

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 10:00 hours on Thursday 17 September 2015.

Members Present: Councillors Buchanan, Galley, Lambert (Chair), Peltzer Dunn, Taylor and Wincott.

Also present:

Councillor Howson (Chairman East Sussex Fire Authority), Mr. D. Prichard (Chief Fire Officer & Chief Executive), Mr. G. Walsh (Deputy Chief Fire Officer), Ms. L. Woodley (Deputy Monitoring Officer), Mr. D. Savage (Treasurer), Mr. W. Tricker (Head of Finance & Procurement), Mrs. L. Ridley (Head of Performance Management), Mr. P. King and Mr. I. Young (Ernst & Young Auditors), Mr. R. Sutton and Ms. J. Knightley (ESCC) and Mrs. S. Klein (Clerk).

976. **DISCLOSABLE PECUNIARY INTERESTS**

976.1 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.

977. **ELECTION OF CHAIRMAN**

977.1 **RESOLVED** – That Councillor Lambert be appointed Chair of the Panel for the ensuing year.

978. **APOLOGIES FOR ABSENCE**

978.1 Apologies for absence were received from Councillor Penn, Mr. G. Ferrand (Assistant Chief Fire Officer) and Mrs. C. Rolph (Assistant Chief Officer).

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

979.1 **H M Government Consultation – Enabling closer working between the Emergency Services**

979.1.1 Members had received a copy of the Government's consultation paper and the Chair reminded them that this would be discussed at the Members' Seminar on 7 October, when all Members would have a chance to express their views. She suggested that any Members unable to attend the Seminar should feed their views to their Group Leaders beforehand.

980. **NON-CONFIDENTIAL MINUTES OF THE SCRUTINY AND AUDIT PANEL MEETING HELD ON 28 MAY 15**

980.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 28 May 2015 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

981. **CALLOVER**
- 981.1 Members reserved the following items for debate:
982. 2014/15 External Auditor's Results Report and Statement of Accounts
983. 2015/16 1st Quarter Performance Results
984. 2015/16 1st Quarter Programme and Project report
- 981.2 **RESOLVED** – That all other reports be resolved in accordance with the recommendations as detailed below.
982. **EXTERNAL AUDITOR'S AUDIT RESULTS REPORT (ISA 260) AND STATEMENT OF ACCOUNTS 2014/15**
- 982.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer that presented the results of the External Auditor's Results Report (ISA 260) and reported an unqualified opinion on the Authority's 2014/15 Statement of Accounts. (Copy in Minute Book).
- 982.2 The Treasurer introduced Mr. King and Mr. Young from Ernst & Young Auditors, and Mr. Sutton and Ms. Knightley from East Sussex County Council who had led on producing the Statement of Accounts. As a result of the Audit, Mr. King was pleased to be able to issue an unqualified opinion and value for money conclusion, and would be able to issue the audit report for publication later the same day.
- 982.3 Mr. King notified Members of a change to the final accounts, following the receipt of further guidance from the National Audit Office on the accounting treatment of GAD v Milne and, as a result, the Treasurer circulated a revised page 64 – Notes to the Accounting Statements, showing the following changes:
- the removal of the Post Balance Sheet Event Note 4 from the Firefighters' Pension Fund Account (page 67 of the accounts);
 - its replacement with a Post Balance Sheet Event Note 40 in the Authority's main accounts using template wording from Ernst & Young – the main difference being the removal of the estimate of the cost to the Authority; and
 - a change to the references to the notes in the Auditors Certificate on page 10 of the accounts
- 982.4 Councillor Galley asked for elucidation on the significant figures on page 32 of the Statement of Accounts regarding capital grants and contributions; amounts of non-current assets written off on disposal or sale; and the transfer of cash sale proceeds credited as part of the gain/loss on disposal. He also asked whether the pension fund was solvent.
- 982.5 The Treasurer explained that all adjustments had been made in line with statutory accounting requirements and that the capital grants and contributions included a non-specific capital grant from central government, a draw-down from the capital grant for the Sussex Control Centre, and contributions from Lewes District Council and Sussex Police towards Newhaven Fire Station. He also confirmed that the two capital grants received in 2014/15 and 2013/14 were for broadly similar amounts, leading to a similarity in the overall figures.

982.6 He also explained that non-current assets written off on disposal or sale included accounting entries regarding the sale of assets such as Service houses and the occasional sale of vehicles, where their sale value exceeded the de minimis level of £10,000 (sale proceeds below the de minimis level are treated as revenue income).

982.7 The Treasurer confirmed that the difference between income from employer's and employee's pension contributions, and benefits paid on the Firefighters' Pension Scheme (FPS), was funded by a grant from Government under the funding arrangements put in place in 2006, and this was reflected in the Firefighters' Pension Fund Accounts. The Scheme is a national scheme but is administered locally and is unfunded, so unlike the Local Government Pension Scheme, the FPS has no investment assets or income. The Authority's main accounts reflected the Authority's share of the net liabilities of all of its pensions which is calculated by Hymans Robertson, our actuaries, in line with accounting standards. This results in significant liability (£397.8m) on the Authority's balance sheet.

982.8 Councillor Galley also asked about revaluation and the Treasurer explained that it was a requirement to revalue assets on a 3-year rolling programme, with a proportion being valued each year. Mr. Sutton confirmed that these were notional revaluations and, with the total number of Fire Authority buildings decreasing, notional losses.

982.9 **RESOLVED** – That:
i) the External Auditor's Audit Results Report (ISA 260) be noted;
ii) the Treasurer be authorised to sign the formal letter of representation to the External Auditor; and
iii) the Statement of Accounts be approved for publication

983. **2015/16 1st QUARTER PERFORMANCE RESULTS**

983.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the first quarter performance indicator results for 2015/16. (Copy in Minute Book).

983.2 Councillor Galley was impressed with the overall performance results but questioned why performance had declined in indicators 19 and 21 – % of LTIs attended by 1st appliance within 13 minutes and % of LTIs attended by 2nd appliance within 13 minutes. Mrs. Ridley explained that the response to AFAs had been changed to just one appliance, which had influenced these results; these comparisons would be ironed out as the year progressed.

983.3 **RESOLVED** – That the 2015/16 performance results for Quarter 1 and the complementary separate Appendix A to the report be noted.

984. **2015/16 1st QUARTER PROGRAMME AND PROJECT REPORT**

984.1 Members considered a new Programme and Project report of the Chief Fire Officer & Chief Executive that presented the 2015/16 1st quarter results. (Copy in Minute Book).

984.2 Members noted that the report format had been strengthened in line with continuous improvement objectives, and now allowed tracking of milestones for each project, as recommended by East Sussex County Council Internal Audit.

984.3 Councillor Galley asked for an update on self-rostering and Day Crewed +, and asked why the Procurement Plan was behind schedule. The DCFO explained that negotiations had been on-going with Trade Unions nationally regarding Day Crewed + and possible alternatives which could deliver the required savings were being explored locally with the FBU. A paper would be brought to the next meeting of the Policy & Resources Panel on 5 November 2015 where the DCFO was hopeful that sufficient options would be available to close the savings gap.

984.4 Mr. Tricker explained that the Procurement Plan for the IMD Transformation Project was 56 days behind schedule due to the complexity of the procurement process and the design of the OJEU Notice, as well as new procurement regulations issued during this year. Although the project was over-running, it was not over-budget and pre-tenders had now been qualified and scored.

984.5 **RESOLVED** – That the report be noted.

985. **2015/16 1st QUARTER CORPORATE RISK REGISTER REVIEW**

985.1 Members considered a joint report of the Chief Fire Officer & Chief Executive and Treasurer that reported on the latest quarterly review of Corporate Risk and sought their agreement of the outcomes. (Copy in Minute Book).

985.2 **RESOLVED** – That the latest Corporate Risk Register be approved.

986. **2014/15 STATEMENT OF OPERATIONAL ASSURANCE**

986.1 Members considered a report of the Chief Fire Officer & Chief Executive that presented the Statement of Operational Assurance 2015/15 for approval. (Copy in Minute Book).

986.2 **RESOLVED** – That the East Sussex Fire & Rescue Service's Statement of Operational Assurance be approved for formal sign off by the Chair of the Scrutiny & Audit Panel and the Chief Fire Officer & Chief Executive.

987. **FATAL ACCIDENTAL FIRE REVIEW 2014/15**

987.1 Members considered a report of the Chief Fire Officer & Chief Executive that gave details of the fatal fires in East Sussex during 2014/15. (Copy in Minute Book).

987.2 **RESOLVED** – That the report be noted and it be noted that:
i) all future fire deaths and fires involving serious injuries continue to be fully profiled to provide a wider data pool to enable the better targeting of vulnerable groups; and
ii) the Community Risk Management and Business Safety teams continue to engage in partnership activity that reduces the risk to vulnerable people in the community.

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

988.1 **RESOLVED** – That item number 989 be exempt under paragraph 3, and item number 990 be exempt under paragraphs 2 and 3, of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) Order 2006 and accordingly are not open for public inspection on the grounds that they include (para 2) information which is likely to reveal the identity of an individual and (para 3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 10:42 hours

Signed

Chair

Dated this

day of

2015