

## **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 26 May 2016.**

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

N.B. Councillor Barnes attended the meeting in place of Councillor Galley, having been nominated by the Group Leader and approved by the Deputy Monitoring Officer.

Councillors Howson and Sheppard also attended the meeting.

### **Also present:**

Mr. G. Walsh (Chief Fire Officer), Mr. S. Apter (Deputy Chief Fire Officer), Mr. M. O'Brien, (Temporary Assistant Chief Fire Officer), Mr. M. Andrews (Assistant Chief Fire Officer designate), Ms. L. Woodley (Deputy Monitoring Officer), Mr. D. Savage (Assistant Director Resources / Treasurer), Mr. I Young (Ernst & Young Auditors), Mr. R. Banks (East Sussex County Council), and Mrs. S. Klein (Clerk).

### 020. **DISCLOSABLE PECUNIARY INTERESTS**

020.1 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.

### 021. **APOLOGIES FOR ABSENCE**

021.1 Apologies for absence were received from Councillor Galley.

### 022. **ANY OTHER ITEMS CONSIDERED URGENT BY THE CHAIR / CHAIR'S BUSINESS**

022.1 The Chair reminded Members that Steve Apter would be returning to Hampshire Fire & Rescue Service on 1 June 2016. Mr. Apter had been seconded to East Sussex as Deputy Chief Fire Officer for six months, pending the permanent appointment of Dawn Whittaker, who would be joining East Sussex on 1 June 2016. Members thanked Mr. Apter for the work he had done and wished him well for the future. A presentation was made to Mr. Apter at the start of the Policy & Resources Panel meeting, following this meeting of the Scrutiny & Audit Panel.

022.2 The Chair welcomed Mark Andrews to the meeting. Mr. Andrews had been appointed as Assistant Chief Fire Officer and would be taking up his employment with East Sussex Fire & Rescue Service on 1 June 2016.

022.3 Ian Young (Ernst & Young Auditors), and Russell Banks (East Sussex County Council) were also welcomed to the meeting.

## 022.4 Fire & Rescue Service Reform

022.4.1 The Chief Fire Officer briefed Members on the speech made by the Home Secretary, the Right Honourable Theresa May MP, on 24 May. A précis of her speech had been emailed to all Members and the CFO highlighted the significant plans that Ms May had in mind for the Fire & Rescue Service under the Policing & Crime Bill, following her significant reforms of police.

022.4.2 Ms. May had hailed the achievements made by the Fire & Rescue Service over a very short period of time and Members noted that, now that the Service was under the remit of the Home Office, she wanted to inject more pace into the changes. The CFO was concerned about the capacity of the Service to deliver agreed changes while other pressures were inevitable and would increase workloads but would keep Members informed of developments.

## 022.5 Marlie Farm

022.5.1 The CFO informed Members that he had received a verbal communication from the Authority's Insurer's solicitors that all civil compensation had now been paid and the case was now officially closed. The Service was still learning from the incident and improving firefighters' safety was an on-going process. The CFO was now involved in carrying out a peer review in Hampshire following a fireworks incident there highlighting that the problem of fireworks storage was still an issue.

## 023. **NON-CONFIDENTIAL MINUTES OF THE SCRUTINY AND AUDIT PANEL MEETING HELD ON 4 FEBRUARY 2016**

023.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 4 February 2016 be approved as a correct record and signed by the Chair. (Copy in Minute Book).

## 024. **CALLOVER**

024.1 Members reserved the following items for debate:

025. External Audit Update

029. Assessment of the Corporate Framework and Annual Governance Statement for 2015/16

030. Performance Results 2015/16 – 4<sup>th</sup> Quarter

033. Attending Calls to Automatic Fire Alarms – Policy Review

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

## 025. **EXTERNAL AUDIT UPDATE**

025.1 Members considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer that informed them of the content of the External Audit Plan 2015/16 and the proposed fee for 2016/17. (Copy in Minute Book).

- 025.2 The External Audit Plan set out the work that the Authority's external auditors, Ernst & Young LLP (EY), intend to carry out in order to audit the Authority's 2015/16 accounts and form their judgement on the Authority's value for money arrangements. Members noted that EY had not identified any specific risks relating to the Authority's accounts.
- 025.3 The fee for the 2016/17 audit was confirmed as £30,766 which was in line with the nationally set fee scales and was unchanged from 2015/16. Members noted that this was dependent on a number of factors including the quality and timeliness of the accounts and their associated working papers, and the ability of the external auditors to rely on the work carried out by internal audit.
- 025.4 Councillor Lambert asked about the timetable for bringing forward the statutory deadlines for completing the accounts and Mr Young explained that these needed to be in place for the audit of the 2017/18 accounts. EY had set up a working group to work with some of the bigger clients, and was looking at different approaches to controls, including bringing forward some of their audit work to earlier in the year and initiatives around auditing accounts for nine months, then conducting shorter audit of the final accounts rather than waiting until end of year.
- 025.5 **RESOLVED** – That:
- i the External Audit Plan for 2015/16 be approved; and
  - ii the external audit fee for 2016/17 be noted.

026. **CHANGES TO ARRANGEMENTS FOR APPOINTMENTS OF EXTERNAL AUDITORS**

- 026.1 Members considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer that advised them of the options for approval of new External Auditors and sought their approval to indicate to the Local Government Association (LGA), that we will opt in to a Sector Led Body (SLB). (Copy in Minute Book).
- 026.2 The report summarised the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits. The Fire Authority now needed to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017. Initial indications locally and across the fire sector were that most authorities would seek to appoint their external auditors through the LGA's Sector Led Body.
- 026.3 **RESOLVED** – That:
- i the Local Government Association (LGA) be supported in setting up a national Sector Led Body (SLB) by indicating an intention to "opt-in"; and
  - ii it be noted that a further report will be brought to the Fire Authority to seek final approval to appoint its external auditors, through the national SLB, in December 2016, including details of any associated costs.

027. **INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR THE PERIOD 1 APRIL 2015 TO 31 MARCH 2016**

- 027.1 Members considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer that provided an Opinion on East Sussex Fire Authority's internal control environment and reported on the work of Internal Audit for the period 1 April 2015 to 31 March 2016. (Copy in Minute Book).
- 027.2 The Auditors reported that, on the basis of the audit work completed, East Sussex County Council's Head of Assurance was able to provide reasonable assurance that the Fire Authority has in place an adequate and effective framework of governance, risk management and internal control for the period 1 April 2015 to 31 March 2016. Individual reports on the systems evaluated by internal audit included recommendations to enhance controls and management had drawn up action plans to implement these recommendations.
- 027.3 Members noted that all reports had received full or substantial assurance opinions. They also noted the intention to carry forward up to 20 days to conduct a Management Control Compliance review at the Service Training Centre in 2016/17. Information on the Internal Audit Service's performance compliance with the Public Sector Internal Audit Standards (PSIAS) was also noted.
- 027.4 **RESOLVED** – That:
- i the Internal Audit Service's opinion on the Fire Authority's internal control environment for 2015/16 be noted; and
  - ii the Fire Authority's system for internal audit had proved effective during 2015/16

028. **INTERNAL AUDIT STRATEGY AND PLAN 2016/17**

- 028.1 Members considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer that provided an Internal Audit Plan for East Sussex Fire Authority covering the period 1 April 2016 to 31 March 2017. (Copy in Minute Book).
- 028.2 The Auditor informed Members that ESCC had provided the internal audit service to the Fire Authority since 1 April 1997 and this service was usually delivered based on a standard annual budget of 70 audit days.
- 028.3 The Internal Audit Strategy and Plan for 2016/17 had been produced on a risk basis, following consultation with senior officers and ESFA's external auditor, Ernst & Young. The Strategy sought to achieve a balance between ensuring that existing controls were maintained and that assurance could be given on key projects within the Authority's transformation programme. It was noted that this draft strategy was based on a standard 70 day programme, but there were also 20 days carried forward from 2015/16 which were intended to resource a delayed audit of Management Control Compliance at the Service Training Centre and internal audit input to a criminal prosecution which is due to take place in May 2016. This meant that the overall cost of the internal audit plan in 2016/17 was £32,850. Members were informed that there was provision for the 70 day standard plan within the Finance budget and the additional 20 days would need to be funded from centrally held contingencies.

028.4 **RESOLVED** – That the 2016/17 Internal Audit Strategy and Plan be approved.

029. **ASSESSMENT OF THE CORPORATE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT FOR 2015/16**

029.1 Members considered a joint report of the Chief Fire Officer, Assistant Director Resources / Treasurer and Monitoring Officer that set out how the Fire Authority had assessed the effectiveness of its governance arrangements and sought approval of the Annual Governance Statement in line with the Accounts and Audit Regulations 2015. (Copy in Minute Book).

029.2 The Fire Authority is required under the Accounts and Audit Regulations 2015 to conduct an annual review of the effectiveness of its system of internal control and to prepare an annual governance statement in accordance with proper practices to accompany its Statement of Accounts. The review had been carried out by the Governance Group of senior officers in line with the Fire Authority's Local Code of Corporate Governance.

029.3 As part of this review officers had not identified any gaps in assurance over key risks or significant governance issues but had identified a range of improvements to the Authority's corporate Health & Safety arrangements and, specifically, at the Service Training Centre, as a result of an accident investigation and Peer Review. It was noted that Action Plans were now in place to address the necessary improvements and these would be monitored during the year. The draft Annual Governance Statement had been endorsed by the Corporate Management Team.

029.4 **RESOLVED** – That:

- i Members were satisfied with the level of assurance provided to them through this report and the Authority's governance framework and processes;
- ii no significant governance issues were identified that should be included in the Authority's Annual Governance Statement; and
- iii the Annual Governance Statement be approved to be signed by the Chair of this Panel and the Chief Fire Officer.

030. **PERFORMANCE RESULTS 2015/16 FOURTH QUARTER**

030.1 Members considered a report of the Chief Fire Officer that presented the fourth quarter performance results 2015/16. (Copy in Minute Book).

030.2 The report provided the Panel with a summary of service performance for the fourth quarter of 2015/16 and contained the revised measurement for response standards as agreed by the Panel in November 2015. It was noted that this was an interim measure pending a comprehensive review of attendance standards to be undertaken in this year's IRMP.

- 030.3 Councillor Wincott thought that there was a lot to be pleased about in the report but raised two concerns. The first was the number of inspections completed of high risk premises – this indicator had not met its target and was in the ‘worst’ quartile. The CFO explained that this downturn in inspection time could be attributed to a number of factors, including the high-risk incident at St. Michael’s Hospice, and the turnover of staff and need for more training. He explained that the Service was trying to increase inspections, with operational firefighters undertaking lower level audits freeing up officers to carry out more inspections of higher risk premises. The CFO added that Mark Andrews would be bringing a lot of experience in this area when he joins the Service on 1 June and CFOA was also looking at the processes and time taken on inspections of high risk premises. Councillor Barnes suggested that it would be helpful to have a future report on high risk premises and Councillor Wincott agreed with this suggestion.
- 030.4 Councillor Wincott also queried the Service’s performance against the Equality & Diversity targets. These had declined in the last year, with fewer RDS female firefighters, minority ethnic staff and disabled employees as new entrants to the Service. The CFO explained that the statistics were operationally focussed, so excluded the make-up of support staff, and the Service had not been recruiting wholtime firefighters, so could not show improvement. There had been some success recruiting RDS firefighters, but this was not sufficient to improve performance against the targets, and there was still work to be done to address the issue.
- 030.5 Councillor Peltzer Dunn had previously raised the issue of staff sickness levels, and noted that this had improved slightly. He was, however, concerned at the human cost of the ongoing uncertainty at the Sussex Control Centre (SCC) and asked for quantification of the figures; he felt that specific circumstances could be distorting the figures. The CFO explained that long term sickness, i.e. over 28 days, had increased and there was also a problem that, once an employee had been identified as a possible ill-health retiree, this process could take 12-18 months, and the employee would be counted as ‘sick’ during that period. In order to alleviate potential issues at the SCC additional staff had been recruited. A new Occupational Health provider was coming on stream from 1 July – their emphasis would be on well-being support with faster referrals and an Employee Assist Programme to help staff get well and return to work more quickly. Councillor Peltzer Dunn suggested including a footnote in future reports to reflect the effects of long term sickness on the figures.
- 030.6 Councillor Taylor asked whether the performance in Home Safety Visits (HSVs) was enough to reduce fires and the CFO explained that he had asked for a review of accidental dwelling fires and to ask the question should the Authority raise the targets; was a target of 10,000 visits high enough, and were the right people being targeted? In some ways, the Service had been too successful with its HSVs, which had led to an increase in calls, but a decrease in injuries and the severity of fires. Councillor Howson congratulated the Community Safety Team and operational staff on the high number of visits.

030.7 **RESOLVED** – That:

- i the 2015/16 performance results for Quarter 4 be noted, as set out in the report and complementary separate Appendix A; and
- ii the information included within the exception report set out in Appendix B be noted.

031. **PROJECT PROGRESS 2015/16 FOURTH QUARTER**

031.1 Members considered a report of the Chief Fire Officer that informed them of progress against key milestones, identified slippage, and reported compliance with project governance. (Copy in Minute Book).

031.2 It was noted that the report now included a 'heat map' showing which projects were delayed, and which had budget reporting, compliance or resourcing issues.

031.3 Members noted key points from the project portfolio, including that the Sussex Control Centre project was awaiting strategic decisions, following a visit by Remsdaq; SHQ Relocation had been rescheduled for March 2017; IMD Transformation was proceeding well; the Emergency Services Mobile Communications Programme (ESMCP) was in the project initiation phase; Firewatch stage 1 was currently delayed and Phase 2 was in a deferment phase, while requirements around Health & Safety were being finalised; and Respiratory Protective Equipment (RPE) was about to become an active project again.

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

032. **CORPORATE RISK REGISTER REVIEW 2015/16 FOURTH QUARTER**

032.1 Members considered a joint report of the Chief Fire Officer and Assistant Director Resources / Treasurer on the latest quarterly review of Corporate Risk which sought their agreement on outcomes. (Copy in Minute Book).

032.2 Members were informed of the established procedures in place for ensuring that risks were identified and managed for all corporate projects, with all high risks identified in the Project RAID (Risks, Assumptions, Issues, and Dependencies) logs being collated and reported to Corporate Management Team (CMT) to allow any themes to be identified and risks to be escalated to the corporate risk log as necessary. The latest series of meetings with Corporate Risk Owners was carried out during April 2016 to update risk management action plans and review the position of each risk.

032.3 Members noted that two new risks had been added to the Corporate Risk Register relating to Health & Safety (risk plan 9) and Operation Tin (risk plan 10). All project plans were being reviewed to ensure the pre-scoring and post-scores were appropriate; this would identify whether the mitigation plans were adequate and appropriate, and reduce risk to the individual project.

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

033. **ATTENDING CALLS TO AUTOMATIC FIRE ALARMS – POLICY REVIEW**

033.1 Members considered a report of the Chief Fire Officer that updated them on the implementation of the Automatic Fire Alarm (AFA) Attendance Policy and outlined proposals for modifying pre-determined attendances (PDAs) in certain circumstances. (Copy in Minute Book).

033.2 At the meeting of the Policy & Resources Panel in May 2014, Members had given approval to reduce the PDA to calls to AFA activations to one pumping appliance. Following detailed policy development, risk assessment and consultation processes, the new PDA standards came into force on 1 July 2015.

033.3 Members were informed that a review of incident data since the new policy went live in July 2015 indicated that the data which helped inform the original Fire Authority decision was sound, and provided a risk and evidence based rationale for supporting a reduced PDA to AFA activations.

033.4 Members noted that the AFA attendance policy made provision for the local station manager to make a case for a temporary or permanent increase in the PDA to individual identified premises based on risk. This was reported to Members of the Panel in November 2015, at which time the CFO confirmed that a suitable methodology on which to base such a judgement was being developed.

033.5 The new policy recognised that there may be premises which sit outside the normal attendance parameters where an enhanced PDA might be justified. Two examples of potential categories which may warrant an enhanced PDA were high rise premises and domestic properties. Domestic properties had been discounted but it was recommended that the PDA for AFA mobilisations to high-rise premises be enhanced to two appliances. Councillor Wincott was pleased that this was being recommended and asked whether firefighters and the FBU were satisfied with the proposal – the CFO confirmed that he had met with the FBU on 25 May and they were comfortable with the direction of travel.

033.6 In addition, a proposed working methodology on which to base a premises by premises individual assessment had been developed and was recommended for implementation.

033.7 The CFO confirmed that the number of AFA call-outs was still high, and further work was needed to address this. Councillor Barnes was concerned at the number of repeat offenders and asked for this to be revisited – it was noted that an annual report on AFAs is provided to Members.

033.8 **RESOLVED** – That:

- i the contents of the report be noted;
- ii it be noted that incident data since the new policy went live in July 2015 supported the Fire Authority decision to provide a rationalised and proportionate response to AFA calls; and
- iii the outcomes from the work to identify an appropriate methodology on which to base an enhanced level of attendance to specific premises be noted.



034. **2015/16 ANNUAL REPORT OF THE ESFRS LOCAL FIREFIGHTERS' PENSION BOARD**

- 034.1 Members considered a report of Councillor Carla Butler, Chair of the Local Firefighters' Pension Board that informed them of the matters considered by the Board during 2015/16. (Copy in Minute Book).
- 034.2 On 12 February 2015 the Fire Authority approved the establishment of a Local Firefighters' Pension Board to fulfil the requirements of the Public Service Pensions Act 2013. The terms of reference of the Pension Board state that the Board shall report its activities periodically, but at least once each year to the Scrutiny & Audit Panel.
- 034.3 Members noted that the Board has met on four occasions during the year, holding three Board meetings and one training session. The Board had considered local issues and national issues and their impact on the East Sussex Schemes and had not identified any matters of concern in the administration of the Firefighters' Pension Scheme.
- 034.4 **RESOLVED** – That:
- i the annual report of the Pension Board for 2015/16 be noted, and Members noted that the Board had not identified any matters of concern in the administration of the Firefighters' Pension Scheme; and
  - ii it be noted that a further report will be considered by the Fire Authority at its meeting in June 2016 on the operation of the Pension Board and the position of the Board chair.

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

- 035.1 **RESOLVED** – That item number 036 be exempt under paragraphs 1, 2 and 3, and item number 037 be exempt under paragraph 2 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 1) information relating to any individual, (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 10:40 hours

Signed

Chair

Dated this

day of

2016