

EAST SUSSEX FIRE AUTHORITY

Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at County Hall, St. Anne's Crescent, Lewes, East Sussex at 10:00 hours on Thursday, 1 February 2018.

Members Present: Councillors Galley (Chairman), Lambert, Peltzer Dunn, Sheppard and Taylor.

Also Present: D Whittaker (Chief Fire Officer), M. O'Brien (Deputy Chief Fire Officer), M. Andrews (Assistant Chief Fire Officer), E. Woodley (Deputy Monitoring Officer), D. Savage (Assistant Director – Resources/Treasurer), L. Ridley (Assistant Director – Planning and Improvement), H Scott-Youldon (Assistant Director Training & Assurance), S. Milner (Planning & Intelligence Manager), P King (Ernst & Young), A Blanshard (Senior Democratic Services Officer)

135 DECLARATION OF INTERESTS

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

136 APOLOGIES FOR ABSENCE

136.1 Apologies were received from Councillors Osborne and Penn.

137 URGENT ITEMS AND CHAIRMAN'S BUSINESS

137.1 There were none.

138 MINUTES OF THE SCRUTINY & AUDIT PANEL MEETING HELD ON 2 NOVEMBER 2017

138.1 **RESOLVED** – That the non-confidential minutes of the meeting of the Scrutiny & Audit Panel held on 2 November 2017 be approved as a correct record and signed by the Chairman. (*Copy in Minute Book*)

139 CALLOVER

139.1 Members reserved the following items for debate:

140 Service HQ Relocation – Project Closure

141 External Audit Update

142 Performance Report 2017/18 Quarter 3

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

140 **SERVICE HQ RELOCATION – PROJECT CLOSURE**

- 140.1 Members received the Report of the Assistant Director Resources/Treasurer (ADR/T) which informed the Panel of the outcomes and lessons learnt from the Service HQ Relocation Project. (*Copy in Minute Book*)
- 140.2 The ADR/T reminded Members that the Service HQ Relocation Project had been formally established in July 2015 following Authority approval of a stage 3 business case. The project board agreed in July 2017 to close the project on the basis that the key outcomes and deliverables had been achieved. A small number of outstanding issues had been transferred to business as usual activity and would be monitored periodically.
- 140.3 The ADR/T explained that the objective of the project had been the relocation of staff, records and equipment from the existing HQ to the new joint HQ and other dispersal sites whilst minimising the impact on business critical process and at a cost that was affordable to the Authority.
- 140.4 Members were informed that the move had been successful and had come in within the agreed budget. The revenue savings from the project at £150,000 were significantly higher than originally planned. The project had also served as an enabler for broader cultural change within the service and ways of working within the Authority were continuing to change. The ADR/T added that the sale of the old HQ site had obtained a higher capital receipt that had been anticipated.
- 140.5 The ADR/T explained that as part of the project closedown a lessons learnt review had been conducted including surveys of both those closely involved in the project and those staff affected by it. It was notable that the most effective areas were those that were people led, including communication and partnership working whereas the areas that were least effective were process driven, namely project initiation meeting, controls to ensure delivery, planning and reports.
- 140.6 Members agreed that it had been a successful project, and that there had been a high level of staff engagement. The Panel felt that it was important to recognise this success and extended their congratulations to the team. The Panel also acknowledged the support and welcome that had been received from Sussex Police. The Chief Constable and Police staff had made efforts to welcome and involve ESFRS staff. It was agreed that the new joint branding, signage and additional flagpoles all contributed to a visible representation of both services to the public.
- 140.7 **RESOLVED** – That the Panel:
- i) noted the outcomes and lessons learnt from the Service HQ Relocation Project; and
 - ii) identified any further action it considered was required by officers as a result.

141 **EXTERNAL AUDIT UPDATE**

- 141.1 Members received the Report of the Assistant Director Resources/Treasurer which informed the Panel of the content of the external audit plan. (*Copy in Minute Book*)
- 141.2 Members received an outline of the contents of the external audit plan, Appendix 1 to the report, from the Authority's external auditor, Paul King of Ernst & Young (EY) LLP. The Panel were informed that the responsibilities of the external auditor remained unchanged. EY intended to carry out work in order to audit the Authority's 2017/18 accounts and form their judgement on the Authority's value for money arrangements. EY had not identified any specific risks relating to the Authority's accounts.
- 141.3 Members were informed that the fee for the 2016/17 audit, as shown at Appendix 2 to the report, was confirmed as £30,766 which was in line with the nationally set fee scales and unchanged from the previous year. It 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.
- 141.4 Members were taken through the Audit Plan with particular reference made to the proposed approach and ensuring that it met the expectations of the Scrutiny & Audit Panel. The overview of the audit strategy summarised the significant accounting and auditing matters outlined in the plan giving an overview of EYs initial risk identification for the upcoming audit and any changes in risks identified in the current year. Members were reassured that inclusion of a risk or area of focus did not imply that there were any concerns in management at the service, but that they were included in all audits.
- 141.5 The Chair had requested an explanation of EYs setting of "Materiality", which at ESFRS had been set at £1.04m. Paul King explained that this was set in accordance with professional judgement and based on comparators in the sector more generally. The setting of 2% was applied to low risk bodies such as Fire Services and District Councils. By setting Materiality at 2% EY was displaying that ESFRS was not seen as a high risk authority.
- 141.6 Paul King, with the agreement of the Chair, then circulated an additional Risk paper were then informed that all audit plans were to include an additional risk following the introduction of an earlier deadline for production of the financial statements. The Accounts and Audit Regulations 2015 had introduced a significant change in statutory deadlines for the 2017/18 financial year, bringing forward the deadline for draft accounts to 31 May and publication of accounts to 31 July (*Additional Risk paper contained in Minute Book*)
- 141.7 A discussion followed during which Members asked whether issues surrounding procurement from some years ago were ongoing. The Panel were reassured that there were no issues that would warrant inclusion and that nothing within papers or discussions that caused concern.
- 141.8 Members asked whether there was a risk of a sudden pension bill to the Service. They were told that there were regular observations of the pension schemes, inherently this process could lead to changes in contribution levels of both the employer and employees. The ADR/T added, by way of information, that the service administered two pension schemes. The vast majority of staff were

members of a Firefighters Pension Scheme this was subject to review and a new scheme had been introduced in 2015 with the aim to ensure that it was more sustainable. The Firefighter Scheme was subject to ongoing legal action lead by the Fire Brigades Union relating to transferable benefits from existing schemes, the cost impact of this was as yet unknown. This was subject to a cost cap of 2% responsibility with the national scheme review board, if it were to go above that level then there would be cause to address this. The remainder of staff were members of the Local Government Pension Scheme (LGPS). The key difference was that this funded scheme was subject to a triennial review and could reach the stage of 100% funding.

- 141.9 The Panel enquired whether there would be any audit issues relating to future inspections. They were informed that the auditors were mindful of the new inspection regime and were paying due regard to the work of other regulators and inspectorates.
- 141.10 Members were concerned that there might be an issue surrounding the Authorities level of Reserves. Paul King explained that from an audit perspective reserve levels were only considered an issue if they appeared insufficient or too low for finances to be sustainable. There was no audit opinion given on reserves that were “too high”. The ADR/T added that government were likely to show and interest in reserves although there was no “right number”, ESFRS reserve levels were determined by the Fire Authority and that the Policy & Resources Panel were content with the current reserve policy. Interest was be shown in the extent to which reserves were committed, there was a legal requirement to explain the reasoning if over 5% were held as un allocated reserves. Currently ESFRS was holding 8% which was deemed average with our levels being midway in the table of Fire Authorities.
- 141.11 **RESOLVED** – That the Panel approved the External Audit Plan for 2017/18 as amended with additional risk.

142 PERFORMANCE REPORT 2017/18 QUARTER 3

- 142.1 Members received the Report of the Assistant Director Planning & Improvement (ADP&I) which provided the Panel with a summary of service performance information for the 3rd Quarter of 2017/18. (*Copy in Minute Book*)
- 142.2 The ADP&I informed members that service performance had improved overall during this quarter. Additional commentary had been added to the report following requests made at the last meeting of the Panel.
- 142.3 The ADP&I made particular reference to paragraph 2.3.1 which highlighted that there had Quarter 3 had seen a reduction of 22 accidental dwelling fires against the same quarter in 2016/17, this was the lowest number of accidental dwelling fires recorded over the last 18 years from 1999/2000. The Accidental Dwelling Fire Working Group was in place, and the Communications and Marketing Team had completed a series of events in Eastbourne, Hastings and Brighton in November 2017 to promote fire safety advice. Additionally a number of online campaigns, media drives and surveys had been conducted promoting fire safety messages.
- 142.4 Members were informed that as part of the ongoing drive to reduce the number of accidental dwelling fires the Service had been awarded a grant of £25,000 from

the Local Government Association to help us understand more about fires in the home. Research indicates that many fires could be prevented by the people involved. The Service will match fund the investment to carry out a pilot in Brighton based on changing people's behaviour.

142.5 The ADP&I explained to the Panel that the sickness reporting had been broken down by category and that by working with HR and Occupational Health this more detailed reporting would continue to develop. Following the introduction of a new system, the reports to the Panel would be revamped and the intention was to work with Members to ensure that the reports detail the information that is required.

142.6 The Panel commended the ADP&I on the considerable improvement to the reports and thanked officers for the changes made to the reporting of sickness information.

142.7 Members were concerned at the levels of absences caused by stress for both Wholetime and Support staff and wanted information on what was being done to reduce this. The ADT&A explained that there were several workstreams underway to investigate and address this. These included work on workplace stress and change management. The results of a MIND employee survey were due later in February, these would provide a good and informed starting position for the Service to make changes and improvements. The CFO explained to Members that the Service was a microcosm of the area in which it was based, the stress levels for the Communities of Brighton & Hove and East Sussex also came out high, additionally there were past operational events still deeply affecting staff, it was therefore important to be mindful of these and that they provided context to the sickness levels.

142.8 **RESOLVED** – That the Panel:

- i) considered the 2017/18 performance results for Quarter 3 as set out in Appendix A and the exceptions report as set out in Appendix B;
- ii) noted that the Report had been updated to include the RIDDOR definition (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) which could be found at Appendix C as requested at the last S&A Panel also sickness by category had been included; and
- iii) identified any issues where Members required further assurance.

143 2017/18 Health & Safety Statistics Report Quarter 3

143.1 Members considered the report of the Assistant Director Training & Assurance (ADT&A) which provided the Panel with a summary of Health and Safety statistics for Quarter 3 2017/18, whilst providing some narrative around the statistics. (*Copy in Minute Book*)

143.2 **RESOLVED** – That the Panel:

- i) considered the Quarter 3 Health and Safety statistics for 2017/18 as set out in the report;
- ii) would continue to monitor and scrutinise performance over the year; and

iii) identified any areas where members required further assurance.

144 2017/18 Third Quarter Corporate Risk Register Review

144.1 Members considered the report of the Assistant Director Resources/Treasurer (ADR/T) which provided members with an update on the Services position following the latest quarterly review of corporate risks. (*Copy in Minute Book*).

144.2 **RESOLVED** – That the Panel:

i) approved the latest Corporate Risk Registers.

The meeting concluded at 11:09 hours

Signed

Chairman

Dated this day of 2018

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