



EAST SUSSEX FIRE AUTHORITY

SCRUTINY & AUDIT PANEL

THURSDAY 16 JANUARY 2014 AT 10.00 hours

MEMBERS

East Sussex County Council

Councillors Buchanan, Galley, Lambert, Taylor and Wincott.

Brighton and Hove City Council

Councillors Carden, Rufus (Chair) and Theobald.

You are requested to attend this meeting to be held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 10:00 hours.

AGENDA

- | Item No. | Page No. | |
|----------|----------|--|
| 878. | 1. | In relation to matters on the agenda, seek declarations of any disclosable pecuniary interests under Section 30 of the Localism Act 2011. |
| 879. | 1. | Apologies for absence. |
| 880. | 1. | Notification of items which the Chair considers urgent and proposes to take at the end of the agenda / Chair's business items. (Any Members wishing to raise urgent items are asked, wherever possible, to notify the Chair before the start of the meeting. In so doing they must state the special circumstances which they consider justify the matter being considered urgently). |
| 881. | 2. | To consider any public questions and petitions. |
| 882. | 3. | Non-confidential Minutes of the last Scrutiny & Audit Panel meeting held on 14 November 2013 (copy attached). |

883. 2. Callover.
- The Chair 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 Chair will then ask the Panel to adopt, without debate, the recommendations and resolutions contained in the relevant reports for those items which have not been called.
884. 7. Internal Audit Review of compensatory rotas and other issues – report of the Chief Fire Officer & Chief Executive (copy attached).
885. 13. 2013 Investors in People Assessment – report of the Chief Fire Officer & Chief Executive (copy attached).
886. 17. 3rd Quarter Corporate Risk Plans – joint report of the Chief Fire Officer & Chief Executive and Treasurer (copy attached).
887. 23. 2013/14 Key Task Areas and Corporate Projects – 3rd quarter outturn results – report of the Chief Fire Officer & Chief Executive (copy attached).
888. 2. Exclusion of the Press and Public
- 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. 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. A list and description of the exempt categories are available for public inspection at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, and at Brighton and Hove Town Halls.
889. 25. Confidential Minutes of the last Scrutiny & Audit Panel meeting held on 14 November 2013 (copy attached). (Exempt category under paragraph 3 of the Local Government Act 1972).

ABRAHAM GEBRE-GHIORGHIS
Monitoring Officer
East Sussex Fire Authority
c/o Brighton & Hove City Council

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at East Sussex Fire & Rescue Service Headquarters, 20 Upperton Road, Eastbourne, at 11:30 hours on Thursday 14 November 2013.

Members Present: Councillors Barnes, Buchanan, Carden, Galley, Lambert, Rufus (Chair) and Taylor.

N.B. Councillor Barnes attended the meeting in place of Councillor Theobald, having been nominated by the Deputy Monitoring Officer in consultation with the relevant Group spokesperson.

Also present: Councillors Howson and Pragnell.

Also present:

Mr. D Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Mr. G. Ferrand (Assistant Chief Fire Officer), Mrs. C. Rolph (Assistant Chief Officer), Mr. D. Savage (Treasurer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. P. King and Ms. H. Champion (Ernst & Young Auditors) and Mrs. A. Bryen (Clerk).

867. DISCLOSABLE PECUNIARY INTERESTS

867.1 It was noted that, in relation to matters on the agenda, no participating Member had any disclosable pecuniary interest under Section 30 of the Localism Act 2011.

868. APOLOGIES FOR ABSENCE

868.1 Apologies were received from Councillors Theobald and Wincott.

869. ANY OTHER NON-EXEMPT ITEMS CONSIDERED URGENT BY THE CHAIR/ CHAIR'S BUSINESS

869.1 The Chair welcomed Paul King and Hannah Champion from Ernst & Young Auditors.

870. TO CONSIDER PUBLIC QUESTIONS OR PETITIONS, IF ANY

870.1 There were none.

871. NON-CONFIDENTIAL MINUTES OF THE LAST SCRUTINY AND AUDIT PANEL MEETING HELD ON 19 SEPTEMBER 2013

871.1 **RESOLVED** – That, subject to the deletion of the word 'produced' and the substitution therefor of 'audited' in the penultimate line of paragraph 858.2, the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 19 September 2013 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

872. **CALLOVER**

872.1 Members reserved the following items for debate:

- 873. Annual Audit Letter 2012/13
- 875. 2013/14 - 2nd Quarter Corporate Risk Register Review

872.2 **RESOLVED** – That all other reports be resolved in accordance with the recommendations as detailed below.

873. **ANNUAL AUDIT LETTER 2012/13**

873.1 Members considered a joint report of the Chief Fire Officer & Chief Executive, Treasurer and Monitoring Officer that presented the recently published Annual Audit Letter 2012/13. (Copy in Minute Book).

873.2 Paul King from Ernst & Young, the Authority's external auditors, addressed the Panel. The purpose of the Annual Audit Letter 2012/13 was to inform the Fire Authority, stakeholders and the public, about key issues arising from Ernst & Young's work. The detailed findings from the audit work had been reported to the Scrutiny & Audit Panel in the Auditors' 2012/13 Audit Results Report on 19 September 2013. The Audit Letter summarised the conclusions from all elements of Ernst & Young's work.

873.3 On 26 September, Ernst & Young had issued an unqualified audit opinion for the Authority, an unqualified value for money (vfm) conclusion, a report for the Authority, an audit completion certificate and reported their findings to the National Audit Office. There had been no issues to report that had come to their attention during the audit.

873.4 The Panel considered the key findings in relation to the financial statement audit, value for money conclusion, whole of government accounts, annual governance statement and audit fees.

873.5 The Panel noted in particular that the Audit Letter (paragraph 2.2) said that 'radical solutions' were needed to deliver the scale of savings and that, in the future, the Authority would need to make some difficult decisions. Paul King confirmed that whilst it was not the role of the auditor to make judgements on service provision, he recognised the scale of the challenge facing the Authority and that 'radical' reflected the significance of the savings target to be met. To achieve the savings level required, the Authority could not adopt a 'salami slicing' approach, but would have to adopt a more radical fundamental approach to reviewing how it delivered its services.

873.6 The Chair asked if the audit opinion next year would be adversely affected if the Authority did not adopt a radical enough approach to meeting its savings targets.

873.7 Paul King confirmed that each year was approached afresh looking at the evidence available. The 2013/14 vfm conclusion would look at the Authority's financial resilience as well as savings achievements and initiatives to deliver against the savings target it had set itself. The conclusion would be based on the position at the end of 2013/14.

873.8 Councillor Barnes said that guidance should be sought from the auditor next year to check if the Authority was on the right track to achieve its savings target. CFO&CE Prichard said that it was helpful to have the auditors examining retrospectively what the Authority had achieved and also to robustly examine forward plans that would be based on known factors and scenario planning.

See also confidential minute no 873A.

873.9 **RESOLVED** – That Annual Audit Letter 2012/13 be approved on behalf of the Fire Authority.

874. **2013/14 2nd QUARTER PERFORMANCE RESULTS**

874.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the second quarter performance indicator results for 2013/14 compared with the results for the same quarter in 2012/13. (Copy in Minute Book).

874.2 In terms of the overall performance for 2013/14, of the Fire Authority's priority areas, 3 were on target (% of home safety visits to vulnerable people, number of accidental dwelling fires, % reduction in automatic fire alarms), and 1 was within 10% of achieving the target (% of accidental dwelling fires confined to room of origin). The results for the two remaining priority areas were not available at this time as one was an annual indicator (expenditure per head of population) and the other was not available due to the installation of a new software product (the number of working days/shifts lost due to sickness).

874.3 Although there had been no fatalities in quarter 2, the target of zero fire deaths would not be met this year as a fatality had occurred earlier in the year. Also, staffing issues had adversely impacted on the quarter 2 performance in meeting the projected year end number of audits of high risk premises, although it was hoped that these issues would be resolved throughout the year.

874.4 **RESOLVED** – That the
(i) 2013/14 performance results for quarter 2 available to date be noted; and
(ii) exceptions report be noted.

875. **2013/14 2nd QUARTER CORPORATE RISK REGISTER REVIEW**

875.1 Members considered a report of the Chief Fire Officer & Chief Executive which presented the latest quarterly review of corporate risk. (Copy in Minute Book).

875.2 The Panel was informed that Corporate Risk Owners had reviewed and updated risk management plans in August. Corporate Management Team had considered the outcomes. Significantly:

- i. 0 risks were proposed for removal
- ii. 0 risks were proposed to be reduced in Risk Score
- iii. 0 risks were proposed to be enhanced from 'Below the Line' to 'Above the Line'
- iv. 1 risk 'Above the Line' had been increased from CII to BII by the Panel at its meeting in July 2013 (Risk no.41 Future Industrial Action)
- v. 1 Risk was recommended to rise from DII to CII following the Fire Authority meeting in September 2013 (Risk no.16 Cost of Pension Scheme)

- vi. 5 existing risks would remain 'Above the Line' – i.e. of more significant strategic risk and considered by this Panel
- vii. 16 risks would remain 'Below the Line' – i.e. of less significant strategic risk and considered by Corporate Management Team.

875.3 The report had been based on the situation at the end of September when strike action had not been called. A number of periods of strike action had since been called by the FBU, and it was recommended that Risk No. 41 – Future Industrial Action – be increased to All.

875.4 Councillor Barnes said that for those risks that were likely, the Panel should be scrutinising the measures to mitigate against them and what action was being taken to reduce the risks. As the risk ratings presented to the Panel were historic on a quarterly basis, some risks may have been affected by more recent events. The examination by Members of the risk register should be a more dynamic and active exercise, looking at up-to-date information and assessing the appropriate responses.

875.5 The Treasurer advised Members that work was already underway to update and improve the risk register and this would be informed by a workshop which was due to be held in the next week. It was hoped to present the new risk register to Members at the January 2014 meeting and this would include more information regarding mitigation work that was underway.

875.6 The Chair said that it would be useful for Members to be able to view the risk register on-line, with notification being sent to Members when changes happened. The Treasurer said that this could be explored once the new risk register was in place.

875.7 **RESOLVED** – That the latest update to the Corporate Risk Register, including the proposed amendment to Risk no. 41 – Future Industrial Action, be approved.

876. **2013/14 2nd QUARTER OUTTURN RESULTS – KEY TASK AREAS AND CORPORATE PROJECTS**

876.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the 2013/14 2nd quarter outturn results on corporate Key Task Areas and Projects. (Copy in Minute Book).

861.2 **RESOLVED** – That the corporate progress made at the end of 2nd quarter 2013/14 within the context of the other work priorities be noted.

877. **EXCLUSION OF THE PRESS AND PUBLIC**

877.1 **RESOLVED** – That item number 873A be exempt under paragraph 3 of Schedule 12A to the Local Government (Access to Information) (Variation) Order 2006 and, accordingly, was not open for public inspection on the grounds that it included information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The meeting concluded at 12:07 hours.

Signed
Dated this

Chair
day of

2014

EAST SUSSEX FIRE AUTHORITY

Panel: Scrutiny & Audit

Date: 16 January 2014

Title: Internal Audit Review of compensatory rotas and other issues

By: Chief Fire Officer & Chief Executive

Purpose of Report: To advise on progress following the Internal Audit report into compensatory leave and other employee claim issues

RECOMMENDATION: The Panel is asked to note the contents of this report and progress against the Action Plan resulting from the Internal Audit.

MAIN ISSUES

1. Members will be aware that an earlier report to the Scrutiny & Audit Panel in April 2013 advised that anomalies had been uncovered regarding overtime claims by some operational staff. These were primarily regarding the amount of overtime that could be claimed by staff who worked over a Public Holiday.
2. As a result, a wider internal audit investigation into the validity of individual overtime claims by operational staff was instigated. All overtime claims made by operational staff over the past few years have now been examined, and many minor corrections have been made as a result. These corrections have resulted in some staff being granted additional leave, and some having leave deducted but the majority of reconciliations have resulted in leave being deducted. The primary cause for deductions was to correct falsely-held local interpretations of leave entitlement, particularly relating to overtime accrued around Public Holidays. A secondary issue was a mis-application of the rules relating to travelling to/from courses held at the Service Training Centre.
3. In a few cases, there was concern that the amount or scale of the leave anomalies might indicate the need for disciplinary action. Each case has been carefully considered by the Deputy Chief Fire Officer (DCFO). Several employees have been formally interviewed, and undertaken to 'hand back' all leave that was incorrectly claimed. As a result, the DCFO is content that lessons have been learnt; no financial loss has been suffered by the Authority. No formal disciplinary awards have been made against these individuals, although a few have received formal warnings as to their future conduct.

4. In addition, a range of wider actions have been undertaken to address potential issues highlighted by Audit teams. Appendix A provides more detailed reports on progress regarding the issues arising from the composite action plan.

Des Prichard
Chief Fire Officer & Chief Executive
6 January 2014

Background papers: Scrutiny & Audit Panel meeting April 2013, Agenda Item 832

Appendix A: Detailed report of actions / progress made against the composite action plan that arose from the two previous audit reports.

Appendix A

Detailed report of actions/progress made against the composite action plan that arose from the two previous audit reports.

| ID | Issue | Action | Status |
|--------------------|---|---|---------------------|
| First Audit report | | | |
| R1 | Amend ESFRS Manual to clarify overtime entitlement either side of a Public Holiday | Manual drafted, still in Consultation phase | Partially completed |
| R2 | Review the Compensatory Rota policy, to prevent excessive build-up of hours by individuals | Advice issued to staff via Borough Commanders to limit build-up of hours | Completed |
| R3 | Issue interim guidance to wholetime shift staff ahead of the re-issue of the Manual | Guidance issued | Completed |
| R4 | Audit all locally-held leave records | Audit undertaken by Borough Commanders | Completed |
| R5 | Consider what actions to take in light of the findings from the audit in R4 | Corrections made by Borough Commanders for minor adjustments, interviews with DCFO for potentially more serious cases | Completed |
| R6 | Ensure that *Firewatch system appropriately records leave, with suitable checks and safeguards to prevent incorrect entries | 1. Awaiting full suite of reports for management purposes from system supplier – some local ability to interrogate 2. Planned implementation of Retained element of Firewatch (due April 2014) will resolve further issues | Partially Completed |
| R7 | Ensure that changes to Policy introduced by new or updated Manuals are clearly identified | Manuals clearly indicate new or amended sections | Completed |
| R8 | 'Shift swapping' – A) consider whether to formalise this process B) consider the correct process to administer this practice C) advise staff that financial arrangements between staff are not permissible D) consider whether Firewatch will be able to record shift swapping accurately | A) Not yet formally adopted – but system contained within draft Manual (see R1) B) See above C) Not yet actioned D) Firewatch is capable, JOs are trained, tipsheet is issued | Partially Completed |

| | | | |
|---------------------|--|---|----------------------------|
| R9 | Introduce system to prevent overtime (at 'time and a half') being converted to 'triple time' | Contained within draft Manual | Actioned, not yet complete |
| R10 | Restrict number of staff attending training courses on their last night shift | Actioned by Learning and Organisational Development | Completed |
| R11 | Ensure that Public Holidays earned have expiry date of 12 months | Implemented via Firewatch | Completed |
| R12 | Consider the need for a Policy regarding attending self-funded courses on non-working days | A) Not yet formally adopted – but system contained within draft Manual (see R1) | Actioned, not yet complete |
| R13 | Consider the merits of providing additional support for Junior Officers, including record keeping, audit trails etc. | All watch officers have been given training on use of new Firewatch system, including record keeping and audit capabilities of system | Completed |
| Second Audit report | | | |
| R1 | Junior Officers to be reminded that they should not approve their own leave or overtime | Advice issued – regular reminders will also be issued | Completed |
| R2 | Borough/Station Commanders to be reminded of the need to conduct effective local audits | Borough Commanders reminded | Completed |
| R3 | Reconcile paper records to electronic records of leave | Reconciliation conducted | Completed |
| R4 | If no explanation provided for appearance of leave in a record, review all entitlement | Reviews of every individual's leave record and entitlement has been undertaken | Completed |
| R5 | Remind Junior Officers to make better explanation of entries into leave records | Completed during training for Firewatch | Completed |
| R6 | Remind Firefighters that Christmas concessionary leave days are valid for 12 months only | Guidance issued, Firewatch system prevents such leave being taken outside of agreed timescales | Completed |
| R7 | Consider whether preventative action can be taken to prevent expired leave from being taken | Firewatch system prevents leave being taken outside of agreed timescales | Completed |
| R8 | Watch Managers to be reminded of the correct method of using overtime claims as Time Off In Lieu (TOIL) | Borough and Station Commanders advised of the correct procedure to be followed. Once draft Manual agreed and issued, Core Brief Item to be issued | Actioned, not yet complete |

| | | | |
|-----|--|--|----------------------------|
| R9 | Station management to be reminded to reconcile electronically-submitted overtime claims to prevent dual claims for the same event | Borough and Station Commanders advised of the correct procedure to be followed. Once draft Manual agreed and issued, Core Brief Item to be issued | Actioned, not yet complete |
| R10 | Firefighters need to be reminded that claims for travel-related overtime on 4-day refresher courses are not permitted (with a few specific exceptions) | Borough and Station Commanders have been advised, and they have informed Watch Managers | Completed |
| R11 | Consider providing detailed guidance on specific station audit activities that are required to be carried out | Additional checks introduced during 2013 Station Inspection process, that focus on the performance of local managers in conducting local checks and audits | Completed |
| R13 | Review the policy for claiming course-related travel overtime. | Clarification issued by L&OD | Completed |
| R14 | Review the current Manual to clarify the circumstances regarding overtime claims for attending courses | Options being considered | Not yet complete |
| R15 | Consider the findings in the audit report(s) and decide on remedial action | Claw-back of wrongly-claimed overtime achieved, disciplinary matters considered | Completed |

NOTES

*Firewatch is a relatively new database that helps administer a range of HR functions, and also includes a Duty Planner element. Between the various sub-elements of Firewatch, it is possible to centrally allocate leave entitlement, prevent incorrect claims from being entered, and conduct central auditing.

**There was no R12 listed on the second audit report, therefore no action/explanation is offered.

EAST SUSSEX FIRE AUTHORITY

Panel: **Scrutiny & Audit**
Date: **16 January 2014**
Title: **2013 Investors in People Assessment Report**
By: **Chief Fire Officer & Chief Executive**
Purpose of Report: **To advise the Scrutiny & Audit Panel on the outcome of the 2013 Investors in People Assessment**

RECOMMENDATION: To note that the Service retained the Investors in People award following the 2013 Assessment

MAIN ISSUES

1. The Investors in People (IiP) Assessor (Mr Barrett) visited the Service in July and November 2013 to conduct the three yearly assessment against the IiP standards.
2. The reports conclude “the IiP Specialist is totally satisfied that East Sussex Fire & Rescue Service meets the requirements of the IiP National Standard”.
3. The full report recognises the challenges faced by the Service’s Corporate Management Team over the last 24 months in making the required budget savings whilst reconciling staff reduction/redeployment and the maintenance of protection, prevention and response services.
4. Mr Barrett made a number of suggestions for continued managerial improvements, in his role as ‘candid friend’ which have been acted upon and will continue to assist the Service in going forward, delivering an effective and efficient Fire & Rescue Service in the most difficult of times.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
16 January 2014

List of Background Papers

Appendix A – IiP Review Report
Appendix B – IiP Assessment Report

1. **The Investors in People assessment process and report.**

- 1.1 liP accreditation is granted indefinitely, with a proviso that an interaction is undertaken within 18 months of accreditation and full assessments take place no greater than three years apart.
- 1.2 David Barrett, liP Assessor, visited ESFRS during July 2013. Prior to his visit members of the Learning & Organisational Development Department team collated and issued a pre-visit information package.
- 1.3 Also prior to the visit, the assessor chose which members of staff and management at various levels and in a variety of roles he wished to meet with. He also had the opportunity to meet officials of the various staff representative bodies.
- 1.4 In his July liP Review Report Mr Barrett records, in some detail, the challenges faced by the Service's Corporate Management Team (CMT) in reconciling the need to make savings, some through staff reductions, whilst avoiding where-ever possible compulsory redundancies.
- 1.5 He commends CMT stating "They have been very successful in managing to keep the (staff) losses to a minimum whilst at the same time ensuring that the organisation continues to develop and improve. The number of people within my interview sample that have taken on new roles and additional responsibilities is testimony to this. People continue to be supported and encouraged to develop and improve".
- 1.6 He also states "I found an organisation that continues to invest in developing leaders from Crew Manager upwards".
- 1.7 Mr Barrett then goes on to detail key challenges faced by the Service going forward (part of his role as liP Assessor is to act as 'candid friend').
- 1.8 He identifies a number of apparent disconnections between CMT members and senior managers at Heads of Function and Borough Commander level. There was a view that some staff did not always see CMT behaving as a team working together to deliver a common agenda and that it seems to some staff that CMT is made up of 2 different groups, the Principal Officers and the 3 Directors. There was also some perception of a theme of individual behaviours and values with competing leadership styles.
- 1.9 He recognises that there are highly effective teams in place where the balance between autonomy and authority, trust and freedom/control is well understood and delivers effective results, but he highlights some areas where this is not always the case.

- 1.10 He attributes some of this to the changes that have taken place within the overall management structure, for instance, the reduction in the number of Principal Officers (five to four following ACO Williams retirement in early 2013), the amalgamation of a number of teams and movement in senior managerial levels.
- 1.11 As part of his role Mr Barrett met with the Service's Corporate Management Team (CMT) and made a number of recommendations to help CMT move forward in these areas. In this meeting and his subsequent report he identified three key areas:
1. "How CMT works as a team and is seen by others.
 2. How the strategy that is being developed is shared with everyone and the role of Heads of Department (including Borough Commanders) working together to deliver.
 3. Looking at a possible shift in approach to managing and measuring performance where the good practice that exists, encouraging engagement, is shared and becomes the preferred way of working."
- 1.12 Following this feedback it was agreed that CMT would take some time to reflect upon the report and decide what steps, if any, it wished to take to move in the direction suggested.
- 1.13 A number of collective meetings took place during the late summer/early autumn period between members of CMT and the Service's heads of Function/Borough Commanders. These proved to be constructive and allowed the issues raised by Mr Barrett to be discussed and actions taken to improve performance in this area.
- 1.14 In November 2013 Mr Barrett returned to the Service and met with CMT members, a number of Heads of Function, and the Organisational Development and Communications Managers. During these meetings he assessed the Service's direction of travel to address his three key actions (paragraph 1.11).
- 1.15 In December 2013 he delivered his Assessment Report. In this, in addition to confirming the Service meets the liP standard, he made a number of positive observations:
- i) "I am really encouraged by the actions taken since July and the commitment shown by CMT in taking on board my feedback".
 - ii) "It's very clear to me that a number of actions have taken place that will help the organisation ensure that it has the right structures and behaviours in place to meet future challenges."

2. **Conclusions**

- 2.1 The Service has demonstrated its continuing commitment to the underpinning standards and philosophy behind the liP award structure.
- 2.2 Mr Barrett's visits to the Service, coming as they did during a time of unprecedented challenge and change, provided a useful opportunity for an independent verification of a significant body of 'best practice'. It also allowed an opportunity for a 'candid' conversation regarding some areas for improvement in the relationship between CMT and Heads of Function/Borough Commanders.
- 2.3 Good progress has been made in addressing these issues, which will produce a lasting legacy of improved managerial communication and understanding, which in turn will prove invaluable whilst managing the many future challenges the Service faces.
- 2.4 It is not recommended that a detailed action plan is developed but that the Service focuses on improving and developing the areas as outlined in paragraph 1.11. The areas will feature as part of the collective accountability and responsibility of the Principal Officers and the wider senior management team.

EAST SUSSEX FIRE AUTHORITY

Panel: **Scrutiny & Audit**
Date: **16 January 2014**
Title: **3rd Quarter Corporate Risk Plans**
By: **Chief Fire Officer & Chief Executive and Treasurer**
Purpose of Report: **To report on the latest quarterly review of Corporate Risk and agree outcomes**

RECOMMENDATION: The Panel is asked to approve the new Corporate Risk Register.

MAIN ISSUES

1. Following agreement at the CMT meeting on 24 September 2013 to change the corporate risk process, and CMT participation at the corporate risk workshop on 18 October, to create a new corporate risk register, seven revised/new strategic risks were agreed to be raised.
2. Reviews of corporate risks take place on a quarterly basis. The latest series of meetings with Corporate Risk Owners was carried out during December 2013 to update risk management action plans and review the position of each risk. The Panel is asked to note that all risk management action plans have been updated following individual reviews for each risk owner to monitor and review each action plan in line with Service key task areas and other service delivery objectives. This revised process will support the following:
3. The new corporate risk process is intended to ensure that the key strategic risks that the Authority faces are identified and effectively managed. The structure of the register aims to be clear, transparent and dynamic in risk monitoring and more clearly linked to the delivery of the Authority's strategic outcomes. It will ensure the Scrutiny & Audit Panel is better informed, and, therefore:
 - Risks will be aligned to an ESFRS 'Aim'
 - Revised Risk Scoring/Matrix/Register format
 - Centrally held for easy access and in Excel for straightforward updating
 - Scrutiny & Audit Panel, CMT and senior managers will be better informed for decision making
 - Increased movement of risks within the register, based on completion of tasks
 - Directorate risk registers to be created and managed by relevant directors and managers
 - Clearer escalation/de-escalation between corporate and directorate risk registers
 - Adds real value to the business impact on strategic direction
 - Refocuses resource to support managers and provide challenge on risks / control measures

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
23 December 2013

Appendix A
Revised Scoring for all Corporate and Directorate risks

| Impact Likelihood | Minor (1) | Moderate (2) | Serious (3) | Critical (4) | Catastrophic (5) |
|------------------------------------|----------------------------|-------------------------------|------------------------------|-------------------------------|-----------------------------------|
| Very High (5) | Moderate (5) | Substantial (10) | Substantial (15) | Intolerable (20) | Intolerable (25) |
| High (4) | Tolerable (4) | Moderate (8) | Substantial (12) | Intolerable (16) | Intolerable (20) |
| Significant (3) | Tolerable (3) | Moderate (6) | Moderate (9) | Substantial (12) | Substantial (15) |
| Low (2) | Tolerable (2) | Tolerable (4) | Moderate (6) | Moderate (8) | Substantial (10) |
| Very Unlikely (1) | Tolerable (1) | Tolerable (2) | Tolerable (3) | Tolerable (4) | Moderate (5) |

Appendix B

| Number / Reference | Aligned to ESFRS Aim | Strategic Risk | Key Actions | Impact Score | Likelihood Score | Current Status (by colour) and total score. (Previous score shown) | Corporate Risk Owner | Risk delivery manager |
|--------------------|----------------------|--|--|--------------|------------------|--|----------------------|--|
| 1 Financial | 4 | Failure to identify and deliver savings to meet the expected funding gap to 2018/19 and the uncertainty of funding both from year to year and beyond 2015/16 resulting in an unclear service delivery model for the future | <ol style="list-style-type: none"> 1) MTFP updated and savings target of £7.1m agreed 2) Operational and non-operational savings proposals approved / approved for consultation at CFA December 2013 3) Opportunities for further collaboration with public sector partners being examined 4) Review of current base budget conducted to identify savings 5) Review of capital programme underway 6) ESFOA work on LCTSG scheme, Single Person's Discount, Empty Homes Review and pooling seeking to maximise income from council tax and non-domestic rates. 7) Review of reserves and balances policy to make best use of one off reserves to manage transition and risk. | 3 | 4 | 12 (Substantial) | CFO & CE | Treasurer / Director of Financial Services |
| 2 Technology | 4 | a) Sustained Technological failure and b) failure to deliver organisational change as a result of a lack of a robust and effective modern ICT infrastructure | <ol style="list-style-type: none"> 1) Existing issues being resolved by IMD. CISCO and 5i health checks along with recent security review are helping to identify vulnerabilities and risks. This is on-going action and ACFO will report to CMT in January 2014 on how salient risks are being managed within existing resources. Notably work is on-going to implement a DRC solution which safeguard data and minimises or removes the impact caused by IT failure within the data centre at HQ. 2) The current IT estate is being reviewed and following an initial strategic review the ACFO is exploring 3 strategic options in greater detail. In the medium to long term, the selected delivery model will minimise any potential for substantial IT failure. The options under review will seek to provide an affordable, secure and resilient IT infrastructure. | 4 | 3 | 12 (Substantial) | ACFO | ACFO |

| Number / Reference | Aligned to ESFRS Aim | Strategic Risk | Key Actions | Impact Score | Likelihood Score | Current Status (by colour) and total score. (Previous score shown) | Corporate Risk Owner | Risk delivery manager |
|--------------------|----------------------|--|--|--------------|------------------|--|---|--|
| 3 Partnership | 4 | Sussex Control Centre does not deliver effective mobilisation service or planned savings | 1) Regular monthly recorded meetings with Remsdaq 2) Successful Factory acceptance, Site and User acceptance tests will ensure specification and functionality tested at all stages 3) Milestone payments are not triggered until pass of acceptance tests and are staged. 4) Other FRS have contract with Remsdaq therefore market pressure to deliver 5) Remsdaq sub contractors are established in sector and are proven working systems 6) SCC go live will be subject to sign off by both Senior Users 7) Regular monthly financial reporting to SCC Project Board, Management Teams and Governance Boards 8) Savings target for 2014/15 revised to reflect delay in implementation | 3 | 4 | 12 (Substantial) | ACO POD until go live / DCFO post go live | SCC Project Manager until go live / DRR post go live |
| | | | Post go live 1) Section 16 and SCC Concept of Operations provide the strategic operational framework for the SCC, including arrangements under which call handling, mobilisation and related functions are discharged. 2) SCC Operational Governance Board, made up of representatives of both East and West Sussex FRS, meets monthly to ensure that the Joint Control is effective, efficient and resilient and that any issues and areas of concern are reported and acted upon 3) ESFRS specific operational and performance matters considered at the monthly Response & Resilience management team meetings 4) A previously agreed review of shift times and proposed mid-shift begins in February to consider options for further improving SCC efficiency . | 4 | 2 | 8 (Moderate) | | |

| Number / Reference | Aligned to ESFRS Aim | Strategic Risk | Key Actions | Impact Score | Likelihood Score | Current Status (by colour) and total score. (Previous score shown) | Corporate Risk Owner | Risk delivery manager |
|--------------------|----------------------|---|---|--------------|------------------|--|----------------------|--|
| 4 Leadership | 4 | Failure to effectively lead/manage the service through a period of significant change as a result of lack of corporate capacity, management competences and poor staff engagement | <ul style="list-style-type: none"> 1) Undertake a review and realignment of corporate references and engage with Heads of Service/Function to review middle and senior managers' responsibilities and accountabilities. 2) ACO and Head of L&OD to review leadership development to meet evolving and emerging needs. 3) ACO and Communications and Marketing Manager to review staff communication strategy to promote effective organisational communications. | 3 | 2 | 6 (Moderate) | CFO & CE | ACO POD |
| 5 Community | 1 | Longer term Industrial Action could impact on the ability to deliver services, impact on the relationships with the workforce and has the potential for reputational damage | <ul style="list-style-type: none"> 1) Constant Review of Business Continuity and Industrial Action Contingency Plans 2) Maintain consultation and negotiation with trade unions 3) Maintain effective communications 4) Monitor impact on service delivery | 3 | 3 | 9 (Moderate) | DCFO | DPP&R |
| 6 Communication | 3 | Key stakeholders including the public, members, employees and partners are insufficiently informed about/engaged in the difficult choices the Authority faces | <ul style="list-style-type: none"> 1) ACO, Head of Performance Management and Communications and Marketing Manager to work with the Chairman, Vice Chair and the Fire Authority to engage with local communities, local authority partners, agencies and other organisations. 2) Utilise a variety of media to support communication strategy | 3 | 2 | 6 (Moderate) | ACO POD | Head of Performance / Communications & Marketing Manager |

| Number / Reference | Aligned to ESFRS Aim | Strategic Risk | Key Actions | Impact Score | Likelihood Score | Current Status (by colour) and total score. (Previous score shown) | Corporate Risk Owner | Risk delivery manager |
|--------------------|----------------------|---|--|--------------|------------------|--|----------------------|-----------------------|
| 7 Resource | 6 | Failure to maintain staff morale, motivation and attitudes will adversely impact on service deliver/ performance and the ability to successfully deliver service transformation/ ESFRS change programme | 1) Support middle and senior managers to ensure regular meetings and engagement with staff and to review feedback from managers. 2) Ensure staff representative bodies are engaged with and informed of emerging issues. 3) Continue to develop communication opportunities including where appropriate, social media. | 4 | 2 | 8 (Moderate) | CFO & CE | CMT |

EAST SUSSEX FIRE AUTHORITY

Panel: **Scrutiny & Audit**
Date: **16 January 2014**
Title: **2013/14 Key Task Areas and Corporate Projects – 3rd quarter outturn results**
By: **Chief Fire Officer & Chief Executive**
Purpose of Report: **To present the 2013/14 3rd quarter outturn results on our corporate Key Task Areas and Projects.**

RECOMMENDATION: The Panel is asked to note the corporate progress made at the end of the 3rd Quarter 2013/14 within the context of the other work priorities.

MAIN ISSUES

1. Since September 2011, the Corporate Management Team has reported progress on Key Task Areas (KTAs) and Corporate Projects through the Interplan system. Accordingly Appendix A, attached as a separate document, contains the 3rd quarter results for 2013/14 at a strategic summary level.
2. Currently there are 22 projects (10 KTAs and 12 Corporate Projects). Of the 10 KTAs, 7 are progressing to or are close to schedule and 3 are behind schedule.

Of the 12 Corporate Projects, 8 are progressing to or are close to schedule and 4 are behind schedule.
3. The attached Appendix contains the Interplan system report, which is in a 'reader-friendly' format and with a colour code to identify whether KTAs/Projects are progressing to schedule. The column headed 'Target' shows the target expected at the end of the quarter, as profiled by the Project Manager, and the column headed 'Complete' shows the estimated completion against the target at the third quarter stage. The report also includes 'SMART' (Specific, Measurable, Achievable, Relevant and Timely) comments from the relevant Project Manager on the progress of each Project.
4. The Panel is asked to note the corporate progress made at the end of the 3rd Quarter 2013/14 within the context of the other organisational work priorities being undertaken.

Des Prichard
CHIEF FIRE OFFICER & CHIEF EXECUTIVE
18 December 2013

