire & Rescue Service

EAST SUSSEX FIRE AUTHORITY

Panel Fire Authority

Date 6 December 2018

Title of Report Independent Review of Fire Authority Governance – Outcome Report

By Chief Fire Officer

Lead Officer Deputy Chief Fire Officer

Background Papers Fire Authority Report, “Governance Review – Proposal”, report of the Interim Assistant Chief Fire Officer - 7 December 2017, Agenda item 13.

Appendices Appendix A – Review scope (review areas and key lines of enquiry).

Appendix B – Independent Governance Review, East Sussex Fire Authority, Good Governance Institute, September 2018.

Implications

CORPORATE RISK	✓	LEGAL	✓
ENVIRONMENTAL		POLICY	
FINANCIAL		POLITICAL	✓
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT To update Members of the Authority on the outcomes and recommendations following the independent review of governance of the Authority carried out by the Good Governance Institute; and to propose a response to those recommendations.

EXECUTIVE SUMMARY 1) At their meeting on 7th December 2017, East Sussex Fire Authority requested that a review be undertaken into the political and organisational governance arrangements in place across the Authority and in relation to East Sussex Fire and Rescue Service.

2) The overarching purpose of the review was to explore the application and effectiveness of the Authority's current governance practice, structures and procedures; to assess if the existing Authority and Panel structures remain fit for purpose; and to assess if the Authority's governance arrangements are well designed and properly executed.

3) Following the Authority meeting on the 7th December, the necessary procurement and commercial process was undertaken and the Good Governance Institute were awarded the contract, commencing the project in April 2018. The process has been overseen by a "Member Reference Group" with support from officers.

4) The project has now concluded and the Good Governance Institute have submitted their final report. This has been considered by the Member Reference Group, and officers

5) The purpose of this report is to outline to the Authority the response to the Good Governance Institute recommendations from the Member Reference Group, and to propose a way forward for Authority consideration.

RECOMMENDATIONS

The Authority is asked to:

- i) consider and advise on the contents of the report; and
- ii) consider the Member Reference Group's response in relation to the recommendations presented in the full report; and
- iii) direct officers to progress on the basis outlined

1 INTRODUCTION

1.1 In December 2017, the Authority requested that a review be undertaken into the political and organisational governance arrangements in place across the Authority and in relation to East Sussex Fire and Rescue Service.

1.2 The Authority recognised that good governance is essential to address the challenges the public sector faces and to ensure public engagement and transparency in public sector service delivery. The oversight of governance systems is the responsibility of the relevant local authority and, given that there is evidence that governance issues are a material risk across the fire sector, it was recognised that a rigorous and comprehensive review would be both timely and necessary.

1.3 The Authority also reflected that as organisations develop and seek to become more efficient and effective, it is good practice to conduct reviews into

performance, systems and culture and, also, to consider similar organisations in order to benchmark these areas.

- 1.4 The overarching purpose of the review was to explore the application and effectiveness of the Authority's current governance practice, structures and procedures; to assess if the existing Authority and Panel structures remain fit for purpose; and to assess if the Authority's governance arrangements are well designed and properly executed. The specific areas that were assessed through the review and the key lines of enquiry are detailed in Appendix A.
- 1.5 The Fire Authority agreed that the review should be conducted by a third party external organisation in order to provide capacity, expertise and independence and, following the Authority meeting on the 7th December, the normal procurement and commercial process was undertaken with the Good Governance Institute (GGI) being awarded the contract. The GGI commenced the project in April 2018.
- 1.6 A "Member Reference Group" for the review was established, made up of the Chairman of the Fire Authority, the Vice Chair of the Fire Authority, the Chairman of the Scrutiny and Audit Panel and the Group Leaders. The Member Reference Group has been supported by the DCFO, and other officers of the Authority.
- 1.7 The Member Reference Group (MRG), along with officers, have now considered the final report from the GGI (attached as appendix B) and the purpose of this report is to present to the full Authority the final report along with a proposed response to the recommendations presented by GGI.

2 GGI REPORT RECOMMENDATIONS AND PROPOSED RESPONSE

2.1 Executive Summary

- 2.2 The GGI analysis was based on semi-structured interviews, document reviews, observations and benchmarking. Their final report makes a number of recommendations which are aimed at strengthening core accountabilities, skills, structures, decision-making processes, visibility and relationships in order to ensure the Authority develops further its good governance practices.
- 2.3 In terms of broad outcomes, the GGI is satisfied that the Authority has in place governance arrangements and a satisfactory system of internal control, both of which are fit for purpose and operating effectively. Their overall view however, is that further work is needed to ensure that the Authority's governance remains fit for purpose. Throughout the review GGI saw evidence of robust governance documentation and resources, as well as understanding and competence among individuals. Their observations and interviews suggested that there is an opportunity for the business practices of the Authority to more consistently deliver greater effectiveness, and for the Authority to develop to the next stage of governance maturity. In particular, the GGI notes a risk that the interaction between Authority, its Panels, and the Senior Leadership Team (SLT) becomes superficial and arrives at a point of no longer adding sufficient value.

- 2.4 The GGI do commend the Authority for commissioning the independent governance review, believing that it demonstrates a genuine and proactive commitment to improvement. The report notes that the dedication to high quality and sustainable fire service provision was clearly evident from everyone they engaged with and that this is a clear asset to the organisation.
- 2.5 The MRG, along with officers, have now met to consider the full GGI report. In considering the recommendations from the GGI, it was felt appropriate to propose to full Authority a response and a way forward. Not all recommendations have been accepted in their entirety by the MRG, although the full Authority may wish to consider further.
- 2.6 The next section outlines the GGI recommendations along with a response from the MRG and proposed actions where relevant. For consistency, the recommendations are laid out in line with the format of the GGI report page 15, "Summary of Recommendations".
- 2.7 Authority Effectiveness**
- 2.8 *Recommendation R1 – "Narratives on ESFRS purpose, commitments and values should be provided to Authority members and colleagues to refresh their understanding and confidence to articulate"***
- 2.9 This recommendation was broadly accepted. The MRG noted that the Authority does currently have a "Vision 2020" and it was agreed to await the completion of the HMICFRS inspection, and the resulting report, before considering any review of the Authority's current organisational statements (vision, purpose, commitments). This additionally allows this work to be done after the Brighton & Hove City Council elections and, potentially, after the Operational Response Review (ORR), in order to ensure that the resetting of these important statements is relevant and forward focused.
- 2.10 The MRG asked whether the vision, purpose and commitments could be re-considered simultaneous to the development of the next IRMP and ORR, perhaps using those processes as the vehicle to do so. It was agreed that it would be unwise to begin work on this until after the results of our HMICFRS inspection had been received and that there was more detail on the Comprehensive Spending Review as they would provide context. Producing a revised "Vision" would be an extensive piece of work, therefore it was suggested that a question be included in the IRMP consultation asking our stakeholders if they thought our purpose and commitments were right and use this as a gauge before commencing any potential review.
- 2.11 The Chief Fire Officer explained that the biggest driver in terms of shaping the future direction (and therefore vision, purpose and commitments) of the Authority would be the outcome of the HMICFRS inspections nationally, not just in relation to ESFRS.
- 2.12 It was agreed that this recommendation was potentially a "quick win" with a proposal to cover this area at a future Members seminar and to include brief case studies within the narrative to provide clarity and context and to better

illustrate to Members. It was agreed that work will be undertaken with the Communications & Marketing team to consider how this can best be done.

- 2.13 Recommendation R4 – “The Authority should carry out a skills audit, and in the light of the results consider options for improving governing body sustainability through considering amending the Authority size, and the potential appointment of associate Panel members”**
- 2.14 It was agreed that this recommendation should be presented to the Authority as three separate points:
- 2.15 Undertake Skills Audit – The recommendation to undertake a “skills audit” was accepted. It was noted that South East Employers (SEEmp) provide a Member’s skills audit process (currently utilised by BHCC) which covers IT skills, communications, equality & diversity, amongst other aspects, and it was agreed that this should be progressed.
- 2.16 Review Size of Authority – This point was not deemed a high priority by the MRG, although it did agree it was important to consider a review of the make-up of panels and specifically to explore combining the Principal Officer Appointment Panel with the Human Resources Panel. It was noted that a review of the terms of reference of the HR Panel is already underway, so it was proposed that this consideration be included in that review.
- 2.17 It was noted that the size and balance of the Authority is based on the electorate of each constituent Authority. It was agreed that the Senior Democratic Services Officer (SDSO) will contact the Electoral Services Officers at BHCC & the District Authorities to gain the figures to establish if there has been any significant change.
- 2.18 Introduce Associate Panel Members – This recommendation was not accepted at this stage subject to further consideration of options. The Monitoring Officer has provided advice in relation to this recommendation. He has explained that there are two pieces of legislation that dictate Authority membership: the “Combination Order” sets the CFA membership and does not allow for co-opted members. The Panel membership is constituted under the Local Government Act and as such co-opted members are permitted to be appointed to Panels, but are not permitted voting rights or decision-making powers.
- 2.19 The benefits of potentially inviting representatives from SECAmb were discussed. It was agreed that they would not be critical and, instead, there would be more advantages potentially from inviting representatives from housing, social care and health rather than emergency health.
- 2.20 There was a further discussion around inviting co-opted panel members from business and commerce. However, there was uncertainty about who would be appropriate and the requirement on them would potentially be constantly changing.
- 2.21 Other Authorities do have “Independent Members”. These are not from any particular background and are completely independent, but mainly used for dealing with Standards Matters. This is not something that this Authority has

particular issues with, and ultimate responsibility for Authority Members regarding Standards Matters rests with the Constituent Authority.

- 2.22 Recommendation R5 –** *“The Authority should agree an externally facilitated ‘board development’ programme to enhance both governing body effectiveness and resilience. This should focus specifically on the strategic and operating context of the fire Authority, and not seek to replicate general development delivered through Constituent County and City Councils, or the Local Government Association”*
- 2.23 This recommendation was accepted. It was agreed that this will be considered using SEEmp to provide such a session at a future Member seminar and that this would be done after the completion of the proposed skills audit. This would ensure that it is an independent facilitated discussion to support open and honest dialogue.
- 2.24 Recommendation R6 –** *“Through the board development programme, the Authority should work through conflict of interest and Code of Conduct issues in relation to the Authority’s reputation as an asset. Enhancement of the Code of Conduct should be considered.”*
- 2.25 This recommendation was not accepted completely. It was agreed that changes to the Code of Conduct were not necessary (the Authority’s is very closely aligned to our Constituent Authorities) and the code of conduct is not necessarily the most appropriate document to review.
- 2.26 Instead, it was agreed that the most appropriate action would be to strengthen and enhance our “Expectations of Members” and that this could be achieved by updating and adapting the Member Handbook, specifically the “Roles and Leads” document that is contained in Section F of the Constitution.
- 2.27 Recommendation R10 –** *“The Authority should clarify expectations from Members in relation to internal and external stakeholder engagement, and this should be managed within an activity plan linked to the strategic objectives”*
- 2.28 It was agreed that this recommendation would be wrapped under R6 through a review of the “Expectations of Members” document. It was felt that this is an opportunity for Members to engage with the public on Fire Authority matters through their various roles on multiple authorities, Parish Council meetings, councillor surgeries etc.
- 2.29 The Expectation of Members document would also be updated to include minimum expectations of attendance at meetings, seminars, open days, events and pass-out parades. The SDSO was asked to look at a simple way of tracking and supporting member engagement with outside events and Members are reminded to inform the SDSO of events they are attending.
- 2.30 In relation to public consultation documents related to proposals for service changes (e.g. through the IRMP), the Communications and Marketing team will include a section in the template for “key messages” for Members to allow them to engage with the public from an informed position.

- 2.31 Recommendation R12 – “The Authority should introduce a refreshed induction programme, and ensure that this includes opportunities for engagement with Member colleagues and service level staff outside of formal settings. This should be supported by a more systematic programme of seminars for Authority member development”**
- 2.32 This recommendation was accepted. It was agreed that a refreshed induction programme would be introduced and this would include a session on “what does being a Fire Authority Member entail?” It was felt that this should be in the form of a presentation by an existing / experienced CFA Member. In a similar vein it was agreed to consider the introduction of a Member-Member “buddy scheme”.
- 2.33 It was agreed that the SDSO would liaise with BHCC & ESCC to ensure that there is limited overlap or duplication of induction / Member development programmes delivered via the constituent authorities and would look instead to ensure that the ESFA induction programme focuses on the necessary fire specific matters.
- 2.34 It was agreed that Group Leaders would strongly encourage attendance at Member Seminars and training sessions. Members Seminars will be identified as “developmental”, “training”, or “information”.
- 2.35 Members will also be asked to attend day 1 of the new Corporate Training Programme for officers which contains:
- Purpose & Commitments, Strategies, Annual Plan, IRMP
 - Fire Authority and Legislative Background
 - Complaints
 - Code of Conduct - Values & Behavioural Framework
 - Safeguarding overview
 - GDPR overview
- 2.36 Technical Governance**
- 2.37 Recommendation R2 – “Authority cover papers to be framed better to support focused discussion and clear decision-making, with items positioned in relation to strategic and operational objectives”**
- 2.38 This recommendation was accepted. It was agreed that CFA report recommendations could be improved. There had already been efforts made to improve the quality of the recommendations and to avoid reports being marked “to note”. Moving forward, it was agreed that the CFA report template will be amended to show which of the Authority Strategies they relate to, and also to ensure that reference is made in all reports to collaboration opportunities.
- 2.39 It was also agreed to review the agenda template with a view to split it into reports for “Information” and reports for “Decision”. The SDSO will look at the templates used by BHCC with a view to adopting good practice.
- 2.40 It was agreed that reports for “information” will remain on formal papers to allow discussion if it was required, and to avoid ad-hoc email discussions. It was also

agreed that whilst the Quarterly Performance reports were for information, the Authority should be encouraged to make recommendations for further in-depth analysis.

2.41 Recommendation R3 – “The Corporate Risk Register should be strengthened in order to be utilised by Authority as the central Assurance Framework”

2.42 This recommendation was not accepted. Members noted that a review of the risk register had recently been completed with the assistance of the Authority’s advisers and should be given the opportunity to bed in. In addition, assurance matters more generally are overseen by the officer led Assurance and Governance Group and through the routine work of the Authority’s Internal and External Auditors.

2.43 Recommendation R7 – “The Authority should develop a risk appetite statement in relation to its strategic objectives”

2.44 This recommendation was not accepted. It was felt that the CFA, when agreeing to strategies, policies, budgets and the IRMP, are stipulating (albeit indirectly) their appetite for risk. The MRG and officers felt that there was little value in bringing forward further documentation and or processes which may have the unintended consequence of introducing further bureaucratic processes into Authority business.

2.45 Recommendation R8 – “The Authority should clarify risk tolerance and escalation procedures for its scheme of delegation to Panels and SLT”

2.46 This recommendation was not accepted as it was felt to be directly linked to R7 and would require the acceptance and implementation of that recommendation too. The MRG were informed that SLT had held a workshop on risk with an independent adviser and expert earlier in 2018, which had already resulted in change to the risk register and escalation process. It was suggested that this be reviewed after a year and that to do additional work immediately would be pre-emptive and distract capacity from some of the more significant priorities

2.47 Stakeholder Engagement & Collaboration

2.48 Recommendation R9 – “The SLT should further develop integrated performance reporting arrangements, supported by forthcoming business intelligence platform”

2.49 This recommendation was accepted. It was noted that work on this area is already underway for delivery through the IT Strategy.

2.50 Recommendation R11 – “The Authority should collaborate with partner services and stakeholders to adopt an Integrated Reporting approach to the production of an annual Impact and Performance Report”

2.51 This recommendation was not accepted. There was some general uncertainty as to what this was seeking to achieve. The MRG concluded that the GGI were suggesting a “whole community” risk assessment to assess what actions

should be in place for all agencies. However, this was felt to be a naïve suggestion as it was in fact the statutory duty of each agency to respond to their duties. The Authority already adheres to the National Framework and guidance set out for the IRMP. All agencies are consultees for the ESFRS IRMP and likewise we respond to those agencies when they consult on their strategic plans. In addition, key community risks are assessed by all agencies through the Local Resilience Forum.

- 2.52 In relation to the Authority’s approach to, and oversight of, collaboration and partnerships, it was noted that a Collaboration Report is elsewhere on this agenda and future monitoring of collaboration performance will be undertaken by the Scrutiny & Audit Panel.
- 2.53 It was also noted that ESFRS provide data for both BHCC & ESCC for inclusion in their annual assessment and reporting processes. The Service would continue to produce its Annual Outcome Report.

3 OTHER MATTERS

- 3.1 After some discussion, it was agreed that GGI would not be invited to the December FA meeting, but the draft version of this report would be sent to them in advance for comment.
- 3.2 The discussion on Authority processes led the MRG to express their support for the introduction of a “Committee Management System” similar to that utilised by both constituent authorities which would encourage paper-free meetings with no hard copy agendas being printed or distributed. The SDSO explained that she was in the process of finalising a business case which would be presented to December SLT. If introduced this system would enable and support many of the points raised through the GGI report including:
- Clearer, consistent templates
 - Adapted agenda papers
 - Paper free
 - Subscription to papers for Members
 - E-calendars

4 CONCLUSION

- 4.1 Although a number of the recommendations identified in the GGI report have not been accepted at this stage, overall it was felt by the MRG that this has been an important and useful exercise.
- 4.2 A number of recommendations have been accepted and it is felt that these are achievable, meet with the current and future Authority goals and will add real value. This report presents the full Authority with an opportunity to discuss the GGI report in full and to review the proposed response of the MRG if necessary.
- 4.3 The MRG expressed their thanks to colleagues from the GGI for the diligent and comprehensive approach. It was noted that the engagement with the GGI continues and the DCFO will be meeting them in due course to look at the potential benefits of developing a “maturity matrix” for the fire sector.

**Review of the Governance Arrangements of
East Sussex Fire Authority**

Review Areas and Key Lines of Enquiry

1. The review should assess the degree to which Members of the Authority have clarity on their statutory duties, and powers, and how these are exercised from a governance point of view.
2. The review should consider the size of the Fire and Rescue Authority in relation to the constituent authorities. This should include benchmarking as necessary.
3. The review should assess the number, and terms of reference, of existing panels, considering current and future needs. This should include examining how well the Authority measures and manages performance.
4. The review should undertake a sample audit of some key decisions made by the Authority, to include a review of the adequacy of papers and the information provided by officers to support decision making.
5. The review should consider the efficacy of decision making processes at the corporate level (Corporate Management Team) in support of the Authority. This should cover the full scope of governance in terms of executive/officer internal decision making, and consider how well these processes and structures connect to the Authority.
6. The review should consider the efficacy of powers delegated to officers of the Authority and how these are discharged and monitored via panels. This should include a review of the Scheme of Delegated Powers.
7. The review should consider the role and effectiveness of the principal advisors to the Authority, specifically the Treasurer and Monitoring Officer.
8. The review should consider whether there is sufficient advice available to the Authority to provide assurance on complex HR matters, including reviewing the adequacy and accuracy of documents and information provided.
9. The review should undertake a gap analysis of previous reviews into Avon, Cambridgeshire and Essex Fire and Rescue Authorities to capture any lessons learnt.
10. The review should consider communications and engagement with the public, considering options for encouraging and improving participation and engagement in the democratic process. This should also consider the value of interaction with Town and Parish Councils and also the value of any annual reporting processes to the public and to local political structures. Members should be asked to consider what they see as the most effective mechanisms for engaging the public.

11. The review should consider the implications of the developing Home Office policy on the “Fire Reform Agenda” in regards its impacts on transparency and public accountability.
12. The review should consider how well the Authority has identified and responded to external drivers and challenges such as those articulated in the Thomas Review. In addition, the review should consider how well the governance arrangements of the Authority, and the Service, drive the policy agenda and deliver the benefits enabled by effective joint working between emergency services as outlined in the Sussex PCC Business case
13. The review should consider if the Authority’s governance processes are suitable and sufficient to identify and manage the impact of future collaborative governance, the impact of the new National Framework document and the forthcoming inspection regime by HMICFRS.
14. The review should consider the efficacy of the current assurance framework, including the Annual Governance Statement and the officer led Governance Group, and present options for improvement. This should include assessing the Authority’s’ understanding of risk and their role in oversight of sound corporate risk management arrangements.
15. The review should consider the governance culture within the Fire Authority and across officers of the Authority, including examining the efficacy of working relationships and communication. This should include examining the effectiveness of governance in the areas of whistleblowing and fraud.
16. The review should consider the value and effectiveness of Member development arrangements, including skills audits, induction, Member appraisals and reviews, and member seminars. (Noting that members are LGA and also members of constituent authorities)
17. The review should consider the current Authority Constitution and identify areas for improvement or development in light of the review findings.
18. The review should consider the role of Member leads, the value they add, and their effectiveness in supporting understanding, governance and decision making.
19. The review should consider how the Authority undertakes, supports and directs the strategic planning process including horizon scanning and setting long term direction; and should consider if the P&R panel is used sufficiently well during this process to support the development of options around future service direction and improvement.
20. The review should examine the Authority's role and effectiveness in ensuring a sound system of controls that govern their fiduciary, employment, health and safety, and data compliance requirements for those services provided by 3rd parties (e.g. from constituent authorities, external partners etc).



Independent Governance Review

East Sussex Fire Authority

Final report

September 2018



The Good Governance Institute exists to help create a fairer, better world. Our part in this is to support those who run the organisations that will affect how humanity uses resources, cares for the sick, educates future generations, develops our professionals, creates wealth, nurtures sporting excellence, inspires through the arts, communicates the news, ensures all have decent homes, transports people and goods, administers justice and the law, designs and introduces new technologies, produces and sells the food we eat - in short, all aspects of being human.

We work to make sure that organisations are run by the most talented, skilled and ethical leaders possible and work to build fair systems that consider all, use evidence, are guided by ethics and thereby take the best decisions. Good governance of all organisations, from the smallest charity to the greatest public institution, benefits society as a whole. It enables organisations to play their part in building a sustainable, better future for all.



Independent Governance Review at East Sussex Fire Authority

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Project name:	Independent Governance Review
Document name:	Final report
Reference:	GGI_ESFA_GovRev_FinalReport
Document version:	Final report V2
Date:	11/09/18
Author/s:	Andrew Corbett-Nolan, Chief Executive, GGI Donal Sutton, Strategy Director, GGI George Hughes, Project Manager, GGI
Reviewed by:	Pantelis Soteriou, Engagement Officer, GGI
Designed by:	

This document has been prepared by GGI Development and Research LLP. This report was commissioned by East Sussex Fire Authority. The matters raised in this report are limited to those that came to our attention during this assignment and are not necessarily a comprehensive statement of all the opportunities or weaknesses that may exist, nor of all the improvements that may be required. GGI Development and Research LLP has taken every care to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed. However, no complete guarantee or warranty can be given with regard to the advice and information contained herein. This work does not provide absolute assurance that material errors, loss or fraud do not exist.

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1. Executive Summary

This report sets out themes and findings arising out of our independent review of the political and organisational governance arrangements for East Sussex Fire Authority (the Authority) and in relation to East Sussex Fire and Rescue Service (ESFRS).

The Authority requested the review to:

- explore the application and effectiveness of the Authority's current governance practice, structures and procedures
- assess if the existing Authority and Panel structures remain fit for purpose
- assess if the Authority's governance arrangements are well designed and properly executed

GGI have attempted to deliver a review which is not only focused on current governance, but is forward-looking, providing supportive options for the development of the Authority.

Our analysis, based on semi-structured interviews, document reviews, observations and benchmarking makes a number of recommendations which are aimed at strengthening core accountabilities, skills, structures, decision-making processes, visibility and relationships, to ensure the Authority develops further its good governance practices.

GGI is satisfied that the Authority has in place governance arrangements and a satisfactory system of internal control, both of which are fit for purpose and operating effectively. Our overall view however, is that work is needed to ensure that the Authority's governance remains fit for purpose. Throughout the review GGI saw evidence of robust governance documentation and resources, as well as understanding and competence among individuals. Our observations and interviews reflected the opportunity for the business practices of the Authority to more consistently deliver greater effectiveness, and for the Authority to develop to the next stage of governance maturity. In particular, GGI notes a risk that the interaction between Authority, its Panels, and the Senior Leadership Team (SLT) becomes superficial and arrives at a point of no longer adding sufficient value.

In order to address this risk, GGI highlights the importance of the Authority undertaking a shift beyond a 'mechanistic' focus on governance (structures, processes and procedures), to one which better addresses modern governance 'dynamics' (culture, behaviour, strategic risk) in order to embed the desired level of effectiveness and sustainability. This shift will support the Authority to make the best possible use of the time, expertise and skills of all members in addressing key priorities to deliver optimal impact.

The Authority is to be commended for commissioning this independent governance review, which demonstrates a genuine and proactive commitment to improvement. The dedication to high quality and sustainable Fire Service provision was clearly evident from everyone GGI has engaged in the review process, which is a clear asset to the organisation.

The main analysis of the Authority's governance is set out in section 4 of this report.

2. Overview and context

ESFRS provide prevention, protection and response services to over 800,000 people within the area of East Sussex and the City of Brighton & Hove, covering an area of 179,000 hectares. The Service operates within a large and diverse area on the south coast of England, covering rural locations as well as a busy city centre and urban seaside towns. Along with the local communities served by ESFRS, the areas within the remit of the Service are key tourist and event destinations.

The Authority comprises 18 elected councillors (Members), 12 being appointed by East Sussex County Council and 6 appointed by Brighton & Hove City Council. The Fire Authority sets the strategic direction of the ESFRS, and has the ultimate responsibility, as a corporate body, for decision-making, with delegation to its Panels and officers as set out in its constitution.

The Fire Authority has established the following Panels:

- Human Resources Panel
- Policy and Resources Panel
- Principal Officer Appointments Panel
- Scrutiny and Audit Panel
- Standards Hearing Panel
- Urgency Panel

The Fire Authority is supported by the Chief Fire Officer, the Treasurer and the Monitoring Officer, and the Senior Leadership Team (SLT) who are responsible for the implementation of policy and day to day management of the organisation.

This governance review is set in the context of a period of considerable change and uncertainty within public services, not least related to the sustainability of funding, recent high-profile challenges faced by other Fire and Rescue Services¹, and the forthcoming national inspection regime².

This context requires a fit-for-purpose Authority which meets the test of being business-like and responsive to key stakeholders, both internal and external, whilst preserving the purpose, commitments and values of the institution. Authority members play a critical role in the future sustainability and success of the service as a whole, operating as a strong collective governing body.

1. Home Office (2017), Avon Fire and Rescue Authority statutory inspection report https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/630183/6_3502_HO_KG_Avon_Report_Web.pdf

2. HMICFRS (2018), Fire and rescue services inspection programme and framework 2018/19 - <https://www.justiceinspectorates.gov.uk/hmicfrs/wp-content/uploads/frs-inspection-programme-and-framework-2018-19.pdf>

3. Scope, methodology and process

GGI commenced work in late April 2018. As set out in the Statement of Work, our approach to delivering the programme has consisted of:

- Interviews
- Observations
- Document review
- Survey of SLT
- Benchmarking

GGI employs an established methodology for governance reviews. We interviewed a range of people on the Authority and in senior management positions, interviewed senior representatives of stakeholder organisations, observed key meetings and conducted a detailed review of relevant documentation. In constructing this report, GGI has triangulated findings from these sources, and used the experience and judgement of the senior review team members. The review team used GGI standard templates, matrices and literature to demonstrate the significance of the findings against good governance practice. A list of the people with whom we have spoken, the meetings observed, and the documents reviewed is included in Appendix 1.

Our work has been guided by the 20 Key Lines of Inquiry contained in the original governance review invitation to quote specification, as outlines in Appendix 2. The governance analysis in Section 4 of this report is structured according to the headings of GGI's good governance maturity matrix. This is designed to be utilised to support ESFA as a development tool to agree a pathway of prioritised governance development efforts over an agreed timeframe with clear milestones.

4. Governance analysis

4.1 Purpose and vision

ESFRS has a stated purpose: ***we make our communities safer.***

This purpose is supported by a set of four commitments:

1. Delivering high performing services
2. Educating our communities
3. Developing a multi-skilled, safe and valued workforce
4. Making effective use of our resources

These commitments are used as a basis to align reporting against strategic risks. The Service also has a set of stated values:

- Respect and dignity for all - by treating members of our community and each other in a way that values their individuality and by challenging discrimination and unsuitable behaviour.
- Trust, integrity, initiative and innovation - by being open, honest and encouraging creativity.
- Serving our whole community - by providing a good, cost effective service.
- We are proud of our Service and enjoy working in a positive environment - by continually improving our services and our organisation.

There is a general understanding of the purpose, commitments, and values amongst Authority members. The Authority could benefit by strengthening the understanding and ability to articulate the vision and values by colleagues throughout the organisation. As well as good governance practice, this will likely support any forthcoming Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) organisational effectiveness review of the service.

The values of the Authority are underpinned by a Behavioural Framework of personal qualities and attributes, which GGI heard is utilised as a helpful and supportive element of the Authority's culture.

The ESFRS 2020 vision is to demonstrate:

- we have a transformed service providing effective and efficient prevention, protection and response services which are sustainable
- our fire stations are equipped and staffed in the most appropriate ways to tackle risks in their local areas
- our Service is taking advantage of the significant advances in safety and firefighting technology
- our work with other fire and rescue services, other emergency services, local organisations and local communities is giving us more capacity to deliver our services
- there is stronger community engagement and local involvement, with elected members of the FRA leading and setting priorities and decision making, ensuring that there is more public scrutiny of our services and how we deliver them
- greater use is being made of the rapid changes in communications technology, particularly the rise in the use of social media websites, which can provide important safety information quickly and effectively

GGI heard a consistent narrative that the ESFRS vision is one of improvement and reform, with a particular emphasis on the use of technology, collaboration and engagement, and the strategic resourcing of the service in line with effective integrated risk management planning.

GGI found that both Authority and SLT members understood these priorities, and could articulate how they had been developed in response to the context of modern Fire Service provision. We saw and were told that the Authority is refining its approach to recruitment, appraisal, and personal development to ensure that all these processes focus on the values of the organisation.

The strong passion and belief in the work of ESFRS was apparent from all of those engaged as part of the review, which is a clear asset to the organisation.

R1 - narratives on ESFRS purpose, commitments and values should be provided to Authority members and colleagues to refresh their understanding and confidence to articulate

4.2 Strategy and Authority assurance

The Authority have outlined an ambitious strategy to 2020. This is formulated on the basis of a needs and risk assessment and clearly articulates local priorities for improvement. GGI observed that Authority members had an understanding of the strategy, and the processes by which it was being implemented.

However, GGI noted that Authority members could benefit from more consistently relating the issues they were considering to the strategy, and reflecting on how their own contributions and the business of the Authority are shaped by strategic priorities. This would be supported by meeting papers more explicitly identifying how they connected to the strategy and to the delivery of strategic and key operational objectives.

It is clear from our interviews and observations that the majority of Authority members understand their distinct roles and responsibilities. These are clearly stated in the Constitution and Panel Terms of Reference and Standing Orders.

It is also clear that Authority members are passionate about realising effective fire service provision for the people of East Sussex. However, the contributions GGI observed from some members on the Authority were mixed, and there is scope for focused development to support greater strategic thinking and improved and more appropriate challenge at Authority and Panel meetings.

It is important that the time devoted to the four Authority meetings per annum needs to be used to maximum effect and

to be felt to be so by its Members. Authority Members need to be able to take stock of strategy and policy throughout the year and not feel that they are merely seeing fragments of a whole, or having a concentrated focus only once a year in a strategy day or seminar.

Authority papers could help by positioning each theme more clearly in relation to the overall strategy, and also set out the provenance of the paper, any issues of substance already discussed and resolved in Panels, and map out the route taken to Authority. This may also help to highlight whether duplication of consideration in different Panels is in fact a good use of time, or necessary, and would reveal any overlaps in roles and purpose between committees.

Effective governance of the Authority requires clarity of roles and responsibilities, a shared vision expressed in definable objectives, and the identification of the risks and opportunities that influence outcomes.³

The Corporate Risk Register is structured according to the strategic risks to the Authority's four key commitments. GGI advocates for this to be strengthened and developed in order to operate as a central Assurance Framework for the Authority.

Rather than a list of 'key actions', we recommend including the following factors against each strategic risk:

- Controls
- Assurance
- Gaps in controls
- Gaps in assurance

This will support the Authority to focus on the key risks to the delivery of strategic objectives, and to consider specific assurances from its Panels and SLT in relation to progress towards achieving these strategic objectives.

Appendix 3 demonstrates this intended assurance alignment for the Authority utilising the strengthened Corporate Risk Register as a central Assurance Framework.

R2 – Authority cover papers to be framed better to support focused discussion and clear decision-making, with items positioned in relation to strategic and operational objectives.

R3 – The Corporate Risk Register should be strengthened in order to be utilised by Authority as the central Assurance Framework

4.3 Leadership and capacity

As noted in the Thomas Review, the role of elected councillors on fire authorities and associated panels can place a burden on Chief Fire Officers and their teams in "managing this weighty political oversight".⁴

While those GGI interviewed as part of this review readily outlined the value and support of Authority Members, it is important to note the impact of the political structure of fire authorities on their leadership and management. In particular, the political processes involved in the appointment of Authority and Panel Chair positions rule out orthodox succession planning, and pose challenges in relation to planning an effective skills and experience mix among Authority members.

An important element to recognise in relation to these political governance arrangements is the risk that the interaction between Authority, its Panels, and the SLT becomes superficial and arrives at a point of no longer adding sufficient value. GGI highlight this risk due to the need for Members to strike a potentially difficult balance between democratic mandate, and the effective leadership and governance of an organisation. While these roles are of course not in direct conflict, we wish to emphasise the need for all Authority members to consistently reflect on their contribution and the added value of governance arrangements as a matter of good practice.

3. Good Governance Institute and HQIP (2015), Good Governance Handbook - <https://www.good-governance.org.uk/services/good-governance-handbook-2/>

4. Home Office (2016), Conditions of service for fire and rescue staff: independent review <https://www.gov.uk/government/publications/conditions-of-service-for-fire-and-rescue-staff-independent-review>

Having eluded to the issue of the Authority, as a politically appointed arrangement, not having the usual ability of a board to select membership on a skills and succession planning basis there are advantages to the current model that need emphasising. In our interviews, we raised the issue of how the Authority was or was not using the potential added value of having a governing body comprised of local politicians.

The Authority has before it some tough choices, and like all public bodies, needs to make the case for resources in a competitive environment. Local politicians, connected as they are to both local communities on the one hand and more senior politicians on the other are well-placed to support the Authority through the exercise of influence and connection. The voter-base too should be able to help the Authority 'carry' often unpopular decisions where there are perceived 'winners' and 'losers'. GGI heard examples of some useful 'upward' networking by Authority members, but a mixed story of using local community connectivity to support some of the decisions the Authority has had to make, and indeed has before it.

If the Authority sees itself as a corporate voice, once decisions have been taken, then we would expect Authority members to be consistently supporting and explaining Authority decisions to their constituents. Locally elected Councillors have a unique opportunity to confront nimbyism and the Authority could do this in a more collegiate and agreed way through developing the Code of Conduct.

The need for the Authority to work closely with police and ambulance services, as well as the broader collaboration agenda in public service has implications for the capacity of the leadership. GGI heard of development efforts underway to ensure that SLT continues to effectively and confidently contribute to the outward-facing role expected of senior leadership in this context. GGI heard of further synergies with other public sector organisations, particularly colleagues from the local NHS, which will be a useful strategic asset to develop. Our review of stakeholders heard how valued the current Chair and Chief Fire Officer are.

The Authority has an experienced and well-regarded Chair, as well as experienced Panel Chairs. Whilst not being asked to conduct a skills audit of the Authority, our interviews did reveal that there is a mixed level amongst Authority members, ranging from individuals with leadership experience in complex organisations to others who were not so vocationally equipped for a senior role in a public body. To a degree, board and individual development can address this. What development there has been appears to have been limited, through induction, development days or on the job.

We would suggest that the skills available to the Authority from within itself are more through happenstance than design, and in the interests of resilience within the Authority team there should be an overt skills audit and accompanying development programme to address areas of weakness. We would favour a 'development by doing' approach.

We would go further and suggest that the Authority could look to building resilience through looking to its size and composition. A governing body of 18, though certainly not the largest for a Fire Authority, is above the recommended levels for an effective governing body. An option for amended membership could include the recruitment of associate Panel members on a skills basis, to support continuity, address particular skills gaps and help improve the Panel effectiveness. We believe this could be a fruitful avenue for the Authority to pursue, should the skills audit identify particular gaps.

R4 – The Authority should carry out a skills audit, and in the light of the results consider options for improving governing body sustainability through considering amending the Authority size, and the potential appointment of associate Panel members.

R5 – The Authority should agree an externally facilitated 'board development' programme to enhance both governing body effectiveness and resilience. This should focus specifically on the strategic and operating context of the Fire Authority, and not seek to replicate general development delivered through constituent County and City Councils, or the Local Government Association.

R6 – Through the board development programme, the Authority should work through conflict of interest and Code of Conduct issues in relation to the Authority's reputation as an asset. Enhancement of the Code of Conduct should be considered.

4.4 Finance and resources

The Authority, in common with all public sector organisations, is working within an environment competitive for resources. Indeed, and by way of context, East Sussex County Council is faced with cutting services to the legal minimum and the local acute NHS Trusts in Brighton and East Sussex are working to a significant deficit. The Authority has a balanced budget as far as 2020. Nationally, the Comprehensive Spending Review is looking to move the funding for fire and rescue services into the Home Office and away from Local Authorities. The new inspection regime comes under the Home Office also.

The Authority as it is demonstrates effective stewardship through traditional financial governance. The advisors are all well-versed in the funding context and well-respected by Authority members for their counsel and judgement. The Audit and Scrutiny Panel works effectively and has proper oversight of the Authority's treasury function, drawing on appropriate support and input from professional auditors.

In terms of the ability to address funding issues strategically and for the future, the bandwidth of experience among Members is somewhat thinner. The Authority should remain cognizant of the need for a broad base of senior financial skills and experience in order to understand and deliver effective constructive challenge to professional advice.

The skills audit and development programme will provide the Authority with the opportunity to reflect on the level and confidence of constructive challenge in relation to the financial performance of ESFRS.

4.5 Risk and agility

The Authority has in place established procedures for ensuring that risks are identified and managed. SLT review any 'high' rated risks identified in the Project RAID (Risks, Assumptions, Issues, and Dependencies) logs in order for themes to be identified and risks to be escalated to the Corporate Risk Register as necessary. A review of the Corporate Risk Register takes place on a quarterly basis at Scrutiny and Audit Panel.

We note a proactive approach to risk management, and were told of recent and ongoing work to improve various aspects, such as strengthening project risk reporting, integrated risk management planning, and the operation of Directorate risk registers. As outlined in Section 4.2 earlier, we recommend a strengthening of the Corporate Risk Register to operate as the main Assurance Framework for the Authority.

Alongside this development, we recommend that the Authority priorities risk in relation to the agreed commitments and strategic objectives by establishing its risk appetite. Risk appetite is "The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time".⁵ It can be influenced by personal experience, political factors, and external events. Risks need to be considered in terms of both opportunities and threats and are not usually confined to finance - they will invariably also impact on the capability of your organisation, its performance, and its reputation.

The concept of a 'risk appetite' is key to achieving effective risk management and it is important to engage with before moving on to consideration of how risks can be effectively addressed. The concept may be looked at in different ways depending on whether the risk being considered is a threat or an opportunity:

- when considering threats the concept of risk appetite embraces the level of exposure which is considered tolerable and justifiable should it be realised
- when considering opportunities the concept embraces consideration of how much one is prepared to actively put at risk in order to obtain the benefits of the opportunity.

Risk tolerances reflect the boundaries within which the SLT are willing to allow the true day-to-day risk profile of the enterprise to fluctuate, while they are executing strategic objectives in accordance with the Authority's strategy and risk appetite. It is the level of residual risk below which the Authority expects Panels to operate and management to manage. Breaching the tolerance requires escalation to the Authority for consideration of the impact on other objectives, competing resources, and timescales.

The Authority's ongoing work to strengthen risk management includes learning from issues emanating from the consideration of risks on an individual basis leading to issues in other business areas. Adopting a risk appetite approach will enable the Authority to prioritise its business and the efforts of Panels and SLT according to strategic risks, and to assess the interconnected elements of risk.

Appendix 4 includes further detailed guidance on establishing risk appetite, outlining five levels of risk appetite in four key risk areas; finance, policy, outcomes, and reputation.

R7 – The Authority should develop a risk appetite statement in relation to its strategic objectives

R8 – The Authority should clarify risk tolerance and escalation procedures for its scheme of delegation to Panels and SLT

4.6 Measurement and integrated reporting

Given the long-term downward trend of fires and fire-related fatalities in England in the past decade, Fire Authorities can be faced with a challenging and changing landscape in terms of performance measurement and reporting.⁶ The Authority also has available to it the Integrated Risk Management Plan (IRMP) that is a Statutory requirement and considers, over a three-year period, the risk inherent in the communities served by the Fire and Rescue Service.

The IRMP holds the potential for elevating measurement and reporting above process and immediate performance and into the territory of impact. In the context of competition between public bodies for resources, and the Authority being funded against risk rather than demand, we commend the Authority to move their scrutiny of performance in this direction

Within the current reporting paradigm, we commend the Quarterly Performance Report for explicitly linking performance indicators to the Service's four commitments, namely:

- Delivering high performing services
- Educating local communities
- Developing a multi-skilled, safe and valued workforce
- Making effective use of our resources

However, the Quarterly Performance Report is extensive and contains an abundance of information. While we observed instances of effective engagement and challenge at the Scrutiny and Audit Panel, we believe that this could be strengthened and widened among Members in relation to Service performance.

We understand that a business case is progressing through SLT for a business intelligence solution which will enable the service to review its approach to performance measurement and the way in which progress is reported. A more streamlined and integrated performance reporting approach would benefit both Authority and SLT, and ensure the most effective use of time considering the key agreed performance metrics, and how these are linked to the delivery or strategic objectives.

A stronger integrated reporting approach would enable SLT and the Scrutiny and Audit Panel to assess cross-cutting performance implications at ESFRS. The development of integrated reporting also provides a development opportunity in the shape of greater cross-portfolio working by members of the SLT. We also suggest a better and more explicit connection between the IRMP and reporting.

R9 – The SLT should further develop integrated performance reporting arrangements, supported by forthcoming business intelligence platform

6. Local Government Association (2017), An Overview of the Home Office Fire Reform Programme - <https://www.local.gov.uk/sites/default/files/documents/HO%20fire%20reform%20programme%20-Nick%20Chard.pdf>

4.8 Probity and reputation

The Authority is to be commended in publishing an extensive range of governance documents on its website. These addresses the obvious conflict of interest and probity in public office issues and are fit for purpose. We tested understanding of these, and broader issues around conflict of interest and reputation, through the interviews.

Ahead, the Authority has various strategic issues to address and will want to draw on the considerable capital of goodwill and reputation in the form of 'soft power' it has accrued. In this context, we suggest that through board development the Authority needs to rehearse for itself some of the more tractable issues around conflict for interest. These have a reverse-side we have in a previous section encouraged. By virtue of the elected status of Authority members there is connectivity to local communities and to other politicians at both the local and national levels. This 'soft power' can, we have stated, be a useful resource to the Authority but its tenability depends on maintaining the Authority's reputation. As such, Authority members will diminish this reserve of goodwill should they go down the road of not supporting Authority decisions once these have been taken, especially when these partially effect the individual's own constituency or political connections. Authority members likewise need to be careful in the manner in which they manage lobbying by special interest groups to them.

GGI has adopted the principles for managing probity and reputation, including the Nolan Principles, as developed by Baroness Fritchie and the Centre for Public Scrutiny. This provides a practical tool for helping those in public office navigate their various accountabilities and responsibilities, often between different elements of public service. These elements should be considered by the Authority as part of the 'board development' programme in Recommendation 5 of this report.

4.9 Stakeholder engagement

Strong community and stakeholder engagement is a core element of good governance. This is highlighted further within the context of greater collaboration across public services, the opportunities of 'place-based' approaches to service planning and provision, and the potential of future fire service reconfiguration. Authority Members are ideally placed to utilise their platforms as locally elected representatives to engage and influence the community voice.

GGI heard from interviewees that the Fire Service is highly regarded by the local community, with strong levels of trust and engagement from partners, service users, and the community at large. The review team were told also that staff, public and partner engagement was recognised by the Authority as a resource to focus, design and deliver service improvement. Examples of this included the award-winning Safety in Action community outreach teaching programme, and the strong engagement based approach evident within the Safer Communities Strategy.

The review has highlighted the opportunity for Authority Members to play a more explicit and direct role in community and stakeholder engagement, as well as engagement with staff and internal stakeholders.

It is important for the Authority to ensure clarity of expectations from Members, and for SLT to support and guide Members to deliver effective stakeholder engagement in line with strategic objectives. The Authority has an excellent opportunity to ensure that individual and collective platforms within the community are not only used to represent views inward, but can also lead community opinion in relation to the Fire Service as a unified corporate body.

In relation to internal stakeholders, the review team heard of a number of opportunities provided to Members to engage with staff and to improve their tangible understanding of the service level context. Ensuring the visibility of Authority Members among staff is an important element of the role of a Member, and these expectations should be clarified to ensure consistent engagement and awareness of the Authority leadership.

R10 – The Authority should clarify expectations from Members in relation to internal and external stakeholder engagement, and this should be managed within an activity plan linked to the strategic objectives

The police, fire and rescue, and emergency ambulance services now have a duty to collaborate as a result of the Policing and Crime Act 2017⁷, and this will likely form an increasingly important element of the HMICFRS inspection regime.

GGI heard that the Authority is linked to the national thematic work underway in relation to Fire Services through the Chief Fire Officer, and that there is an opportunity for ESFRS to embed this further within its structures and leadership.

A suggested approach to support this collaboration is for the Authority to adopt an Integrated Reporting (IR) approach⁸. A different concept to the integrated performance reporting addressed in Section 4.6, IR has at its heart the concept of agreeing with stakeholders what they value and what ‘capitals’ they wish to see improved.

The system requires organisations to agree priorities with stakeholders in relation to these ‘capitals’ and then to set about improving and reporting on progress and learning. For instance, as well as the traditional areas of finance, staffing numbers, and equipment, ESFRS values the skill base of its staff, the community experience within the areas it serves, efficiency, training and research, contribution to local public health, employment and well-being, its impact on the environment, and leadership in local and national debates.

At the moment, the system has the advantage of not being a statutory requirement so avoids the failure regime of targets or the lack of engagement related to pro forma annual reports. Moreover, the concept lends itself well to the communication and engagement efforts of ESFRS to date, which align with the International Integrated Reporting Council’s (IIRC) goal to make corporate reporting clear, concise, and relevant.

R11 – The Authority should collaborate with partner services and stakeholders to adopt an Integrated Reporting approach to the production of an annual Impact and Performance Report

4.10 Authority supports and panel structures

The Authority has 18 elected Councillor Members; 12 who are nominated by East Sussex County Council; and 6 who are nominated by Brighton and Hove City Council. The size of the Authority at 18 is roughly average in comparison to other Combined Fire Services, both in terms on absolute numbers of councillors, and the ratio of population to member (Appendix X). GGI heard consistently from interviewees that there was merit in the Authority exploring its appetite to reduce this membership size in order to aid effectiveness.

As noted in Section 4.3, 18 members is above the recommended levels for an effective governing body, and we have recommended that the Authority review its appetite to reduce in size and explore alternative models such as associate Panel members.

The Authority is supported by the Chief Fire Officer, the Treasurer and the Monitoring Officer, and the Senior Leadership Team (SLT) who are responsible for the implementation of policy and day to day management of the organisation. The SLT consists of three Principle Officers and six Assistant Directors.

The three statutory advisors to the Fire Authority are well regarded, and experienced individuals, with a demonstrable understanding and experience of corporate governance, both in relation to Fire Authorities, the broader public sector, and elsewhere.

The Fire Authority has established the following Panels:

- Human Resources Panel
- Policy and Resources Panel
- Principal Officer Appointments Panel
- Scrutiny and Audit Panel
- Standards Hearing Panel
- Urgency Panel

7, Policing and Crime Act 2017, http://www.legislation.gov.uk/ukpga/2017/3/pdfs/ukpga_20170003_en.pdf

8. International Integrated Reporting Council (2013), The International <IR> Framework, <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>

GGI heard that the Scrutiny and Audit and Policy and Resources Panels operated as the 'main' Panels of the Authority, with other Panels meeting less regularly and transacting less business. This poses a risk of dual governance standards and expectations developing, which the Authority would clearly wish do avoid.

GGI was struck by a relatively large number of items on Panel agendas for noting by Members. We would encourage the Authority to keep these items to a minimum, and to ensure that the business of the Panels avoids duplication or unnecessary time spent, in order to ensure effectiveness of effort. Strengthening the Corporate Risk Register and utilising this as a core assurance framework as per Recommendations 2 and 3 will support the Authority and Panels to focus on the delivery of strategic and key operational objectives, the mitigation of direct risks to these, and the scrutiny of internal and external assurance systems.

GGI found some inconsistency in the level of understanding in relation to the formal communication mechanisms and distribution routes for Panel papers. While Authority and Panel papers are currently circulated appropriately, we understand that an electronic portal is being implemented to support efficiency and ease of access for Members. The forthcoming e-portal will include prompts for the availability of papers which will aid transparency and effective communication flow at ESFA.

In reflecting on of the size of the Authority and the structure of its Panels, it is important to remain focused on the core role of good governance in ensuring that the Authority act collectively as the overall accountable group for the 'controlling mind' of the Fire Service.

This sentiment is neatly asserted by the Thomas review:

Regardless of the size of the authority, simplicity of command and clear communication of vision to all personnel is essential...a 'golden thread' that joins the vision and strategy of the leadership to the operational delivery at the front line.⁹

4.11 Appraisal and development

The review team saw documentary evidence of a robust performance appraisal scheme in place at ESFRS. GGI heard of mentoring and development opportunities being made available for SLT members, and a number of interviewees praised the Member seminars which have been run in the past. It was felt that the appraisal and development of Authority members should be refreshed, and that past efforts had left Members better informed for effective decision-taking, as well as providing valuable time with colleagues in a less formal setting. We recommend refreshing the induction programme for Authority members, to include:

- clarification of Authority member roles and responsibilities
- support for Members in scrutinising Authority materials and delivering constructive challenge
- re-stated expectations of members beyond attending Authority and Panel meetings i.e. stakeholder engagement, service visits etc.
- outlining the governance arrangements of the Authority, and information on the wider operating context and strategic environment
- opportunity to engage with Authority and SLT colleagues outside of formal meetings

R12 - The Authority should introduce a refreshed induction programme, and ensure that this includes opportunities for engagement with Member colleagues and service level staff outside of formal settings This should be supported by a more systematic programme of seminars for Authority member development.

5. Summary of recommendations

While the recommendations appear in the above report as a narrative flow, GGI have grouped the recommendations in the following way in order to support ESFA develop an implementation plan:

Authority effectiveness:

R1 – narratives on ESFRS purpose, commitments and values should be provided to Authority members and colleagues to refresh their understanding and confidence to articulate.

R4 – The Authority should carry out a skills audit, and in the light of the results consider options for improving governing body sustainability through considering amending the Authority size, and the potential appointment of associate Panel members.

R5 – The Authority should agree an externally facilitated ‘board development’ programme to enhance both governing body effectiveness and resilience. This should focus specifically on the strategic and operating context of the Fire Authority, and not seek to replicate general development delivered through constituent County and City Councils, or the Local Government Association.

R6 – Through the board development programme, the Authority should work through conflict of interest and Code of Conduct issues in relation to the Authority’s reputation as an asset. Enhancement of the Code of Conduct should be considered.

R10 – The Authority should clarify expectations from Members in relation to internal and external stakeholder engagement, and this should be managed within an activity plan linked to the strategic objectives.

R12 - The Authority should introduce a refreshed induction programme, and ensure that this includes opportunities for engagement with Member colleagues and service level staff outside of formal settings This should be supported by a more systematic programme of seminars for Authority member development.

Technical governance:

R2 – Authority cover papers to be framed better to support focused discussion and clear decision-making, with items positioned in relation to strategic and operational objectives.

R3 – The Corporate Risk Register should be strengthened in order to be utilised by Authority as the central Assurance Framework.

R7 – The Authority should develop a risk appetite statement in relation to its strategic objectives.

R8 – The Authority should clarify risk tolerance and escalation procedures for its scheme of delegation to Panels and SLT.

Stakeholder engagement and collaboration:

R9 – The SLT should further develop integrated performance reporting arrangements, supported by forthcoming business intelligence platform.

R11 – The Authority should collaborate with partner services and stakeholders to adopt an Integrated Reporting approach to the production of an annual Impact and Performance Report.

6. Acknowledgements

GGI would like to thank all of the people involved in the review who gave so freely of their time and views. In particular, the review team would like to thank Abigail Blanshard for her support throughout the review.

7. Appendices

1. Interviews and observations undertaken
2. Key Lines of Enquiry
3. Assurance framework guidance
4. Risk appetite guidance

Appendix 1 – Interviews and observations undertaken

Interviews with:

Mark O'Brien Deputy Chief Fire Officer
 Duncan Savage, Treasurer and Associate Director - Resources
 Dawn Whittaker, Chief Fire Officer
 Cllr Carolyn Lambert (Group Leader)
 Cllr Roy Galley (Chair of Scrutiny Panel)
 Cllr Carol Theobald, Vice Chair
 Cllr John Barnes, Chair
 Abraham Ghebre-Ghiorghis, Monitoring Officer
 Cllr Phil Scott (Group Leader)
 Cllr Andy Smith
 Graham Britten, Director of Legal and Governance
 (Buckinghamshire Fire & Rescue service)
 Becky Leigh, Directorate Support Manager
 (Hampshire Fire and Rescue Service)

Observations of:

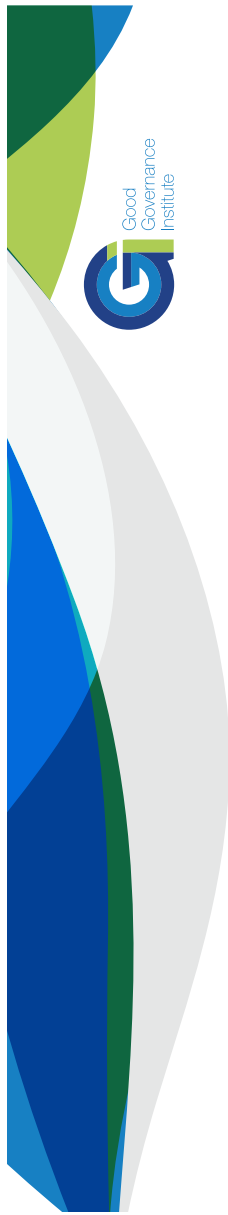
Policy & Resources Panel - 24.05.18
 Scrutiny & Audit Panel - 13.06.18
 Full Authority – 14.06.18
 Senior Leadership Team meeting – 19.07.18

Appendix 2 – Key Lines of Inquiry

1. The review should assess the degree to which Members of the Authority have clarity on their statutory duties, and powers, and how these are exercised from a governance point of view
2. The review should consider the size of the Fire and Rescue Authority in relation to the constituent authorities. This should include benchmarking as necessary
3. The review should assess the number, and terms of reference, of existing panels considering current and future needs. This should include examining how well the Authority measures and manages performance.
4. The review should undertake a sample audit of some key decisions made by the Authority, to include a review of the adequacy of papers and the information provided by officers to support decision making
5. The review should consider the efficacy of decision making processes at the corporate level (Senior leadership team) in support of the Authority. This should cover the full scope of governance in terms of executive/officer internal decision making, and consider how well these processes and structures connect to the Authority.
6. The review should consider the efficacy of powers delegated to officers of the Authority and how these are discharged and monitored via panels. This should include a review of the Scheme of Delegated Powers.
7. The review should consider the role and effectiveness of the principal advisors to the Authority, specifically the Treasurer and Monitoring officer
8. The review should consider whether there is sufficient advice available to the Authority to provide assurance on complex Human Resources matters, including reviewing the adequacy and accuracy of documents and information provided

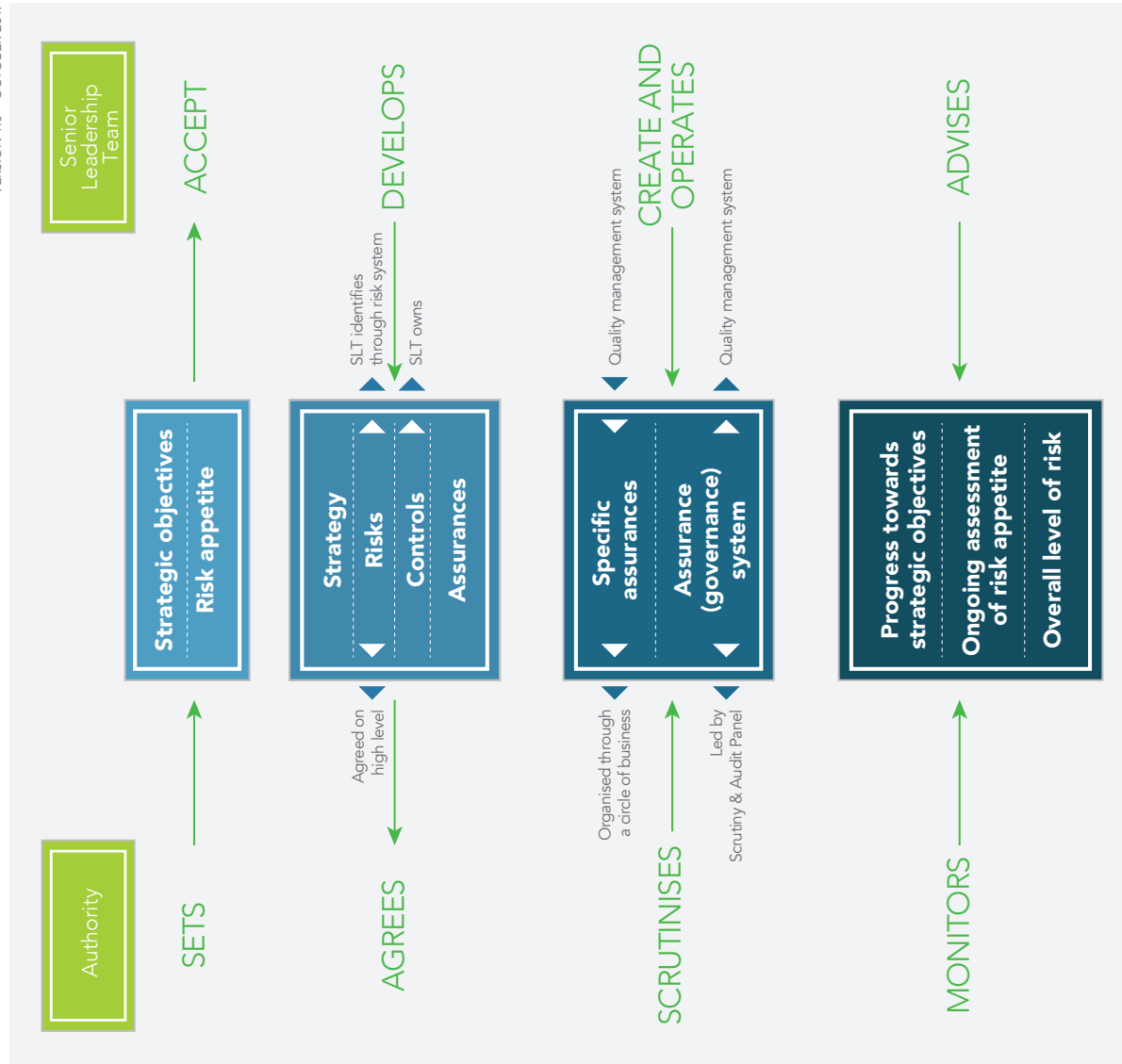
9. The review should undertake a gap analysis of previous reviews into Avon, Cambridgeshire and Essex Fire and Rescue Authorities, to capture any lessons learnt.
10. The review should consider communications and engagement with the public, considering options for encouraging and improving participation and engagement in the democratic process. This should also consider the value of interaction with Town and Parish Councils and also the value of any annual reporting processes to the public and to local political structures. Members should be asked to consider what they see as the most effective mechanisms for engaging the public.
11. The review should consider the implications of the developing Home Office policy on the "Fire Reform Agenda" in regards to its impacts on transparency and public accountability
12. The review should consider how well the Authority has identified and responded to external drivers and challenges such as those articulated in the Thomas Review. In addition, the review should consider how well the governance arrangements of the Authority, and the Service, drive the policy agenda and deliver the benefits enabled by effective joint working between emergency services as outlined in the Sussex Police and Crime Commissioner Business case.
13. The review should consider if the Authority's governance processes are suitable and sufficient to identify and manage the impact of future collaborative governance, the impact of the new National Framework document, and the forthcoming inspection regime by Her Majesty's Inspectorate Constabulary Fire Rescue Service.
14. The review should consider the efficacy of the current assurance framework including the Annual Governance Statement and the officer led Governance Group, and present options for improvement. This should include assessing the Authority's understanding of risk and their role in oversight of sound corporate risk management arrangements.
15. The review should consider the governance culture within the Fire Authority and across officers of the Authority, including examining the efficacy of working relationships and communication. This should include examining the effectiveness of governance in the areas of whistleblowing and fraud.
16. The review should consider the value and effectiveness of Member development arrangements, including skills audit, induction, Member appraisals and reviews, and member seminars; this should include ensuring Members have sufficient understanding and training to undertake their scrutiny role (noting that Members are Local Government Association and also members of constituent authorities).
17. The review should consider the current Authority Constitution and identify areas for improvement or development in light of the review findings
18. The review should consider the role of Member leads, the value they add, and their effectiveness in supporting understanding, governance and decision making.
19. The review should consider how the Authority undertakes, supports and directs the strategic planning process including horizon scanning and setting long term direction; and should consider if the Policy & Resources Panel is used sufficiently well during this process to support the development of options around future service direction and improvement
20. This review should examine the Authority's role and effectiveness in ensuring a sound system of controls the govern their fiduciary; employment, health and safety, and data compliance requirements for those services provided by 3rd parties (e.g. from constituent authorities, external partners etc.)

Appendix 3 – Assurance framework guidance



A suggested assurance alignment for Fire Authorities: Corporate Risk Register

VERSION 1.0 - OCTOBER 2017



WWW.GOOD-GOVERNANCE.ORG.UK

Appendix 4 – Risk appetite guidance



Health and Social Care Integrated Joint Boards RISK APPETITE

A Good Governance Institute Board Assurance Prompt
produced with Aberdeen City Health and Social Care Partnership



October 2015





A Good Governance Institute Board Assurance Prompt

This document has been produced by Dr John Bullivant, Chairman of GGI and Jonathan Passmore, Vice-Chair of Aberdeen City Health and Social Care Partnership IJB and identifies:

- A high-level outline of risk appetite and risk tolerance
- A timeline for developing risk appetite in relation to strategic objectives and outcomes
- Example questions that Partnership boards should be asking of themselves, their partners, parent, and hosting organisations
- A maturity matrix, by which boards can develop their own generic risk appetite and which can also be applied to specific risks

Dr John Bullivant, Chairman of GGI

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Aberdeen City Health & Social Care Partnership
A caring partnership



Introduction

Integrated Joint Boards (IJB)

IJBs provide services directly e.g. Community Health Services; they host services for others e.g. Out of hours primary care, and they develop strategic plans for other services such as acute medicine, seeking assurances that these services are on track to deliver agreed performance.

This complexity requires clarity of roles and responsibilities, a shared vision expressed in definable objectives, and identification of the risks and opportunities that influence outcomes.

Risk should be prioritised in relation to objectives. The concept of a 'risk appetite' is key to achieving effective risk management and it is essential to engage with before moving on to consideration of how risks can be addressed. The concept may be looked at in different ways depending on whether the risk being considered is a threat or an opportunity:

- when considering threats the concept of risk appetite embraces the level of exposure which is considered tolerable and justifiable should it be realised.
- when considering opportunities the concept embraces consideration of how much one is prepared to actively put at risk in order to obtain the benefits of the opportunity.

The concept of risk appetite was introduced to Public sector organisations in the Orange Book by HMT in 2004¹. It was reiterated by Scottish Government in its online public sector resources² which gives guidance on the basic principles of risk management. The guidance is aimed at all organisations to which the Scottish Public Finance Manual (SPFM) is directly applicable. This includes health boards, local government, and integrated health and social care partnerships.

Risk appetite is 'The amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time' (HMT Orange Book definition 2004). It can be influenced by personal experience, political factors, and external events. Risks need to be considered in terms of both opportunities and threats and are not usually confined to money - they will invariably also impact on the capability of our organisation, its performance, and its reputation.

We need to know about risk appetite because:

- If we do not know what our organisation's collective appetite for risk is and the reasons for it, then this may lead to erratic or inopportune risk taking, exposing the organisation to a risk it cannot tolerate; or an overly cautious approach which may stifle growth and development
- If our leaders do not know the levels of risk that are legitimate for them to take, or do not take important opportunities when they arise, then service improvements may be compromised and patient and user outcomes affected.

Risk tolerances reflect the boundaries within which the executive management are willing to allow the true day-to-day risk profile of the enterprise to fluctuate, while they are executing strategic objectives in accordance with the board's strategy and risk appetite. It is the level of residual risk below which the Board expects sub-committees to operate and management to manage. Breaching the tolerance requires escalation to the Board for consideration of the impact on other objectives, competing resources, and timescales.

The Board should be aware of and influence the risk appetite of delegated tolerances for parent, partner, and host organisations seeking assurance that the services to users for whom we have responsibility are not being compromised.

At least once a year, the board should set specific limits for the levels of risk the enterprise is able to tolerate in the pursuit of its objectives. The board should also review these limits during periods of increased uncertainty or adverse changes in the business environment.

In setting these risk tolerance levels, the board should consider risk factors in both the external and internal business environments. These levels could be measured quantitatively, qualitatively, or both, and should be specific to each of the relevant core activities and outcomes.

The board may set limits regarding the enterprise's risk appetite i.e. the risk limits that the board desires, or is willing, to take. Where the risk appetite exceeds, or deviates materially from the limits of the company's risk tolerance (the enterprise's ability to tolerate), this should be disclosed in public reports.

The board should monitor and audit management of significant risk undertaken by managers and care workers/clinicians, and satisfy itself that management decisions balance performance within the defined tolerance limits. The board should ensure that it understands the implications of risks taken by management in pursuit of better outcomes, as well as the potential impact of risk-taking by and on local communities, partner organisations, strategic providers and other stakeholders.

This process is dynamic; risk probability and impact as well as risk appetite can change through circumstances and experience. The perception of the public to risk and confidence in the organisation's ability to identify and mitigate risk successfully can shift quickly in the light of publicity and risk failures often outside the direct control of the organisation. As such, risk awareness and communications play an important part in protecting the reputation of the organisation from such instances of outrage.

It is essential that the Board's attitude to risk is communicated to the whole organisation and applied in decision making regarding the prioritisation of policies, work streams, programmes, projects, operational service delivery, and the funding that goes with them. Failure to define a risk appetite will confuse those who carry out the intentions of the board and may result in too aggressive or timid a handling of the issue.

HM Treasury 2006³

A risk appetite timeline

1. Clarify Purpose and determine 5 year strategic objectives and outcomes
2. Attempt to clarify (with stakeholders) what success looks like for service users, staff, partners and board members: (suggest using a turning the curve or equivalent visioning technique working back from success to identify drivers and potential blockages)
3. Identify significant risks which could compromise delivery of outcomes
4. Determine the overall risk appetite for the Board, working through each strategic outcome:
5. Determine risk tolerance for scheme of delegation and clarify escalation procedures if breaches occur or are inevitable
6. Seek mitigation of risk, and delegate to management for delivery and sub committees/task and finish groups for scrutiny and assurance
7. Clarify risk appetite of parent, partner and host bodies and require systems of assurance
8. Design an effective forward trajectory and monitoring of performance with a corresponding assurance framework
9. Review RA and RT and delegations on an annual basis
10. Seek to use risk appetite to restructure agendas

The Financial Reporting Council (FRC)⁴ recognises that the Board has particular responsibility for identifying risks linked to the strategy, or resulting from external developments such as political and regulatory change. These are characterised as, top down risks, and may be contrasted with bottom up operational risks which are the responsibility of management to identify and, where appropriate, bring to the attention of the board.

GGI believes it helps to identify different vectors of risk appetite (money, policy, outcomes and reputation) but always to assess these in the round. To support this we have developed the HMT Matrix enclosed. The FRC report also commented that, whereas traditionally each risk had tended to be looked at in isolation, there was increasing awareness that risks were often interconnected and sequential, and of the cumulative impact and disruptive effect of a number of significant risks materialising at the same time.



The GGI Matrix sets 5 levels of Risk appetite for each of the risk vectors (money, policy, outcomes and reputation). There are no right answers, but the matrix allows board members to articulate their appetite and tolerances and arrive at a corporate view, taking into account the risk appetite of others and the capacity for management to communicate and deliver. Boards should consider each strategic objective against the matrix and agree its level of risk appetite, what it can delegate, and what additional assurance it requires. The matrix can also be used for individual initiatives and emerging problems and should help the board to better manage its agenda and the level of routine reporting required. Breaches of agreed tolerances must be escalated with agility.

Avoid: Avoidance of risk and uncertainty is a key Organisational objective.

Minimalist: Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.

Cautious: Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.

Open: Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).

Seek: Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

King III (the King Code and Report on Corporate Governance for South Africa, 2009)⁵, which is emerging as the new international corporate governance code, offers advice to organisations large and small, public and private that are adopting a risk appetite approach:

The board should be responsible for the governance of risk and set levels of risk tolerance and risk appetite annually.

The board might appoint a committee responsible for risk. This committee should:

- consider the risk management policy and plan
- monitor the risk management process
- convene at least twice per year
- be evaluated once a year by the board
- have a minimum of 3 members
- have as its members executive and non-executive directors, members or senior management, and independent risk management experts to be invited in necessary

With regards to risk, the board should:

- delegate to management the responsibility to design, implement and monitor the risk management plan
- ensure that risk assessments are performed on a continual basis
- ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks
- ensure that management considers and implements appropriate risk responses
- ensure continual risk monitoring by management
- receive assurance regarding the effectiveness of the risk management process
- ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders



Risk Appetite for Health & Social Care Partnerships

A maturity matrix to support better use of risk in partnership decision taking

Aberdeen City Health & Social Care Partnership
A caring partnership
 DEVELOPED WITH ABERDEEN CITY H&SCP
 V 1.1 OCT 2015

RISK LEVELS	0 AVOID	1 MINIMAL (ALARP)	2 CAUTIOUS	3 OPEN	4 SEEK	5 MATURE
KEY ELEMENTS	Avoidance of risk and uncertainty is a Key Organisational objective; No consensus by partners	(as little as reasonably possible) Partners have reference for ultra-safe delivery options that have a low degree of inherent risk and therefore potential for only limited reward	Partners have preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward	All parties willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VFM)	All parties eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk)	Partnership confident in setting high levels of risk appetite because controls, forward scanning and responsiveness systems are robust
FINANCIAL /VFM	Avoidance of financial loss is a key objective. Only willing to accept the low cost option. VFM is the primary concern.	Only prepared to accept the possibility of very limited financial loss if essential. VFM is the primary concern.	Prepared to accept the possibility of some limited financial loss. VFM still the primary concern but willing to also consider other benefits or constraints. Resources generally restricted to existing commitments	Prepared to invest for return and minimise the possibility of financial loss by managing the risks to a tolerable level. Value and benefits considered (not just cheapest price). Resources allocated in order to capitalise on potential opportunities.	Prepared to invest for the best possible return and accept the possibility of financial loss (with controls and assurances in place). Resources allocated without firm guarantee of return – 'investment capital' type approach	Consistently focussed on the best possible return for stakeholders. Resources allocated in 'social capital' with confidence that process is a return in itself
COMPLIANCE / REGULATORY	Avoid anything which could be challenged, even unsuccessfully. Play safe	Want to be very sure we would win any challenge. Similar situations elsewhere have not breached compliances	Limited tolerance for sticking our neck out. Want to be reasonably sure we would win any challenge	Challenge would be problematic but we are likely to win it and the gain will outweigh the adverse consequences.	Chances of losing any challenge are real and consequences would be significant. A win would be a great coup.	Consistently pushing back on regulatory burden. Front foot approach informs better regulation
INNOVATION/ QUALITY / OUTCOMES	Defensive approach to objectives – aim to maintain or protect, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision taking authority. General avoidance of systems / technology developments	Innovations always avoided unless essential or commonplace elsewhere. Decision making authority held by senior management. Only essential systems / technology developments to protect current operations	Tendency to stick to the status quo, innovations generally in practice avoided unless really necessary. Decision making authority generally held by senior management. Systems / technology developments limited to improvements to protection of current operations.	Innovation supported, with demonstration of commensurate improvements in management control. Systems / technology developments used routinely to enable operational delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority – management by trust rather than tight control.	Innovation the priority – consistently 'breaking the mould' and challenging current working practices. Investment in new technologies as catalyst for operational delivery. Devolved authority – management by trust rather than tight control is standard practice.
REPUTATION	No tolerance for any decisions that could lead to scrutiny of, or indeed attention to, the organisation. External interest in the organisation viewed with concern	Tolerance for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. Senior management encouraged to distance themselves from any chance of exposure to attention	Tolerance for risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest	Appetite to take decisions with potential to expose the organisation to additional scrutiny/interest. Proactive management of organisation's reputation	Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefits outweigh the risks. New ideas seen as potentially enhancing reputation of organisation	Track record and investment in communications has built confidence by public, press and politicians that organisation will take the difficult decisions for the right reasons with benefits outweigh the risks. New ideas pursued
APPETITE	NONE	LOW	MODERATE	HIGH	SIGNIFICANT	

Based on the Risk Appetite Matrix developed initially by HMT, 2005 and subsequently by GGI and Southwark BSU, 2011. ALL GGI matrices are published under license from the Benchmarking Institute.



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