

Scrutiny & Audit Panel

9 November 2023



Membership:

Councillors: Scott (Chair), Azad, Evans, Geary, Osborne, Theobald and West

You are requested to attend this meeting to be held in the County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE at 10.00 am

Quorum: 3

Contact:	Rebecca Smith, Democratic Services Officer 07866 100895, democraticservices@esfrs.org
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Agenda

1. **Declarations of Interest**

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

2. **Apologies for Absence**

3. **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

4. **Non-Confidential Minutes of the last Scrutiny & Audit Panel meeting held on 20 July 2023**

5 - 10

5. **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.

6.	External Audit Update	11 - 18
	Report of the Assistant Director Resources/Treasurer	
7.	Corporate Risk Register Review Quarter 2 2023-24	19 - 34
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8.	CIPFA: Audit Committee Guidance Position	35 - 58
	Report of the Assistant Director Resources/Treasurer and the Deputy Monitoring Officer	
9.	Strategic Performance Report Q1 2023	59 - 84
	Report of the Assistant Director Planning & Improvement	
10.	Contract Standing Orders - Waivers Summary	85 - 92
	Report of the Assistant Director Resources/Treasurer	

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

Date of Publication: 1 November 2023

Information for the public

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SCRUTINY & AUDIT PANEL

Minutes of the meeting of the SCRUTINY & AUDIT PANEL held at County Hall, St Anne's Crescent, Lewes, East Sussex, BN7 1UE at 10.00 am on Thursday, 20 July 2023.

Present: Councillors Scott (Chair), Azad, Evans, Geary, Lambert, Theobald and West

Also present: D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), L Woodley (Deputy Monitoring Officer), D Savage (Assistant Director Resources/Treasurer), H Scott-Youlton (Assistant Director Operational Support & Resilience), M Lloyd (Assistant Director Safer Communities), J King (Assistant Director People Services), S Milner (Planning & Intelligence Manager), P Fielding (ESCC), H Thomson (EY), L Jackson (EY), A Blanshard (Democratic Services Manager), R Smith (Democratic Services Officer)

47 Declarations of Interest

There were none.

48 Apologies for Absence

Apologies had been received from Councillor Osborne. Councillor Lambert had been appointed to attend as substitute for this meeting.

49 Notification of items which the Chair considers urgent and proposes to take at the end of the agenda/Chair's business items

The Assistant Director Resources/Treasurer (ADR/T) welcomed Helen Thompson and Liz Jackson of EY LLP to the meeting. The Panel were informed that Liz Jackson would be taking over as Helen's replacement following her retirement later in the year.

The ADR/T thanked Helen, on behalf of the Authority and the Finance team, for her work and support in completing previous audits, and stated that he and the team were looking forward to working with Liz in the future.

The Chair passed on their thanks to Helen, and welcomed Liz, on behalf of the Scrutiny and Audit Panel.

50 Non-Confidential Minutes of the last Scrutiny & Audit Panel meeting held on 27 April 2023

RESOLVED – That the minutes of the meeting held on 27 April 2023 be approved and signed by the Chair.

51 Callover

Members reserved the following agenda items for debate:

52. Internal Audit Annual Report and Opinion for the period 1 April 2022 to 31 March 2023

Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel

- 53. Corporate Risk Register Review Quarter 1 2023-24
- 54. Integrated Risk Management Plan progress update
- 55. Performance Report for Quarter 4 2022/23
- 57. Joint Fire Control Out-turn Report

52 Internal Audit Annual Report and Opinion for the period 1 April 2022 to 31 March 2023

The Panel received a report from the Assistant Director Resources/Treasurer (ADR/T) which 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 2022 to 31 March 2023. It was highlighted that no reports had received a partial or minimal assurance opinion, before the ADR/T introduced Paul Fielding, Principal Auditor, to the Panel.

Paul Fielding informed Members that he was pleased to be able to give an opinion of reasonable assurance. It was highlighted that due to pressures within the Fire Authority there had been an overall reduction in audit days delivered, which had led to a number of items from the audit plan being postponed for future years. The Panel were also informed that Orbis Internal Audit were externally assessed at approximately 6 yearly intervals and had received the highest level in a recent assessment against the Public Sector Internal Audit Standards (PSIAS).

Members queried why 18% of invoices had failed to be paid by the Fire Authority within their agreed payment terms during the 2022/23 financial year, as reported in the Internal Audit Report. The ADR/T said that it was disappointing that not all invoices had been paid within 30 days, and the Service was looking to improve performance in the future, including working with East Sussex County Council on the implementation of MBOS which would streamline and digitise the purchase to pay process. The ADR/T also explained that it was occasionally necessary to challenge invoices, which could also lead to unavoidable delays in payment. The Panel asked whether there were any consequences due to the delays in payment and were informed that suppliers could charge interest on the amount owed, however the ADR/T advised that he was not aware of any instances where this had been imposed.

The Panel discussed the ill-health retirement (IHR) arrangements and raised concern that reviews of employees retired on ill-health or injury grounds had not been taking place. The Assistant Director People Services (ADPS) advised that IHR was a rare occurrence, acknowledging that processes had not always been followed correctly. The Panel were informed that further training had now been provided to the Human Resources team and that a

Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel

review period had now been specified and added into the ill-health and injury retirement processes.

RESOLVED – That the Panel:

- i. noted the Head of Internal Audit's opinion on the Fire Authority's internal control environment for 2022/23;
- ii. requested that a verbal update on the completion of the review of HR / Payroll is provided at the next Panel meeting;
- iii. considered whether the Fire Authority's system for internal audit had proved effective during 2022/23.

53 Corporate Risk Register Review Quarter 1 2023-24

The Assistant Director Resources/Treasurer (ADR/T) introduced a report which discussed the first quarter position for 2023-24, and detailed the corporate risks identified and how they had or were being mitigated. It was highlighted to the Panel that, following approval by the Senior Leadership Team (SLT), CR16 - Grenfell Tower Public Inquiry had been removed from the Corporate Risk Register (CRR). SLT had also approved the removal of CR6 - Failure to manage the effects of a major loss of staff event, including through industrial action, however Members were informed that this risk would continue to be monitored as the 2023/24 Green Book pay offer had been rejected. The ADR/T also advised that following feedback from the Scrutiny and Audit Panel, an additional risk, CR18 - Workforce Planning, had been included in the CRR.

Members asked for further information regarding the mitigations being put in place to address risk CR2 – Future Financial Viability. The ADR/T advised that Officers were active in monitoring the situation and continued to work with partners across the sector and the Government to secure grants and funding. The Panel then asked about the vacancy management process and were informed that every vacancy was subject to review by the Workforce Planning Group. The Assistant Director People Services (ADPS) provided more detail on this, advising that each vacant post was challenged to investigate whether there were alternatives to replacing the post on a like for like basis, for example whether the workload could be managed differently on a temporary basis whilst the structural review was being undertaken.

The Panel enquired as to whether there was a risk that addressed climate change. The ADR/T advised that this was not currently included in the CRR, however this could be considered. Members agreed that this was an important issue at the current time and would be grateful if this could be given consideration for inclusion in the future.

RESOLVED – That the Panel:

Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel

- a) agreed the Q1 Corporate Risk Register including changes made since Q4 2022/23;
- b) did not identify any further information or assurance required from Risk Owners.

54 Integrated Risk Management Plan progress update

The Panel considered the report from the Assistant Chief Fire Officer (ACFO) which provided an update on the latest position in terms of delivery of the Integrated Risk Management Plan (IRMP) and the associated revenue and capital savings.

Panel Members requested an update on the changes being implemented in Hastings and were informed that the Day-Crew system would be fully implemented by August, and that the report showed that the delivery of the IRMP was on schedule.

Members thanked Officers and expressed that the conclusions presented in the report were positive.

RESOLVED – That the Panel noted:

- a) the status of IRMP delivery;
- b) the latest forecast IRMP saving profile.

55 Performance Report for Quarter 4 2022/23

The Planning & Intelligence Manger introduced a report which presented the results of quarter 4 2022/23 and the year end results for 2022/23 against the previous year's results for the respective periods. Members were informed that there had been a down-turn in the number of home safety visits completed during quarter 4 when compared with the previous year. However, the Panel were informed that overall the year end result was significantly higher than 2021/22 and that performance had been proactively managed throughout the year. This meant that the quarter 4 'spike' seen in previous years had not occurred in 2022/23. It was highlighted that the end of year results showed improvements in that there had been a reduction in accidental dwelling fires, and the number of home safety visits completed had exceeded the Service target of 10,000.

Members queried which performance indicator category wildfires fell into, and whether there should be a category to specifically measure the number of these that occurred in the area. The Deputy Chief Fire Officer (DCFO) explained that the indicators contained within this report were given as high-level headlines, as previously agreed by the Scrutiny and Audit Panel. The Assistant Director Operational Support & Resilience (ADOSR) advised the Panel that the number of wildfires was monitored and reported on to the

Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel

Home Office, explaining that the operational definition of wildfires is often different to that which the public would ordinarily understand and use.

The Panel noted that sickness levels continued to be an issue and requested an update into the introduction of support from Benenden Healthcare. The DCFO advised that the Senior Leadership Team had approved a pilot of the scheme, which was due to begin in the autumn.

RESOLVED – That the Panel:

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

56 2022/23 Annual report of East Sussex Fire and Rescue Services (ESFRS) Local Firefighters' Pension Board

The Panel received a report from the Assistant Director People Services (ADRS) which informed them of the matters considered by the Pension Board during 2022/23. These included the Terms of Reference for the Pension Board, policies and guides for the board and the Firefighters Pension Scheme (FPS), and current issues and updates relating to the Authority's FPS.

RESOLVED – That the Panel noted the annual report of the Firefighters' Pension Board for 2022/23.

57 Joint Fire Control Out-turn Report

The Assistant Director Operational Support and Resilience (ADOSR) provided the Panel with the Joint Fire Control (JFC) out-turn report for 2022/23.

Members were informed that the period following the go-live in November 2021 had been challenging, and had included the Covid restrictions and the impact of new ways of working on staffing. The ADOSR also highlighted that there had then been a number of storms during February 2022, followed by the warmest summer on record in July and August 2022, which had a significant operational impact.

It was emphasised that during the initial setting up period the relationship between the three partners had been well established, and that during the operationally challenging year, JFC had maintained a service with no detrimental impact on the Service's emergency calls and statutory duty.

RESOLVED – That the Panel noted the contents of the paper.

58 Member Attendance 2022/23

Unconfirmed minutes – to be confirmed at the next meeting of the Scrutiny & Audit Panel

The Panel had received a report from the Democratic Service Manager which reported Member attendance at formal Fire Authority meetings, Members Seminars, Open Days and events, for 2022/23.

RESOLVED – That the Panel noted the Member attendance for 2022/23.

The meeting concluded at 11.19 am

Signed

Chair

Dated this

day of

2023

EAST SUSSEX FIRE AUTHORITY

Panel Scrutiny & Audit Panel

Date 9 November 2023

Title of Report External Audit Update

By Assistant Director of Resources/Treasurer

Lead Officer Duncan Savage – Assistant Director of Resources/Treasurer

Background Papers Scrutiny & Audit Panel 10 November 2022 – Appointment of External Auditors
[221110 SA Appointment of External Auditors REPORT.pdf \(modern.gov.co.uk\)](#)
 PSAA consultation on the 2023/24 audit fee scale
 PSAA e-mail on audit fee scale 20-09-2023

Appendices 1. East Sussex Fire Authority response to PSAA fee consultation September 2023

Implications

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

PURPOSE OF REPORT To provide an update on Public Sector Audit Appointment's (PSAA's) proposals for fee scales for 2023/24 and on the audit of the 2022/23 accounts.

EXECUTIVE SUMMARY

The new contract with PSAA for the appointment of the Authority's external auditors started on 1 April 2023. PSAA had previously confirmed the re-appointment of Ernst & Young LLP (EY) as the Authority's auditors for five years from 2023/24 to 2027/28.

In September 2023 PSAA consulted in its proposed fee scales for 2023/24. A copy of the Authority's response is attached at Appendix 1. A copy of PSAA's consultation can be found at:

[Consultation on the 2023/24 audit fee scale - PSAA](#)

Based on the information set out in the consultation document we estimated that the minimum scale fee for 2023-24 would be £115,099. A subsequent e-mail from PSAA has clarified that the proposed scale fee will be £94,288. The budget for 2023/24 is set at £100,000. This budget will also need to bear the cost of any scale fee variation for 2022/23 if that exceeds the amount accrued of £9,815 (i.e. the amount charged to the 2022/23 accounts but not yet invoiced) and any scale fee variation for 2023/24. At this stage therefore, the budget appears sufficient to cover the cost of external audit but this cannot be confirmed until the 2022/23 and 2023/24 audits have been concluded.

The total fee for 2021/22 including variations was £40,781. The scale fee for 2022/23 is £30,815 (excluding variations as the audit has not yet commenced).

The Authority published its draft accounts for 2022/23 by the statutory deadline of 31 May 2023.

Members will be aware that there is a national backlog of local public audits. PSAA has confirmed that only five out of 467 audit opinions on the 2022/23 accounts were issued by the statutory deadline of 30 September. The total backlog is now 918 delayed audit opinions.

On 17 July, Minister Lee Rowley attended the latest LUHC Select Committee hearing for its inquiry into Financial Reporting and Audit in Local Authorities. The Committee has published the letter that the Minister sent in advance,

committees.parliament.uk/publications/40932/documents/199432/default/, which includes the latest position on proposals to address the significant backlog of local

government audits in England. The letter explained that there will be further work and engagement across the local audit system over the Summer.

At the time of writing, we have not received any further update either on the national proposals or from EY about the timing of our audit. We are meeting with EY on 8 November and will provide any update at the Panel meeting.

There is a risk that completion of audit will add to the workload pressures on the finance and other teams overlapping with the budget setting process for 2024/25, the ongoing work on the MBOS project and potentially with financial closedown and preparation of the accounts for 2023/24.

In line with the requirements of the Accounts and Audit Regulations 2015 the Authority published notice on its website explaining that we were not able to publish our audited accounts for 2022/23 by the statutory deadline. <https://www.esfrs.org/sites/default/files/media-uploads/Public%20Notice%20-%20delay%20in%20audit%20opinion%20final.docx>

RECOMMENDATION

The Panel is recommended to note:

- (i) PSAA's consultation paper and the Authority's response
 - (ii) The forecast impact on the Authority's revenue budget
 - (iii) The position regarding the audit of the 2022/23 accounts.
-

East Sussex Fire Authority response to PSAA fee consultation September 2023

This consultation invites audited bodies and other stakeholders to submit views on PSAA's proposals for setting the fee scale for the 2023/24 audits.

PSAA has a statutory duty under the local audit regulations to consult on and prescribe scales of fees for the audit of accounts of opted-in bodies. A fee scale must be set before 1 December of the relevant financial year.

The detail of the consultation proposals is set out [on our website](#). In summary, they involve ensuring that scale fees are fully and consistently updated for the start of the new appointing period from the 2023/24 audits. This means the scale fee for each opted-in body better reflects the audit work required under the Code of Audit Practice published by the National Audit Office and the regulatory expectations of the Financial Reporting Council.

The consultation is taking place at a time of change in the local audit system. Consultees will be aware that the audit profession has been subject to high levels of scrutiny in recent years following several widely reported financial failures in the private sector. Over this period there have been growing delays in completing local audits. In July 2023 the Department for Levelling Up, Housing and Communities (DLUHC) announced [proposals to address the backlog](#), and is working with all stakeholders to tackle the complex issues involved.

The proposals to address the audit backlog are still under consideration and any changes affecting fees are still to be confirmed, so we cannot reflect them in the proposed fee scale yet. We are therefore consulting on the basis of existing audit requirements. We will need to assess the impact on audit fees once changes are confirmed, and at that point we will write to opted-in bodies to set out how we will update fees.

The 2023/24 audit year is the first under new audit contracts awarded in 2022 following a challenging procurement. When we announced the outcome of the procurement in October 2022, we advised opted-in bodies to anticipate a major reset of total audit fees for 2023/24 involving an increase estimated in the order of 150% on total fees (that is, scale fees plus additional fees for recurrent additional audit work) for 2022/23. We are now able to confirm the increase required is 151%. The adjustment is

applied to the proposed updated 2022/23 scale fees to produce the proposed 2023/24 fee scale.

We welcome comments from audited bodies and other stakeholders on our proposals. The consultation will close at **noon on Tuesday 10 October 2023**.

Question Title

* 1. Contact details

Name

Organisation

Email address

Question Title

* 2. Please select your role

- Director of Finance
 Audit Committee chair
 National stakeholder
 Other, please provide details below

Other (please specify)

Question Title

* 3. Do you support the proposals in the consultation for the fee scale for 2023/24 audits?

- Yes
 Yes, with some reservations
 No

Please provide additional comments to expand on your response

We are broadly supportive of the approach proposed by PSAA. See Q4-6 below.

Question Title

4. Do you agree with the proposed elements of the 2023/24 fee scale?

2023/24 fee scale: proposed elements

A - The scale fees for 2022/23

Plus:

B - Fee variations for recurrent additional audit work in prior years not yet included in scale fees

C - Changes in local audit requirements

D - Adjustments at specific bodies for local circumstances

E - Adjustment for the procurement outcome

- Yes
 Yes, with some caveats
 No

Please indicate which proposed elements you agree/disagree with and add any additional comments you wish to make

Fee variations for recurrent additional audit work in prior years not yet included in scale fees – PSAA needs to be clear which elements of prior year adjustments it regards as recurrent. Looking at this Authority’s fee variation for 2021/22 and the guidance in the consultation document we assume that Pension Valuation, PPE Valuation and Increased FRC Challenge will be regarded as recurrent but Covid 19 and Work of Internal Expert will not but we would appreciate confirmation.

Changes in local audit requirements – the inclusion of costs relating to VFM arrangements and ISA 540 appear logical and figures for the fire sector quoted on p7 appear to reflect the fee variations incurred in 2021/22. In our view PSAA should follow its previous practice and publish new minimum additional fee ranges for any other changes that are confirmed for example those listed in paragraph 34

Adjustments for specific opted in bodies – we presume that in the 20 cases referred to the audited bodies affected have been notified of this additional adjustment.

Adjustment for the procurement outcome – whilst we acknowledge the problems within local public audit as set out in the Redmond Review and the challenges PSAA faced in carrying out the procurement, the resulting additional costs are wholly disproportionate and will have to be borne by local council taxpayers. Please see our further comments in Q6.

5. Are there other factors you think should be reflected in the 2023/24 fee scale?

Yes

No

Please provide additional comments to expand on your response.

Yes - there should be provision for fees to be discounted where the auditor fails to provide an audit opinion by the statutory deadline, or otherwise fails to meet their duties under the contract, where this is not due to failures on the part of the audited body.

Question Title

6. Any other comments you would like to make?

- This Authority like all local authorities faces significant financial challenges both in the current year and future years due to the uncertainty regarding our funding settlement and the significant pressures on costs due to current high levels of inflation. For that reason, any increase in costs that adds to those pressures is unwelcome.
- The Government has provided, and has committed to provide until 2024/25, additional funding of £15m to the sector to reflect all new burdens resulting from the Redmond Review and the Government's response to it. However, the increase in the audit fee from the original £23,690 to the minimum scale fee proposal for 2023/24 for this Authority (based on the criteria set out in the consultation) at £115,099 already exceeds the grant allocation of £13,507 (2022/23) by £77,902.
- The estimate of the scale fee for 2023/24 set out above, exceeds the level of £100,000 advised by PSAA in a meeting on 03/11/2022 based on a 150% uplift on our expected 2021/22 scale fee of £40,000 (including variations)

- Any fee scale variations need to be proportionate to the size and complexity of the audited body and justifiable based on the additional work necessary to meet regulatory or code changes.

Thank you for your response.

The PSAA Board will consider consultation responses carefully in determining the final fee scale for 2023/24. We will publish the final 2023/24 fee scale on our website by 30 November 2023.

If you have comments about the way this consultation has been conducted, these should be sent by email to workandfeesconsultation@psaa.co.uk.

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EAST SUSSEX FIRE AND RESCUE SERVICE

Panel: Scrutiny & Audit Panel

Date: 9 November 2023

Title of Report: Corporate Risk Register Review Quarter 2 2023-24

By: Duncan Savage, Assistant Director Resources/Treasurer

Lead Officer: Alison Avery, Finance Manager

Background Papers: Corporate Risk Register Review Q1 2023-24 – Scrutiny & Audit Panel – 20 July 2023

Appendices: Appendix 1 - RAID Log Scoring Matrix
Appendix 2 - Corporate Risk Register - Quarter 1

Implications (please tick ✓ and attach to report)

CORPORATE RISK	√	LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	

PURPOSE OF REPORT: To report and review the Corporate Risk Register Quarter 2

EXECUTIVE SUMMARY: This report discusses the second quarter position for 2023-24. It details the corporate risks identified and how they have or are being mitigated.

Risks are scored against a 4x4 scoring matrix as shown in Appendix 1.

The review of corporate risks is an ongoing process and reports are presented on a quarterly basis. The updated position is shown in Appendix 2 (amendments since the last report are highlighted in bold).

CR17 Firefighter Pension Scheme has been revised to 6 (moderate) from 12 (substantial).

SLT discussed whether a climate change risk should be added. The Assistant Director Safer Communities will draft a risk assessment to be included at the Q3 review.

RECOMMENDATION

The Scrutiny & Audit Panel is recommended to:

- a) Agree the Q2 Corporate Risk Register including changes made since Q1 2023/24;
 - b) Identify any further information or assurance required from Risk Owners.
-

1. INTRODUCTION

- 1.1 This report brings the second quarter for 2023-24 Corporate Risk Register update for review and consideration by Scrutiny and Audit Panel.
- 1.2 The Corporate Risk Register is considered on a quarterly basis by Assurance, Performance & Governance Group and SLT and reported thereafter to Scrutiny and Audit Panel.

2. UPDATES

- 2.1 Risk owners have updated their risks for appropriate changes and these are highlighted in bold in Appendix 2. These include changes in causes; mitigations; actions and review dates.
- 2.2 **CR17 Firefighter Pension Scheme – financial, legal, reputational and operational impacts resulting from McCloud/Sargeant case** – The risk score has been revised from 12 (substantial) to 6 (moderate), to reflect the position following Remedy on 1 October 2023, with all preparatory work and data provided in advance of this date.
- 2.3 SLT discussed whether a climate change risk should be added to the Corporate Risk Register. The Assistant Director of Safer Communities was asked to draft a risk assessment of the impact of climate change, specifically the increase in extreme weather events, e.g. flooding and wildfires, on the Service as part of the Q3 risk review process. This will be brought back to Scrutiny & Audit Panel for consideration in January 2024.

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CORPORATE RISK REGISTER

Scoring for all Corporate Risk and Project RAID Log

Impact / Likelihood	Moderate (1)	Significant (2)	Serious (3)	Critical (4)
Certain/High (4)	Tolerable (4)	Moderate (8)	Substantial (12)	Intolerable (16)
Very Likely (3)	Tolerable (3)	Moderate (6)	Moderate (9)	Substantial (12)
Low (2)	Tolerable (2)	Tolerable (4)	Moderate (6)	Moderate (8)
Unlikely (1)	Tolerable (1)	Tolerable (2)	Tolerable (3)	Tolerable (4)

Corporate Risk and Project Raid Log Scoring Matrix

Impact	Moderate	Significant	Serious	Critical
Score	1	2	3	4
Financial	≤ £10000	≤ £100,000	≤ £500,000	≤ £1 m +
Reputation	Damage limitation	Adverse Publicity	Poor Reputation	Complete loss of public confidence
Service Delivery	would not restrict or service delivery	Could restrict service delivery or restrict delivery of an ESFRS Aim	Could stop service delivery or unable to delivery an ESFRS Aim	Would affect service delivery to our communities

Likelihood	Unlikely	Low	Very Likely	Certain/High
Score	1	2	3	4
Frequency	One case reported in the past 5 years, may re-occur if only limited control measures are not applied and continued monitoring. (0-24% probability)	One or two cases in the past 2 - 5 years or may re occur if not all control measures are not applied within the next 6 months and continue to monitor. (25-49% probability)	One or two cases in past 2 years or expected to happen if controls measures are slow being applied, and failure to monitor progress. (50-74% probability)	One or more cases in past 2 years. Failure to take immediate action could impact on service delivery or safety of personnel/ community. (75-100% probability)

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Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR1	Health & Safety compliance	<ul style="list-style-type: none"> Policy and practices not effective Policies not followed Inconsistent implementation H&S approach is not effectively targeting the highest risk areas Lack of proactive / preventative measures to reduce likelihood Management actions not completed in accordance with safety event reports 	<ul style="list-style-type: none"> Governance for Health, Safety & Wellbeing in place Revised estates policy for management of contractors Secondment of individual into Facilities Management (FM) role to deliver improvements in processes for estates / management of contractors (improved H&S compliance cross Estates maintained) H&S peer review and implementations of findings 5-year audit plan Business Partner structure has been adopted and is operational Developed a H&S legal register and in use All outstanding actions are being reviewed for appropriateness/duplication and are being cleared/closed as and when required, along with clearly documented evidence for closure. Progress monitored at quarterly Health Safety and Wellbeing Committee Workshop completed with ADs and HS&W team. Local managers are working to complete the actions. Evidence being cross referenced through HS&W team Introduction of regular updates on outstanding L2 Ais for Assistant Directors to ensure cross referencing of evidence and report closures 	<p>Impact = 4 Likelihood = 2</p> <p>Score = 8 Moderate</p>	<ul style="list-style-type: none"> Health and Safety (H&S) policy framework review including the implementation of a new H&S management system was signed off at the FBU consultation meeting on 2nd October Continue to implement the 5-year action plan drawn together following the Regional H&S audit undertaken in July 2019 (ongoing) Work on Health & Safety standards has been completed. There will be a period of implementation and embedding (March 2024) H&S technological solution will follow when the standards have been embedded. This will enable current systems to be more effective (2024/25) 	December 2023	AD People Services

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR2	Future financial viability	<ul style="list-style-type: none"> Uncertainty over future funding Failure to identify and deliver savings Difficult to predict future needs / resources required Changes in legislation increasing burden Impact of worldwide supply chain disruption and elevated inflation levels 	<ul style="list-style-type: none"> 2023/24 budget agreed Medium Term Finance Plan (MTFP) refreshed to 2027/28 MTFP update to CFA September 2023 forecasts revised budget gap of £2.145m for 2024/25 with potential savings identified of c£2.0m of which £0.8m is a one-off Business Rates Pool extended for 2023/24 Delivery of savings monitored and reported to SLT and Fire Authority Resource Planning meeting to monitor operational establishment Establishment and use of general and earmarked reserves to manage financial risk Collaboration through East Sussex Finance Officers Association (ESFOA) to protect shared income streams e.g. Council Tax and Business Rates “Star Chamber” budget scrutiny as part of the budget setting process Grant spend monitored monthly against allocation IRMP financial impacts built into MTFP Continue to lobby for sustainable settlement Robust vacancy management process in place through workforce planning group 	Impact = 4 Likelihood = 3 Score = 12 Substantial	<ul style="list-style-type: none"> MTFP savings tranches 1 & 2 in implementation (Oct 2023) MTFP savings tranche 3 in development and out to procure external support (March 2024) MTFP tranche 4 – update on proposals to September CFA along with additional savings proposals being developed e.g. capital programme, use of reserves (Feb 2024) Continued review of opportunities for grant funding / additional income streams e.g. CIL (ongoing) ESFOA to progress review of financial reporting and revenue protection by billing authorities (Sept 2023) ESFOA to confirm continuance of Business Rates Pool (Oct 23) Action plan in place to manage down revenue budget pressures of £1.1m in Safer Communities Monitor implications of supply chain disruption, on revenue and capital budgets and feed into forecasting/budget setting and NFCC (ongoing) Review outcomes from FFN Benchmarking (Oct 23) Continue to monitor financial and legal implications of Pension Remedy (ongoing) 	December 2023	AD Resources / Treasurer

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR3	Ability to meet developing legislative requirements evolving from central fire safety regulatory reviews	<ul style="list-style-type: none"> Policy or legislative changes that are likely to arise from reviews and investigations Unknown burdens on service delivery Likely increased funding required Knowledge and competence needed will increase as will the training requirements due to legislative and guidance changes Lack of appropriately qualified resources to target highest risks, deliver legal requirements to enforcement and advise, carry out formal enforcement and deliver prosecutions Number of non compliant premises identified will increase due to increased activity in premises previously not visited as well as ongoing financial pressures in the business community. Inability to adapt service delivery models 	<ul style="list-style-type: none"> Introduction of firefighter Fire Safety Checks Competence framework for Fire Safety officers Protection Review to refresh structure to ensure appropriate capacity and contingency Continue to monitor developments from the Hackitt and Moore Bick reviews and potential legislative / regulatory changes Assessment of the Grenfell Tower Phase 1 report and local ESFRS action plan in place Monitoring of emerging Fire safety and Housing Bill Fire Safety Government Consultation to strengthen the fire safety order and implement the Grenfell Tower Phase 1 report LFB secondment for 9 months to gain an additional external assessment of preparation for compliance against both building and fire safety bills (now complete). Delivery Board in place to oversee assimilation of new legislation and the outcome of the GTI Phase 2 report Prevention and Protection Strategy 2021-2026 approved by CFA CRM SSRI live and being used. This enables required flexibility and mobile working to improve efficiency in work processes, ensure delivery of reviewed RBIP, BRR and respond to internal audit findings to ensure full compliance with legislation. Grant spending plan in place for Protection grants Building Risk Review completed within deadline (however follow up work is still taking place) Report to SLT Nov 22 detailing implications and preparations. Well positioned for introduction re changes to FSO introduction of fire safety act and associated regulations. 	Impact = 2 Likelihood = 3 Score = 6 Moderate	<ul style="list-style-type: none"> Allocate ESFRS officers to national working groups to steer and understand the implications of the proposed national changes (complete, but ongoing) Sector is lobbying Govt. for additional and continued funding for investment in protection services (ongoing) Monitor resource impacts of ongoing workload from Building Risk Review (ongoing) Respond to fire safety consultation using the new consultation process (ongoing) Seeking regional alignment through regional board on key matters initially such as legal/prosecutions, engineering, consultations and RBIP (Risk based inspection programme). (target for completion September 2024) BSR Funding confirmed and recruitment now completed within ESFRS including the regional manager post. Regional recruitment continues over the next few months, with the final 2 posts from Hampshire to be filled by the end of October 2023 CRM update close to completion including the update of the premises database using the blue light gazetteer and the automatic linking of information provided in compliance with the Fire Safety England Regulation requirements with our SSRI module and MDTs (All complete other than gazetteer which will be completed by end of July 2023) All protection staff being trained as per the competence framework (ongoing due to ongoing staff recruitment) Department restructured to meet tactical needs, however a strategic review is needed to support tactical 	December 2023	AD Safer Communities

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
		<ul style="list-style-type: none"> Lack of appropriate management support for inexperienced staff, due to current structure. Loss of resources to private industry due to demand and salaries being offered. 			<p>delivery (to complete by end October 2023). Paper being drafted to SLT to consider structural changes needed to ensure quality of work and welfare of staff</p> <ul style="list-style-type: none"> Legal process being streamlined to reduce pressure on the department caused by increased legal activity (to complete by end September 2023) B&H legal team being utilised more effectively with joint training taking place over the next 12 months. This includes training for magistrates on fire safety legislation and prosecutions. Legal team resourced and audits reduced to assist in the delivery of legal cases Training is being provided monthly to the department on the new legal process. It is now live and will become more streamlined as staff get used to the new way of working. Quarterly recruitment taking place to create a talent pool of qualified resources. 		

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR7	Inability to respond effectively to a cyber incident	<ul style="list-style-type: none"> Underestimation of risk likelihood and proximity Inadequate policies and procedures Human error resulting in cyber breach Lack of staff awareness of threat and attack vectors (e.g. phishing) Poor protection of systems leading to increased vulnerability Ineffective Business Continuity Plan in place Increased national and international cyber-security challenges, increasing the volume of attacks. International geo-political position changing the cyber-attack-vectors. 	<ul style="list-style-type: none"> Information Security e-learning in place with mandatory annual re-test Annual review of ISO27001 gap analysis Information Security Management System in place New suite of Information Security policies in place Annual IT Health Checks implemented along with associated Telent remediation action plans Information Security Project now complete and closed down Information Security Management Forum now in place. These are held on a quarterly basis and the DCFO is the Senior Responsible Officer Regular attendance at NFCC IT Managers' Cyber Security sub-group 	<p>Impact = 4 Likelihood = 2</p> <p>Score = 8 Moderate</p>	<ul style="list-style-type: none"> The annual ITHC took place in (August 2022), the remediation actions were signed off by the SIRO and are now nearing completion by Telent, with oversight from ITG. Progress towards ESFRS achieving Cyber Essentials Plus accreditation, in line with NFCC IT Managers' agreed FRS cyber accreditation standard. Cyber Essentials Plus Pre-assessment completed in (July 2022), the remediation plan being progressed in conjunction with Telent with oversight from ITG. ESFRS ITG now participating in the new NFCC Cyber Security Sub-group E-learning packages regularly updated and mandatory completion for staff Volunteered to work with Fire & Rescue Indemnity Company (FRIC) on cyber risk assessment Quarterly reports to APGG The Annual ITHC will take place in (October 2023) Following approval of the Telent proposal, a Cyber Desktop Exercise using the scenario of a ransomware incident will take place on 9th and 19th October 2023, facilitated by cyber security consultant Aristi Authentication is being trialed with a pilot group of ESFRS users. A costed business case for MFA will be presented to the Strategic Change Board in November 2023. The National Cyber Security Centre (NCSC) has recommended that all UK FRS implement MFA 	December 2023	DCFO

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR8	Failure to deliver key corporate projects	<ul style="list-style-type: none"> Lack of adherence to governance processes Lack of experienced staff managing projects Inability to recruit to vacant posts in the Programme Management Office (PMO) Over optimistic delivery plans 	<ul style="list-style-type: none"> Formation of the Programme Management Office (PMO) team, processes, standards and intranet pages Creation of project portfolio and project pipeline Monthly reporting of project status to SCB and quarterly reporting of the same to SLT Set up of monthly reporting of projects into the PMO and quarterly / yearly PMO reporting to SLT. Since the PMO and associated governance and processes were established there has been an improvement in successful project delivery. This is a sign of evolving maturity. The project management policy, lifecycle and associated stage gate approval templates have been updated recently (as at November 2022) -these address actions from the internal audit including those associated with project financial control. In order to cover vacancies in the PMO team SLT agreed a temporary PMO structure in November for 2023/24 A full review of the project portfolio has taken place. Actions from Internal Audit Report (reasonable assurance opinion) completed in respect of the programme office 	<p>Impact = 3 Likelihood = 2</p> <p>Score = 6 Moderate</p>	<ul style="list-style-type: none"> Prioritisation of projects continues to ensure deliverability of portfolio following approval of the savings options at February CFA. (ongoing) Further work to confirm the financial envelope for 2023/24 will continue in respect of Star Chamber outcomes undertaken in September 2023 Proposals for a substantive PMO and appropriate model will be considered at October SLT 	December 2023	AD Planning & Improvement
CR9	Collaboration	<ul style="list-style-type: none"> Collaboration fails to deliver desired outcomes Resources required to support collaborative activities not justified by improvements in efficiency and / or effectiveness 	<ul style="list-style-type: none"> Regular tracking of collaboration activities through business performance system Governance in place e.g. 4F Legal advice on formal collaboration agreements Update report on the agreed collaborations Areas of focus agreed with 4F collaboration leads Regular review of collaborative activities through SLT and Scrutiny and Audit Panel Occupational Health Collaboration has been extended by 5yrs and took effect from August 2022 An improvement plan for the OH collaboration was presented to SLT Q3 2022/23 and HSWC April 2023 and continues to be monitored 	<p>Impact = 3 Likelihood = 2</p> <p>Score = 6 Moderate</p>	<ul style="list-style-type: none"> Regular and consistent commitment from the 4F collaboration across a number of workstreams including Ops alignment and Incident Command units. 4F People Strand have agreed 4 priority areas and update the 4F board. 	December 2023	AD People Services

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR10	Risk of loss of live fire training at Service Training Centre.	<ul style="list-style-type: none"> Service Delivery: Unable to deliver training and requalify personnel. Industrialisation of areas surrounding ESFRS premises perpetually halting operational practice on sites. 	<ul style="list-style-type: none"> Safety Measures implemented in affected areas of Service Training Centre (STC) when burning i.e. PPE, Cordons. Independent Air Quality Testing Report Project long term review of live fire training facilities Initial phase of security improvements at STC completed Feasibility study for enhancements to training facilities including a burn strategy approved at Change Board in Oct 2020 FBC for Live Fire Training approved and additional funding agreed in Capital Asset Strategy in Feb 2022 	<p>Impact =3 Likelihood = 3</p> <p>Score = 9 Moderate</p>	<ul style="list-style-type: none"> New Security Strategy will be considered by Estates Strategy Delivery Board in Autumn 2023. Contractor appointed to install security access control across estate Scheme to deliver new Live Fire Training Units at Service Training Centre included in Capital Programme but now part of wider review of Capital Programme. (September 2023) 	December 2023	AD People Services
CR13	Financial & operational impacts of global supply chain disruption	<ul style="list-style-type: none"> Macro-economic impact on funding and costs (inflation) Supply chain problems UK withdrawal from EU Ongoing global impact of Covid-19 pandemic Impact of conflict in Ukraine 	<ul style="list-style-type: none"> Existing Business Continuity plans have been reviewed Linking with work being carried out nationally through NFCC On-going monitoring of supply chain / procurement issues and related financial / operational impacts in place (internal audit substantial assurance opinion) Additional provision in 2023/24 budget for inflation in utilities, fuel and estates maintenance Corporate contingency and General Balances available to mitigate in year financial impacts Gold Group in place for Ukraine conflict – now stood down Inflation impact for 2023/24 and forecast for 2024/25 built into MTFP Sector inflation survey completed to feed into settlement decisions with Home Office 	<p>Impact = 3 Likelihood = 3</p> <p>Score = 9 Moderate</p>	<ul style="list-style-type: none"> Continued monitoring of revenue budget and assessment of potential inflation risks (ongoing) Review of Estates capital programme underway – 30% increase in costs over last 12 months 	December 2023	DCFO

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR17	Firefighter Pension Scheme – financial, legal, reputational and operational impacts resulting from McCloud / Sargeant case	<ul style="list-style-type: none"> • Outcome of McCloud / Sargeant legal case • Difficulties in predicting retirement profile and recruitment requirements • Loss of specialist skills should a large number of experienced operational staff retire now the legislation is in place 	<ul style="list-style-type: none"> • Continued engagement between pension, finance and legal teams and Local Government Association, Scheme Advisory Board, National Fire Chiefs Council Pension Lead, West Yorkshire Pension Fund (FPS scheme administrators), Home Office and tax advisers to ensure Authority is aware of any changes to amended pensions administration • Regular reports to Fire Authority, P&R Panels and Pension Board as appropriate • Revenue funding agreed to support additional resources within the Payroll & Pensions team to prepare for and implement Remedy – resources now secured to end of 2023/24 • Pensions Administration Reserve established to hold funds to offset costs arising • Communications periodically issued to all those affected • Retirement profiles and recruitment decisions reviewed through Workforce Planning Group • Monitor new legal claims issued by FBU / scheme members (ongoing) • Completing preparatory work and provide required data in advance of Remedy on 1 October 2023 (this has been completed). 	<p>Impact = 3 Likelihood = 2</p> <p>Score = 6 Moderate</p>	<ul style="list-style-type: none"> • Monitor financial impact via revised Employer Rates for 2025/26 and continue to lobby Home office to fund in full (ongoing) • Monitor and report of potential service financial exposure of 8% interest for those category 2 retirees (ongoing) 	<u>December 2023</u>	AD People Services

Appendix 2 – Corporate Risk Register updated for Quarter 2 – 2023/24

Ref	Risk Title	Causes	Mitigations	Mitigated Risk Score	Actions	Review Date	Corporate Risk Owner
CR18	Effective Workforce Planning	<ul style="list-style-type: none"> Increasingly difficult to recruit into professional services HR policy flexibility (grades/salaries) Recruitment pool processes HMICFRS report highlighting challenges within People Services Increasing ageing workforce Increasing number of age-related injuries Increased number of ill health retirements Difficulties in maintaining operational competence 	<ul style="list-style-type: none"> Market Supplement Policy in place Use of wider recruitment market to assess salary points for specialist posts Recruitment and selection framework in place Redesigned talent pool process at each operational level within the Organisation Access professional legal advice where necessary Monthly workforce planning meeting incorporates a vacancy management process to ensure critical roles are filled appropriately. Complex Case Management Review meetings specifically to assist in addressing this issue including service fitness advisor Improved approach to manual handling including training and equipment which has resulted in a reduction in the number of reported incidents and the KPI was green for the first time. Wellbeing strategy that is supporting an ageing workforce Workforce planning group providing collective understanding of current picture and forecasting through resource management plan. Internal transfer pool running WT firefighter pool in place – top up of external transfer pool now completed and CM/WM pools open including external applicants 	<p>Impact = 2 Likelihood = 4</p> <p>Score = 8 Moderate</p>	<ul style="list-style-type: none"> Support the department workforce plans with a series of workshops (October 2023) run by Organisational Development with a focus on critical role analysis Embed the strategic workforce plan (ongoing). Re-engineer the recruitment and selection processes for professional services (March 2024) Service structural review commencing as part of MTFP Tranche 3 (March 2024) Ill health retirement audit has been completed and action plan in place (September 2023) Ensure focus on development of those with potential through equitable and fair pathways (ongoing) Adoption of the NFCC tools including Supervisory Managers Leadership Programme, Middle Managers Leadership Programme. (ongoing) Using the NFCC Coaching and Mentoring portal as an assistive tool (ongoing) Assess alternative options for securing specialist skills (sharing with other services) (ongoing) Early adopters for the NFCC Direct Entry Scheme (October 2023 start date for successful candidate) 	December 2023	AD People Services

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EAST SUSSEX FIRE AUTHORITY

Panel Scrutiny and Audit

Date 9 November 2023

Title of Report CIPFA: Audit Committee Guidance Position

By Duncan Savage, Assistant Director Resources/Treasurer and
Liz Woodley, Deputy Monitoring Officer

Lead Officer Abigail Blanshard, Democratic Services Manager and
Rebecca Smith, Democratic Services Officer

Background Papers CIPFA Audit Committee Guidance – Scrutiny & Audit Panel – 13
November 2014

Redmond Review – Scrutiny & Audit Panel – 12 November
2020

Redmond Review Working Group Update – Scrutiny & Audit
Panel – 29 April 2021

Audit committees: practical guidance for local authorities and
police, 2022 Edition

Appendices Appendix 1 – Position Statement: Audit Committees in Local
Authorities and Police 2022

Appendix 2 – CIPFA Self-Assessment of Good Practice

Appendix 3 – Co-opted independent members of audit
committees, August 2023

Appendix 4 – Knowledge and Skills Framework for Audit
Committee Members

Implications (please tick ✓ and attach to report)

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 on the latest audit committee guidance for
local authorities and consider best practice recommendations
within the guidance.

EXECUTIVE SUMMARY: CIPFA issued updated guidance on the function and operation of audit committees in local authorities in October 2022, “Audit Committees: Practical Guidance for Local Authorities and Police (2022 Edition)”.

The guidance includes an updated Position Statement which sets out the purpose, model, core functions and membership of the audit committee, and states that all local government bodies are expected to make their best efforts to adopt the principles and aim for effective audit committee arrangements. The main changes to the revised position statement are outlined in this report.

The publication also contains a self-assessment of good practice (Appendix 2), and knowledge and skills framework for audit committee members (Appendix 4). CIPFA recommend that the self-assessment tool is used to enable the audit committee to evaluate its effectiveness and inform its annual report.

It is suggested that the knowledge and skills framework is used to guide members on their training needs and support the evaluation of the overall knowledge and skills of the committee. As well as shaping the training plan, evidence of the assessment and delivery of training can support the profile of the committee, for example, by including it in the annual report.

It is proposed that a working group be established to work with the Assistant Director Resources/Treasurer, Deputy Monitoring Officer, Democratic Services Officer and the Chair of the Scrutiny and Audit Panel to undertake a self-assessment of good practice for the Panel, and a training needs analysis of all Members, using the assessment tools withing the CIPFA guidance and included in appendices 2 and 4 of this report.

RECOMMENDATION: The Panel is recommended to:

- (i) Note the latest guidance from CIPFA;
 - (ii) Agree to establish a working group to undertake a self-assessment and training needs analysis, consider whether any changes to the current arrangements and terms of reference are required, and consider CIPFA’s recommendation for the inclusion of a co-opted independent member on the Panel.
-

1. **INTRODUCTION**

- 1.1 In 2014, the Scrutiny & Audit Panel were presented with guidance issued by CIPFA on the function and operation of audit committees in local authorities, and recommended that the Fire Authority approve certain revisions to the Panel's terms of reference.
- 1.2 Following the publication of the Redmond Review in 2020, the Scrutiny & Audit Panel established a Working Group to consider the main recommendations included in the report. The Working Group presented a number of local actions to the Scrutiny & Audit Panel at the meeting of 29 April 2021, including the need to undertake a skills audit and the need for specific training to be undertaken by Panel Members.
- 1.3 CIPFA issued updated guidance on the function and operation of audit committees in local authorities in October 2022. The publication, "Audit Committees: Practical Guidance for Local Authorities and Police (2022 Edition)" includes a revised position statement which replaces that included in the 2018 edition, as well as a Self-Assessment of Good Practice and Knowledge and Skills Framework for audit committee members.
- 1.4 The 2022 edition of the guidance and current position statement detail the core functions of the audit committee in relation to governance, risk management, internal control, and audit.
- 1.5 CIPFA's 2022 Position Statement sets out the purpose, model, core functions and membership of the audit committee, and states that all local government bodies are expected to make their best efforts to adopt the principles and aim for effective audit committee arrangements.
- 1.6 The updated Position Statement is attached at Appendix 1. The guidance will be circulated separately.

2. **CHANGES TO THE 2022 GUIDANCE**

- 2.1 The following sections of the Position Statement have been updated to reflect good practice and ensure the effectiveness of the audit committee:
 - Independent and effective model – the audit committee should be established so that it is independent of both the executive and the scrutiny functions.
 - Core Functions – the areas of responsibility of the audit committee are highlighted as supporting the establishment of good governance, risk management and control arrangements, supporting accountability and public reporting, and supporting the establishment and maintenance of good arrangements for internal and external audit. Each of these areas are explained in more detail in the guidance document to ensure good governance and accountability arrangements are in place.
 - Audit committee membership – Members of the committee should be trained and have the knowledge, expertise, and interest in the work of the committee. CIPFA includes a recommendation to appoint co-opted independent members on the committee, citing its reasons as supplementing the knowledge and experience of elected representatives and providing continuity outside of the political cycle.

- Engagement and Outputs – the committee should report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.
- Impact – the committee should evaluate its impact and identify areas for improvement.

3. EFFECTIVE AUDIT COMMITTEES

3.1 The guidance lists nine principal areas where the committee can influence and add value:

- Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.
- Promoting the principles of good governance and how they are applied during decision making.
- Raising awareness of the need for sound internal control and contributing to the development of an effective control environment.
- Supporting arrangements to govern risk and for effective arrangements to manage risks.
- Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.
- Reinforcing the objectivity, importance and independence of internal and external audit and supporting the effectiveness of the audit functions.
- Supporting the development of robust arrangements for ensuring value for money.
- Helping the authority to implement the values of ethical governance, including effective arrangements for countering the risks of fraud and corruption.
- Promoting measures to improve transparency, accountability and effective public reporting to stakeholders and the local community.

3.2 CIPFA's view is that audit committee functions can be most effectively delivered by a dedicated audit committee. It is possible for the functions of an audit committee to be undertaken by other committees, but a dedicated resource is likely to be more knowledgeable and effective, with more time to focus on these issues.

3.3 The guidance states that an audit committee's effectiveness should be judged by the contribution it makes to and beneficial impact it has on the authority's business. A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are essential requirements for delivering effectiveness.

3.4 The audit committee should report on its effectiveness in its annual report. CIPFA recommend that completion of a regular self-assessment of good practice (Appendix 2) should be used to inform the annual report, as well as support the planning of the audit committee work programme and financial plans.

4. CO-OPTED INDEPENDENT MEMBERS

- 4.1 In the position statement and guidance, CIPFA recommend that where there is no requirement to, audit committees include two co-opted independent members.
- 4.2 The reasons given for this recommendation are as follows:
- To supplement the knowledge and experience of elected representatives in specific areas, such as audit or financial reporting.
 - To provide continuity outside the political cycle. This is of particular importance where membership of the committee changes annually or because of elections.
 - To help achieve a non-political focus on governance, risk and control matters.
 - Having two co-opted members rather than one will allow recruitment of members with different but complementary knowledge and experience, increase the resilience and continuity of the committee.
 - Having two co-opted members shows a commitment to supporting and investing in the committee.
- 4.3 In a desk-top survey of 18 CFAs, four were found to currently have, or be in the process of recruiting, at least one co-opted independent member (Appendix 3).
- 4.4 In order to assess whether there are particular knowledge and/or skills that an independent member could bring to the Panel, it is suggested that a skills and knowledge assessment of all members is carried out.

5. IDENTIFYING TRAINING NEEDS AND NEXT STEPS

- 5.1 The guidance acknowledges that there is a range of knowledge and experience that audit committee members can bring to the committee to enable it to perform effectively. No single committee member is expected to be a specialist in all areas, however there are some core areas of knowledge that members would need to acquire.
- 5.2 CIPFA have included a knowledge and skills framework for audit committee members in the guidance document. This should be used to guide members on their training needs and support the evaluation of the overall knowledge and skills of the committee.
- 5.3 CIPFA recommend that audit committee members review their knowledge and skills as part of an annual self-assessment process or training needs analysis. As well as shaping the training plan, evidence of the assessment and delivery of training will support the profile of the committee – for example, by including it in the annual report.
- 5.4 It is suggested that a working group be established to work with the Assistant Director Resources/Treasurer, Deputy Monitoring Officer, Democratic Services Officer and the Chair of the Scrutiny and Audit Panel to undertake a self-assessment of good practice for the Panel, and a training needs analysis of all Members, using the assessment tools within the CIPFA guidance and included in appendices 2 and 4 of this report. The results of these self-assessments be used to identify if any changes are required to the current arrangements and terms of reference, as well as the knowledge gaps and subsequent training needs required by Members. As a Working Group there is no legal requirement for the membership to consist solely of members of the Scrutiny and Audit

Panel. It is suggested that once the Working Group’s membership has been determined, it hold a brief virtual meeting to determine its preferred ways of working.

6. PROPOSED TIMELINE OF ACTIONS

Action	Date
Issue skills and knowledge self-assessment to all FA Members	November 2023
Issue self-assessment of good practice to S&A Panel members	November 2023
Meeting of working group	January 2024
Report of working group include: <ul style="list-style-type: none"> • Training needs and self-assessment of good practice feedback and action plan • Required changes (if any) to current arrangements and terms of reference 	May 2024



CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

Scope

This position statement includes all principal local authorities in the UK, corporate joint committees in Wales, the audit committees for PCCs and chief constables in England and Wales, PCCFRAs and the audit committees of fire and rescue authorities in England and Wales.

The statement sets out the purpose, model, core functions and membership of the audit committee. Where specific legislation exists (the Local Government & Elections (Wales) Act 2021 and the Cities and Local Government Devolution Act 2016), it should supplement the requirements of that legislation.

Status of the position statement

The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The 2022 edition of the position statement replaces the 2018 edition.

The Department for Levelling Up, Housing and Communities and the Home Office support this guidance.

CIPFA's Position Statement 2022: Audit committees in local authorities and police

Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council. In policing, the police and crime commissioner (PCC) and chief constable are both corporations sole, and thus are the individuals charged with governance.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body or the PCC and chief constable
- in local authorities, be independent of both the executive and the scrutiny functions
- in police bodies, be independent of the executive or operational responsibilities of the PCC or chief constable
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of the PCC and chief constable should follow the requirements set out in the Home Office Financial Management Code of Practice and be made up of co-opted independent members.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and conformance to professional standards
 - support effective arrangements for internal audit
 - promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the chief constable in relation to operational policing matters
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

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CIPFA Guidance – Self-assessment of good practice

Audit committee purpose and governance		Yes	Partly	No	Comments
1	Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?				
2	Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?				
3	Has the committee maintained its advisory role by not taking on any decision-making powers?				
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?				
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?				
6	Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?				
7	Does the governing body hold the audit committee to account for its performance at least annually?				
8	Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> • compliance with the CIPFA Position Statement 2022 • results of the annual evaluation, development work undertaken and planned improvements • how it has fulfilled its terms of reference and the key issues escalated in the year? 				
Functions of the committee		Yes	Partly	No	Comments
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows? <ul style="list-style-type: none"> • Governance arrangements • Risk management arrangements • Internal control arrangements, including: <ul style="list-style-type: none"> • financial management • value for money • ethics and standards • counter fraud and corruption • Annual governance statement • Financial reporting 				

	<ul style="list-style-type: none"> • Assurance framework • Internal audit • External audit 				
10	Over the last year, has adequate consideration been given to all core areas?				
11	Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?				
12	Has the committee met privately with the external auditors and head of internal audit in the last year?				
Membership and support		Yes	Partly	No	Comments
13	<p>Has the committee been established in accordance with the 2022 guidance as follows?</p> <ul style="list-style-type: none"> • Separation from executive • A size that is not unwieldy and avoids use of substitutes • Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 				
14	Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?				
15	Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?				
16	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?				
17	Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?				
18	Is adequate secretariat and administrative support provided to the committee?				
19	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?				
Effectiveness of the committee		Yes	Partly	No	Comments
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?				
21	Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?				
22	Are meetings effective with a good level of discussion and engagement from all the members?				

23	Has the committee maintained a non-political approach to discussions throughout?				
24	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?				
25	Does the committee make recommendations for the improvement of governance, risk and control arrangements?				
26	Do audit committee recommendations have traction with those in leadership roles?				
27	Has the committee evaluated whether and how it is adding value to the organisation?				
28	Does the committee have an action plan to improve any areas of weakness?				
29	Has this assessment been undertaken collaboratively with the audit committee members?				

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CFA	Panel name	Number of Elected members	Number of Independent members
Avon	Audit, Governance & Ethics	7	0
Cleveland	Audit & Governance Committee	9	2
Leicestershire	Corporate Governance Committee	9	0
Bedfordshire	Audit & Standards Committee	7	0
Derbyshire	Governance & Performance WG	5	0
Durham & Darlington			
	Audit & Finance Committee	6	1
Buckinghamshire	Overview & Audit Committee	9	0
Berkshire	Audit & Governance Committee	9	0
Cambridgeshire	Overview & Scrutiny Committee	8	0
Cheshire	Audit Committee	4	1
Hereford & Worcester			
	Audit & Standards Committee	12	0
Kent	Audit & Governance Committee	10	1*
Shropshire	Standards, Audit & Performance Committee	8	0
Lancashire	Audit Committee	7	0
Nottinghamshire	Finance & Resources Committee	5	0
Devon & Somerset	Audit & Governance Committee	8	0
Dorset & Wiltshire	Finance & Audit Committee	8	0
Hampshire & Isle of Wight	Standards & Governance Committee	5	0

* Recruitment for an independent member was approved by the Fire Authority at its meeting in February 2023.

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CIPFA Knowledge and Skills Framework

Knowledge area	Details of knowledge required	How the audit committee member is able to apply the knowledge	Overall assessment of knowledge/skills (1-5, 1 being minimal and 5 being strong)				
			1	2	3	4	5
Organisational knowledge	<ul style="list-style-type: none"> An overview of the authority's governance structure and decision-making processes. Knowledge and organisational objectives and major functions of the authority. 	<ul style="list-style-type: none"> This knowledge will be core to most of the audit committee's activities, including the AGS review, internal and external audit reports and risk registers. 					
Audit committee role and functions	<ul style="list-style-type: none"> An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee. 	<ul style="list-style-type: none"> This knowledge will enable the audit committee to prioritise its work to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others. It will help the committee undertake a self-assessment and prepare its annual report. 					
Governance	<ul style="list-style-type: none"> Knowledge of the seven principles as outlined in Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016). The requirements of the AGS. How the principles of governance are implemented locally as set out in the local code of governance. 	<ul style="list-style-type: none"> The committee will review the local code of governance and consider how governance arrangements align to the principles in the Framework. The committee will plan the assurances it is to receive to adequately support the AGS. The committee will review the AGS and consider how the authority is meeting the principles of good governance. The committee will receive audit reports and information on risks relating to governance. 					
Internal audit	<ul style="list-style-type: none"> An awareness of the key principles of the PSIAS and the LGAN. 	<ul style="list-style-type: none"> The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards. 					

	<ul style="list-style-type: none"> • Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter. • How the role of the head of internal audit is fulfilled. • Details of the most recent external assessment and level of conformance with the standards. • Internal audit’s strategy, plan and most recent annual opinion. 	<ul style="list-style-type: none"> • The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. • The committee will also receive the annual report, including an opinion and information on conformance with professional standards. • In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed. • The audit committee chair is likely to be interviewed as part of the external quality assessment, and the committee will receive the outcome of the assessment and action plan. 					
<p>Financial management and financial reporting</p>	<ul style="list-style-type: none"> • Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. • An understanding of good financial management practice as set out in the CIPFA Financial Management Code (FM Code) and the level of compliance with it. • Knowledge of how the organisation meets the requirements of the role of the CFO as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and The Role of CFOs in Policing (2021). • An overview of the principal financial risks the authority faces. 	<ul style="list-style-type: none"> • Reviewing the financial statements prior to publication, asking questions. • Receiving the external audit report and opinion on the financial audit. • Reviewing both external and internal audit recommendations relating to financial management and controls. • The audit committee should consider compliance with the FM Code and the role of the CFO and how this is met when reviewing the AGS. 					

External audit	<ul style="list-style-type: none"> • Knowledge of the role and functions of the external auditor and who currently undertakes this role. • Knowledge of the key reports and assurances that external audit will provide. • Familiarity with the auditor's most recent plan and the opinion reports. • Knowledge about arrangements for the appointment of auditors and quality management undertaken. 	<ul style="list-style-type: none"> • The audit committee will meet with the external auditor regularly and receive their reports and opinions. • Monitoring external audit recommendations and maximising the benefit from the audit process. • The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service. 					
Risk management	<ul style="list-style-type: none"> • Understanding of the principles of risk management, including how it supports good governance and decision making. • Knowledge of the risk management policy and strategy of the organisation. • Understanding of risk governance arrangements, including the role of members and of the audit committee. • Knowledge of the current risk maturity of the organisation and any key areas of improvement. 	<ul style="list-style-type: none"> • In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements. • Awareness of the major risks the authority faces is necessary to support the review of several audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts. Typically, risk registers will be used to inform the committee. • The committee should also review reports and action plans to develop the application of risk management practice. 					
Counter fraud	<ul style="list-style-type: none"> • An understanding of the main areas of fraud and corruption risk that the organisation is exposed to. • Knowledge of the principles of good fraud risk management 	<ul style="list-style-type: none"> • Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy. 					

	<p>practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).</p> <ul style="list-style-type: none"> • Knowledge of the organisation's arrangements for tackling fraud. 	<ul style="list-style-type: none"> • An assessment of arrangements should support the AGS, and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment. 					
Values of good governance	<ul style="list-style-type: none"> • Knowledge of the Seven Principles of Public Life. • Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (eg code of conduct). • Knowledge of the whistleblowing arrangements in the authority. 	<ul style="list-style-type: none"> • The audit committee member will draw on this knowledge when reviewing governance issues and the AGS. • Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported. 					
Treasury management (only if it is within the terms of reference of the committee to provide scrutiny)	<ul style="list-style-type: none"> • Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: <ul style="list-style-type: none"> – regulatory requirements – treasury risks – the organisation's treasury management strategy – the organisation's policies and procedures in relation to treasury management. <p>See also Treasure your assets (Centre for Governance and Scrutiny, 2017).</p>	<ul style="list-style-type: none"> • Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny. 					

Core Skills

Skills	Key elements	How the audit committee member is able to apply the skill	Overall assessment of knowledge/skills (1-5, 1 being minimal and 5 being strong)				
			1	2	3	4	5
Strategic thinking and understanding of materiality	Able to focus on material issues and the overall position rather than being side tracked by the detail.	When reviewing audit reports, findings will include areas of higher risk or materiality to the organisation but may also highlight more minor errors or control failures. The audit committee member will need to pitch their review at an appropriate level to avoid spending too much time on detail.					
Questioning and constructive challenge	Able to frame questions that draw out relevant facts and explanations, challenging performance and seeking explanations while avoiding hostility or grandstanding.	The audit committee will review reports and recommendations to address weaknesses in internal control. The audit committee member will seek to understand the reasons for weaknesses and ensure a solution is found.					
Focus on improvement	Ensuring there is a clear plan of action and allocation of responsibility.	The audit committee's outcome will be to secure improvements to the governance, risk management or control of the organisation, including clearly defined actions and responsibilities. Where errors or control failures have occurred, the audit committee should seek assurances that appropriate action has been taken.					
Able to balance practicality against theory	Able to understand the practical implications of recommendations to understand how they might work in practice.	The audit committee should seek assurances that planned actions are practical and realistic.					

Clear communication skills and focus on the needs of users	Support the use of plain English in communications, avoiding jargon, acronyms, etc.	The audit committee will seek to ensure that external documents such as the AGS and the narrative report in the accounts are well written for a non-expert audience.					
Objectivity	Evaluate information based on evidence presented, avoiding bias or subjectivity.	The audit committee will receive assurance reports and review risk registers. There may be differences of opinion about the significance of risk and the appropriate control responses, and committee member will need to weigh up differing views.					
Meeting management skills	Chair the meeting effectively: summarise issues raised, ensure all participants can contribute, and focus on the outcome and actions from the meeting.	These skills are essential for the audit committee chair to help ensure that meetings stay on track and address the items on the agenda. The skills are desirable for all other members.					

EAST SUSSEX FIRE SERVICE

Meeting	Scrutiny and Audit Panel
Date	9 November 2023
Title of Report	Strategic Performance Report Q1 2023
By	Sharon Milner, Planning & Intelligence Manager Marcus Whiting, Performance Analyst
Lead Officer	Liz Ridley, Assistant Director – Planning & Improvement
Lead Member	Cllr Nuala Geary

Background Papers Performance Indicator Refresh 2022 - November 2022

Appendices Appendix 1 Strategic Performance Report Q1 2023

Implications (please tick ✓ and attach to report)

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

PURPOSE OF REPORT To present the Strategic Performance Report for quarter one 2023.

EXECUTIVE SUMMARY In November 2022 the Scrutiny and Audit Panel agreed to the refresh of strategic performance indicators recommended by the Senior Leadership Team.

Attached at Appendix 1 is the new Strategic Performance report.

The report is structured into four sections.

1. **Performance at a glance summary.** This is a high-level summary of all indicators grouped by those that are achieving their target, those near target, those that are needing improvement, against the tolerances set by service managers.

2. **Service Priority Areas.** All of the Fire Authority's priority areas are included with a deeper dive into performance that shows the last 12 month rolling monthly performance, the previous year's performance, the last five years quarterly data, the RAG rating and service owner commentary for indicators where performance needs improving.
3. **Performance measures needing improvement.** This is a deeper dive into performance or those measures that have been classified as needing improvement that are not service priority areas.
4. **Annual Performance Measures and those that are new.** There are five performance measures that are reported annually and will be in the 4th quarter annual report. There are seven new performance measures and systems and processes are being developed and they will be brought on line throughout the year.

RECOMMENDATION

The Scrutiny and Audit Panel is asked to:

1. Consider the new strategic performance report as contained in Appendix 1.
-

1. INTRODUCTION

- 1.1 This report is the first of the new strategic performance reports that has been developed over the last six months on the Service's new Insight system. The Scrutiny and Audit Panel agreed to the refresh of strategic performance indicators and the new look performance report as recommended by the Senior Leadership Team in November 2022.
- 1.2 The report is structured into four sections as follows:

Performance at a glance summary. This section provides a high level view of performance against all indicators grouped by the relevant red, amber, green rating. Tolerances for each measure have been set as part of the work to refresh the performance measures undertaken with Assistant Directors and service managers. Performance is then calculated to show measures that are succeeding, achieving their target, those near target and those that are needing improvement, against the tolerances. The results are displayed in a simple scorecard format at the beginning of the report.

Service Priority Areas. The Fire Authority's priority areas are included with a deeper dive into performance that shows the last 12 month rolling monthly performance, the previous year's performance, the last five years quarterly data, the cumulative performance against target, the RAG rating, and the tolerances set by service managers. It includes commentary from the responsible service manager for indicators where performance is outside the tolerance.

Performance measures needing improvement. If a performance measure is rated red and needs improvement against the tolerances set, then the performance report will include those areas with the deeper dive information. This section may vary from quarter to quarter depending on the performance result. This is a deeper dive into performance or those measures that have been classified as needing improvement.

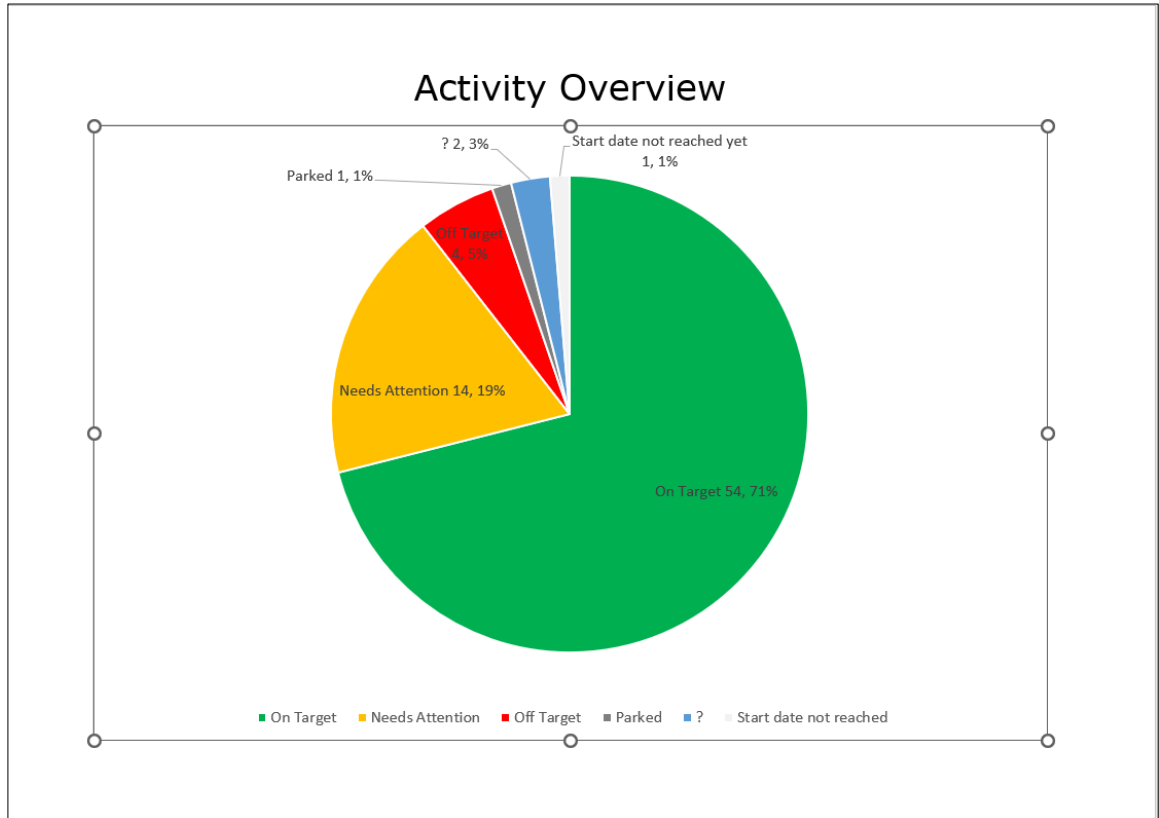
Annual Performance Measures and those that are new. This section contains the performance measures that are reported annually and these five measures will be included in the 4th quarter annual report. When the performance measures were refreshed, there were six performance measures that were new and these are the performance measures that assess the implementation of the new automatic false alarm reduction policy. Systems and processes are being developed and these measures will be brought into the report when they are available.

2. SUMMARY OF PROGRESS AGAINST THE CORPORATE STRATEGIES

- 2.1 The Corporate Strategies activities are now live in the planning module within InSight along with all Directorate business plan activities and all Internal Audit actions.
- 2.2 The Corporate Strategies monitoring report has been considered at the Assurance Performance and Governance Group and a summary of the progress is presented below. Each strategy has an annual action plan containing actions that are assigned to a responsible owner who must give an update on progress. There are 76 agreed corporate activities to progress the Service's strategies in 2023/24. The detailed

report is presented with commentary against the actions to the APGG. Figure 1 shows the summary of progress against the Corporate Strategies.

2.3 Figure 1: Summary of Progress against the Corporate Strategy Activities





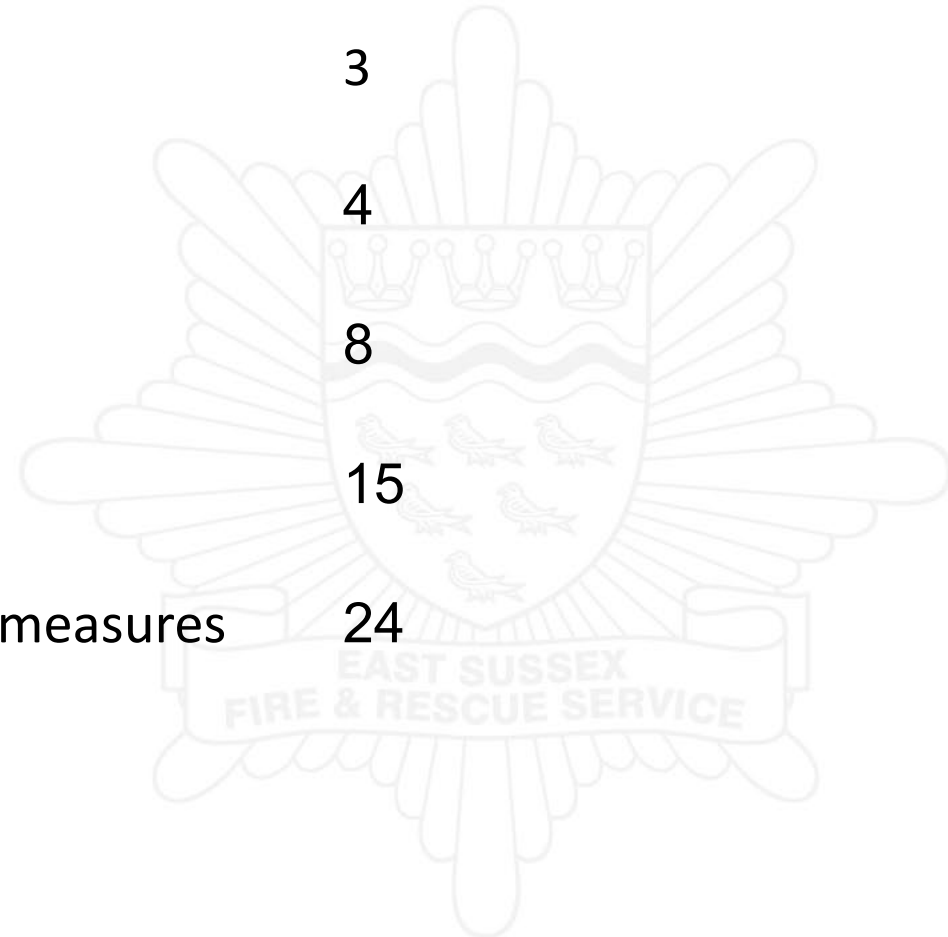
East Sussex Fire and Rescue Service Performance Report

Quarter 1 2023/24



Contents

Report Overview	3
Performance measures at a glance summary	4
Service Priority Areas	8
Performance Measures needing improvement	15
Annual Performance Measures and new performance measures	24



Scrutiny and Audit Quarterly Performance Report

The aim of the Quarterly Performance Report is to summarise how East Sussex Fire & Rescue Service has performed over the previous quarter compared to previous year's performance and to provide commentary in relation to the actions being taken to address performance.

The report contains the Service's Strategic Measures (Tier 1) which are the high level outcome measures that provide a strong indication of organisational performance directly aligned to the delivery of the Purpose and Commitments. Targets are included and tolerances have been set to show a direction of travel against the measures which enables clearer performance reporting. Where indicators are new, tolerances and definitions will be set at a future date based on the annual result.

The explanations, mitigations and actions contained within this report are those endorsed by the Service Leadership Team (SLT). This report covers data from the period of 1 April 2023 – 30 June 2023.



Performance at a glance summary

At the end of Quarter 1 2023-24 the performance against 22 Strategic measures is as follows:

12 of the 22 measures had a GREEN status (55%)

6 were AMBER (27%)

4 were RED (18%)

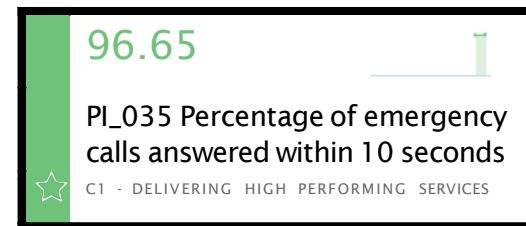
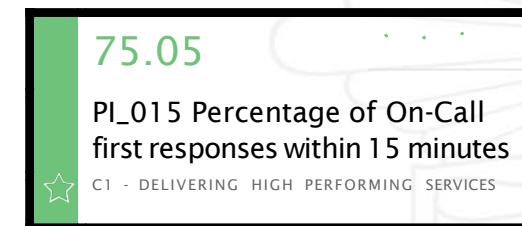
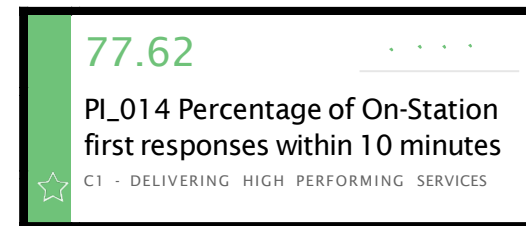
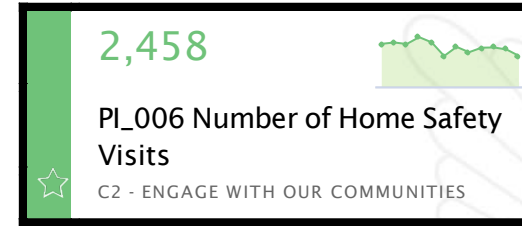
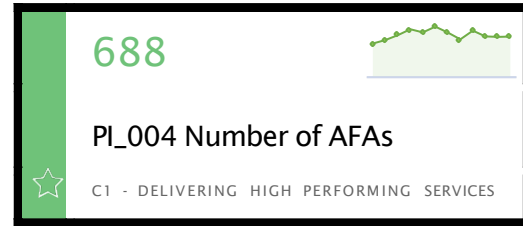
Of the service priority areas

4 had a GREEN status, 2 had an AMBER status and 0 had a RED status.



Performance at a glance

Performance Measures Achieving Target



Performance at a glance

Performance Measures Near Target

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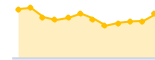
113



PI_001 Number of accidental dwelling fires

C1 - DELIVERING HIGH PERFORMING SERVICES

2,521



PI_008 Number of incidents attended

C1 - DELIVERING HIGH PERFORMING SERVICES

2.6



PI_003 Number of working days/shifts lost to sickness

C3 - HAVE A SAFE AND VALUED WORKFORCE

261



PI_011 Number of primary fires

C1 - DELIVERING HIGH PERFORMING SERVICES

88.29



PI_005 % of accidental dwelling fires confined to room of origin

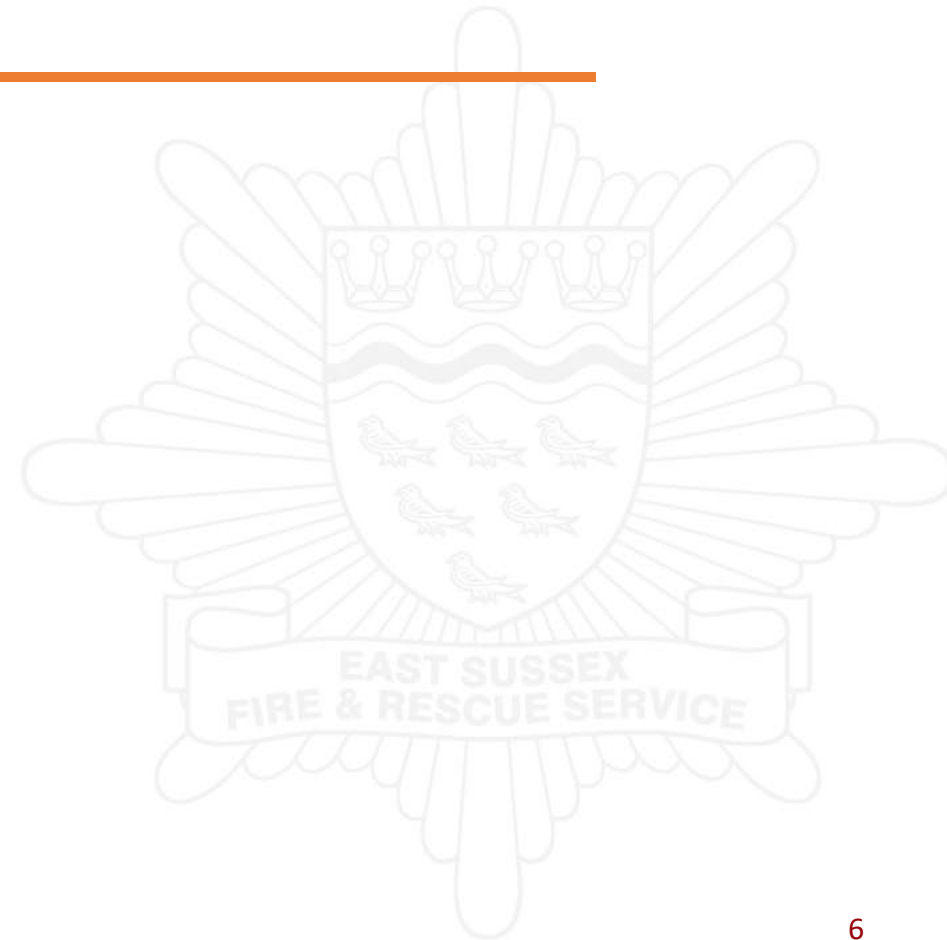
C1 - DELIVERING HIGH PERFORMING SERVICES

239



PI_016 Number of Fire safety checks completed

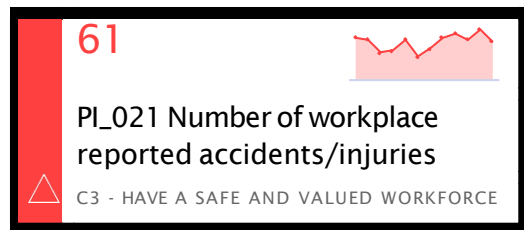
C1 - DELIVERING HIGH PERFORMING SERVICES



Performance at a glance

Performance Measures Needing Improvement

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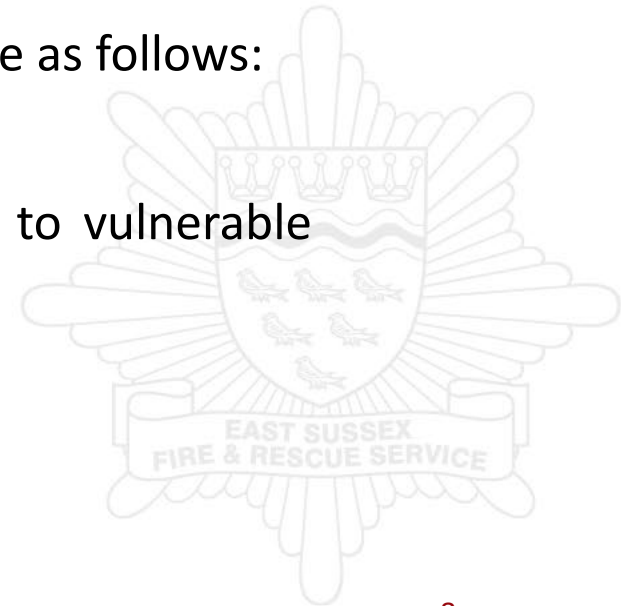




Service Priority Areas

The Fire Authority priorities as agreed by the Scrutiny and Audit Panel are as follows:

1. Reducing accidental dwelling fires.
2. Undertake 9,000 home safety visits of which 90% to be delivered to vulnerable members of our community.
3. Reducing sickness.
4. Reducing attendance at false alarm calls.
5. Increasing inspections in high-risk premises.



Priority 1 – Number of accidental dwelling fires

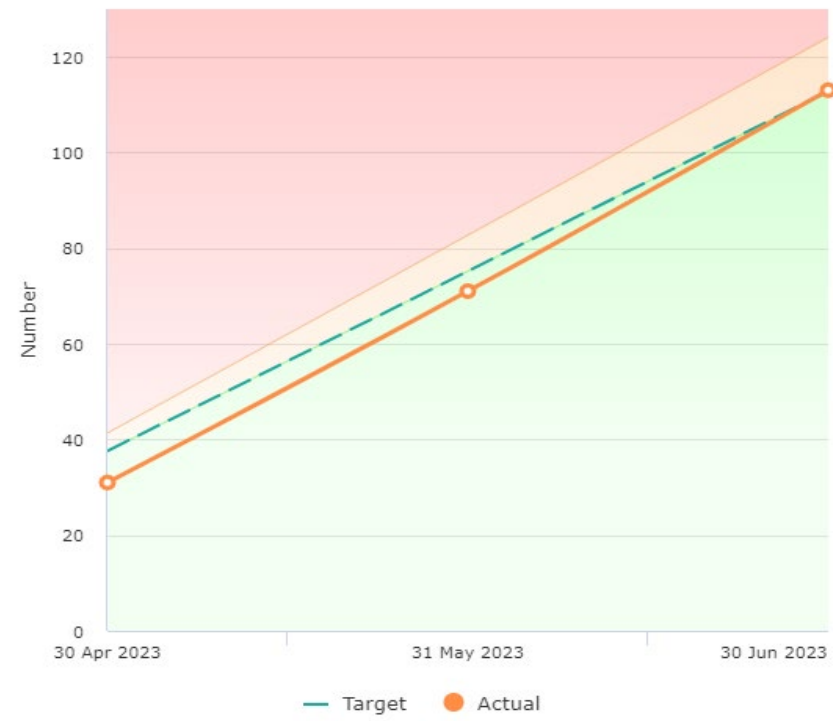
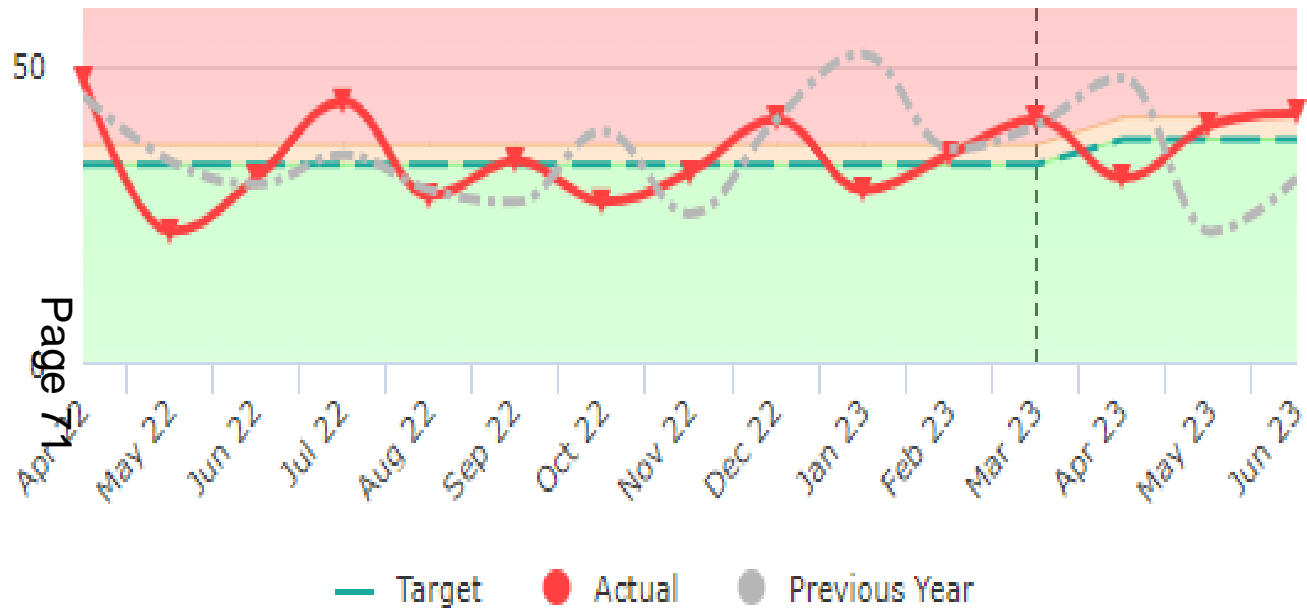
113 at end of Q1

RAG Status – Amber

The number of fires in dwellings where the cause of fire was accidental or not known

Reduction Target:
 Green < 451
 Amber 451- 496
 Red > 496

Service Owner
 Matt Lloyd
Area – Prevention and Protection (Community Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	121	135	129	124	509
2019-2020	107	100	118	130	455
2020-2021	105	125	117	97	444
2021-2022	109	91	105	128	433
2022-2023	101	106	100	105	412
2023-2024	113				113

Commentary and actions (Treat or Tolerate): Current Annual Projection – 453
 Performance is within amber tolerance – so tolerate

Priority 2a – Undertake 9,000 home safety visits

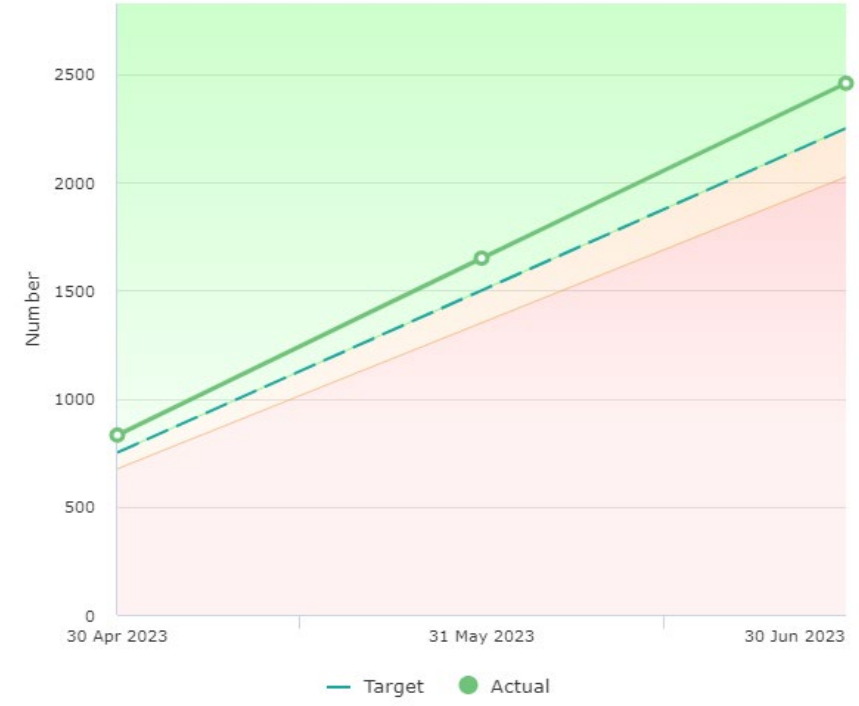
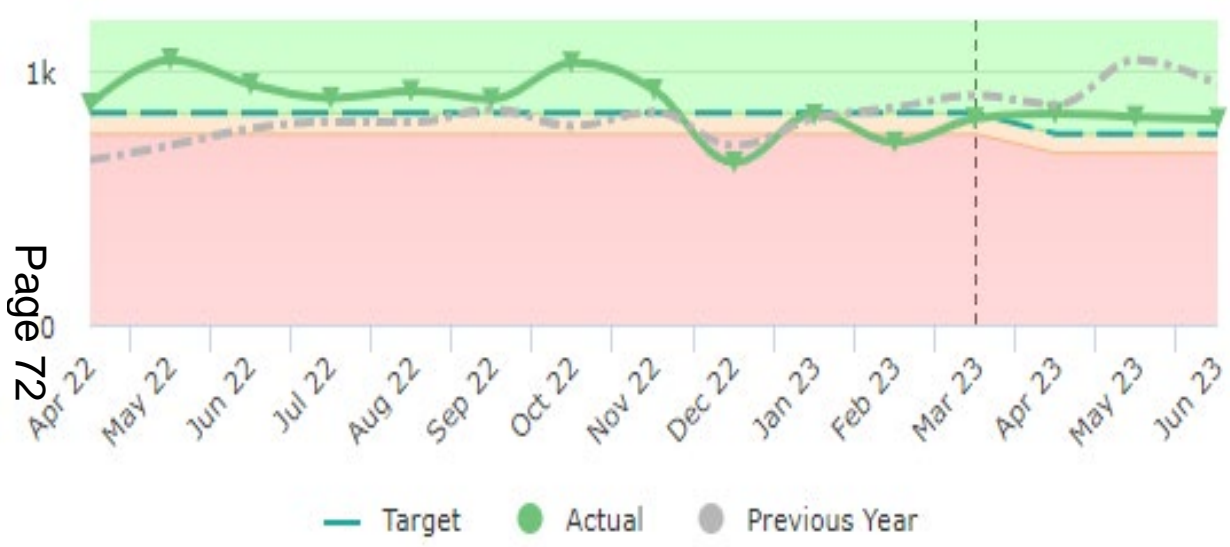
2,458 at end of Q1

RAG Status – Green

The number of home fire safety visits where the householder was given fire safety advice and or had a fire alarm installed.

Improvement Target:
 Green > 9,000
 Amber 8,100 - 9,000
 Red < 8100

Service Owner
 Matt Lloyd
Area – Prevention and Protection (Community Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	2,539	2,460	2,608	3,480	11,087
2019-2020	2,587	2,585	2,571	2,537	10,280
2020-2021	1,517	1,587	2,010	2,091	7,205
2021-2022	2,125	2,444	2,326	2,569	9,464
2022-2023	2,856	2,698	2,592	2,356	10,502
2023-2024	2,458				2,458

Commentary and actions (Treat or Tolerate): Current Annual Projection – 9,859
 Performance is as expected and on track

Priority 2b – Deliver 90% of all home safety visits to vulnerable members of our community.

Vulnerability is defined as lone pensioners, people over 65, people in rented accommodation, single parent families, hearing /sight impaired and those with a limiting long elderly.

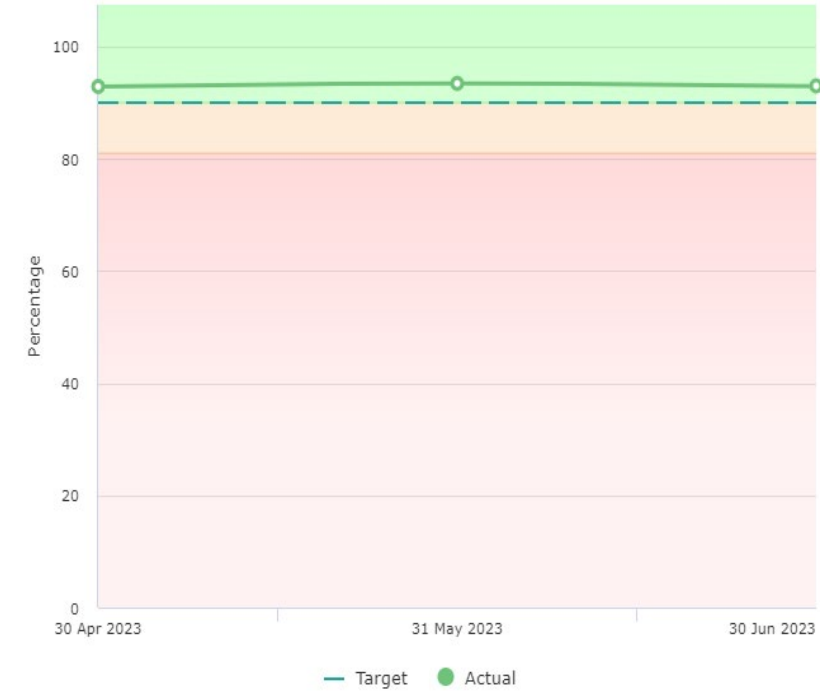
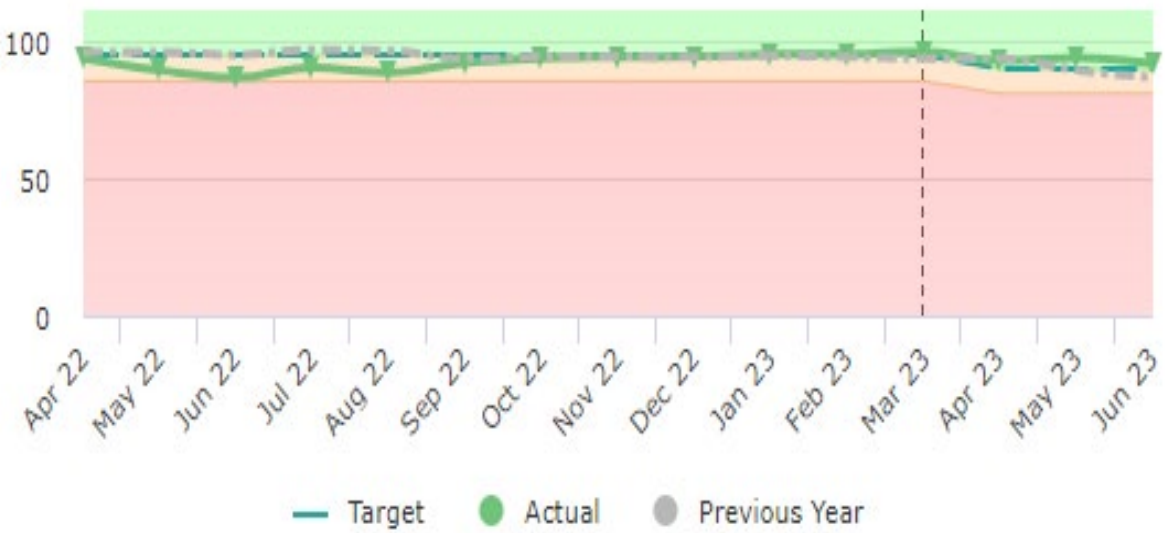
92.9% at end of Q1

RAG Status – Green

Improvement Target:
Green > 90%
Amber 81% - 90%
Red < 81%

Service Owner
Matt Lloyd
Area – Prevention and Protection (Community Safety)

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Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	91.4	90.0	92.9	90.8	91.3
2019-2020	92.5	92.3	92.3	92.2	92.3
2020-2021	95.3	95.3	95.7	96.8	95.8
2021-2022	95.7	95.7	94.4	94.2	95.0
2022-2023	89.9	90.3	94.1	95.5	92.3
2023-2024	92.9				92.9

Commentary and actions (Treat or Tolerate): Current Annual Projection – 92.9%
Performance is on track

Priority 3 – Reducing the number of absences of our employees due to sickness

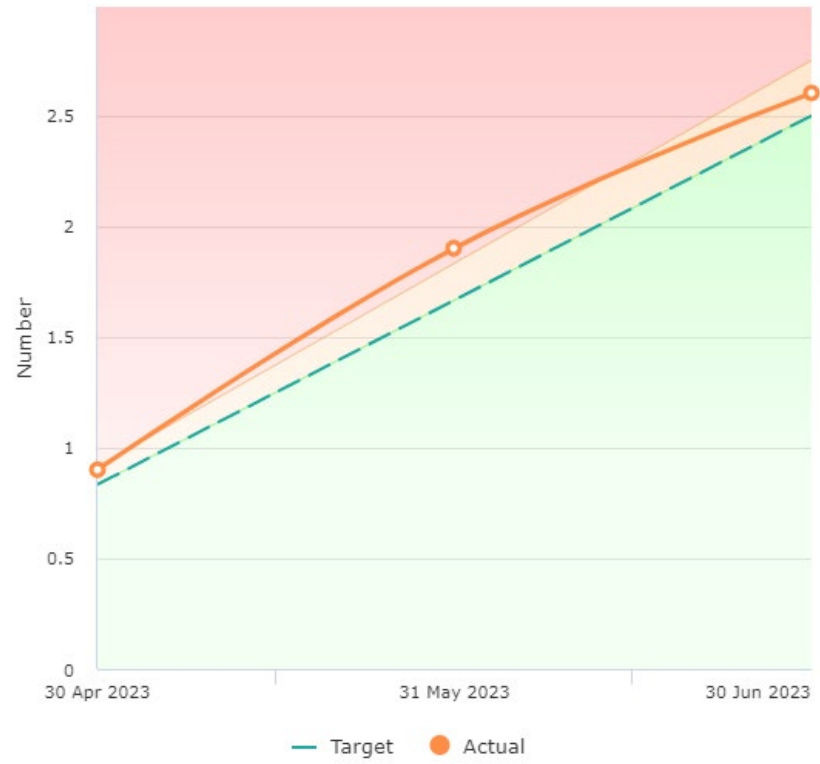
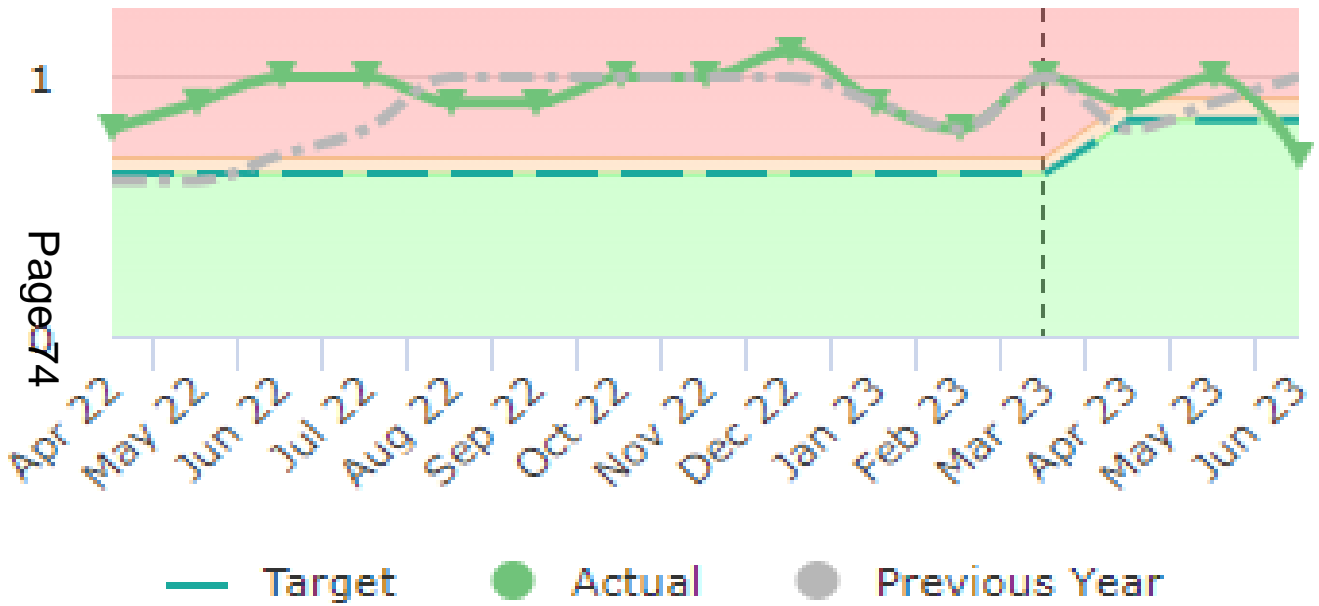
The number of days/ shifts lost to sickness divided by the number of staff in post

2.6 at end of Q1

RAG Status – Amber

Reduction Target:
Green < 10
Amber 10 -11
Red > 11

Service Owner
Jules King
Area – People Strategy



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	2.2	1.9	2.2	2.5	8.8
2019-2020	2.2	2.3	3.0	2.5	10.0
2020-2021	0.9	1.8	2.2	1.4	6.6
2021-2022	1.9	2.9	3.1	2.6	10.5
2022-2023	2.7	2.8	3.1	2.7	10.2
2023-2024	2.6				2.6

Commentary and actions (Treat or Tolerate): Current Annual Projection – 10.4

This continues to be a focussed area of work with the number of days lost to sickness being high. Some very complex cases are being monitored through the complex case review that is supported by managers, HR and Occupation Health. All cases where sickness have gone over 50 days have a specific plan and working with Occupational Health working to get staff back to work as soon as possible. The trial scheme for Benenden health care is due to start on 1 November 2023 and it is anticipated that those awaiting operations on the NHS will be able to access much quicker treatment.

Priority 4 – Reducing attendance at automatic false alarms

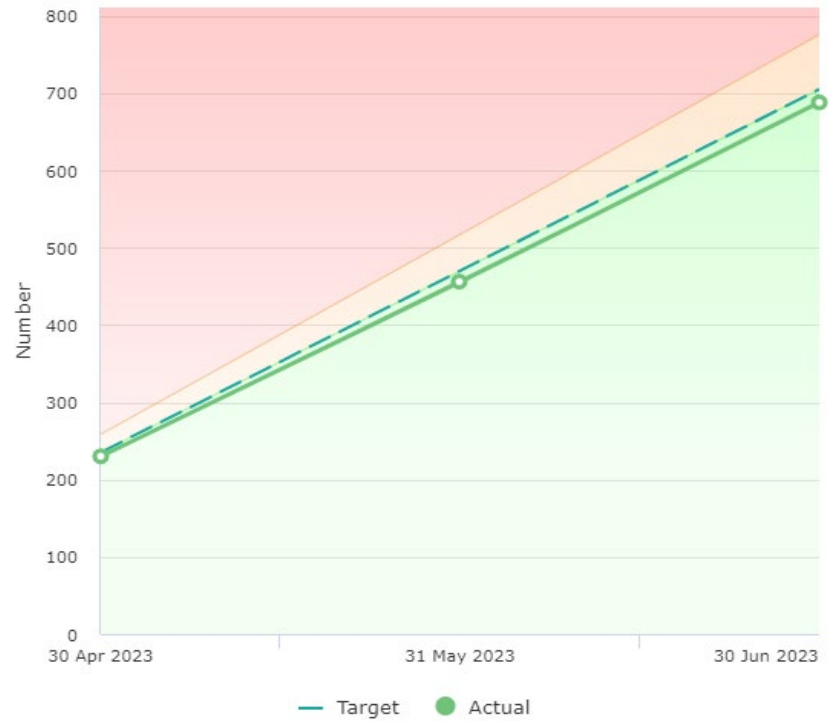
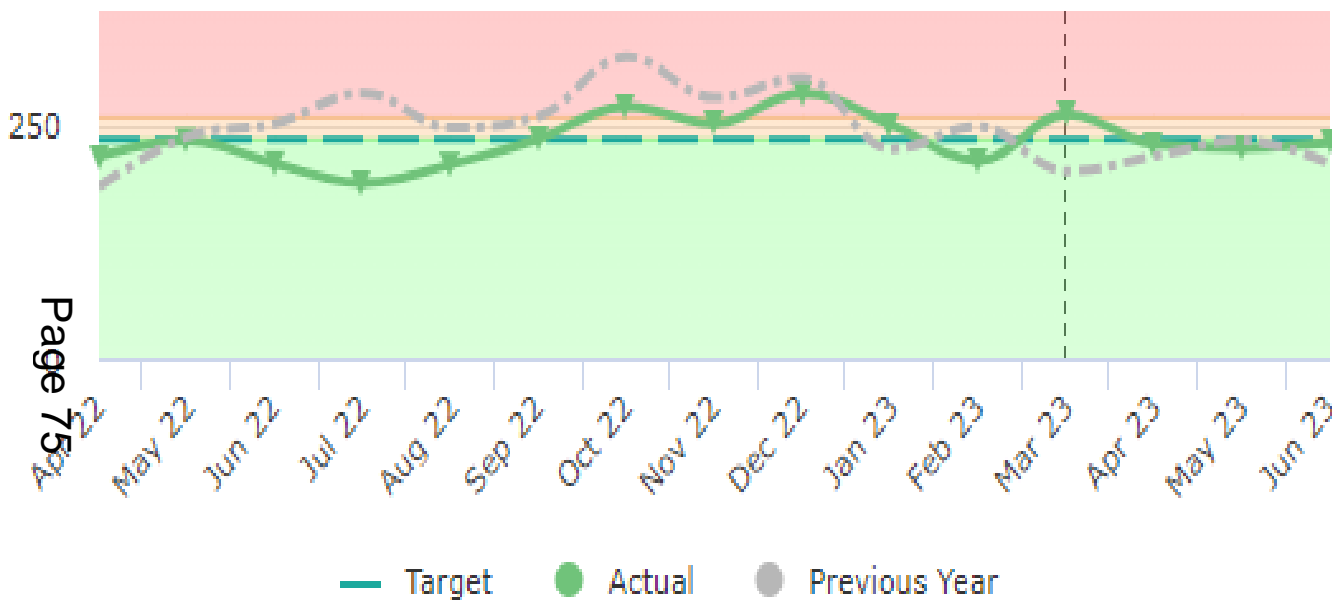
Number of automatic fire alarms incidents attended to properties covered by the Fire Safety Order

688 at end of Q1

RAG Status – Green

Reduction Target:
 Green < 2,820
 Amber 2,820 - 3,102
 Red > 3,102

Service Owner
 Matt Lloyd
Area – Service Delivery
 (Business Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	677	720	643	641	2,681
2019-2020	675	792	756	703	2,926
2020-2021	577	770	775	577	2,699
2021-2022	674	793	905	675	3,047
2022-2023	660	632	807	724	2,823
2023-2024	688				688

Commentary and actions (Treat or Tolerate): Current Annual Projection – 2,760
 Performance is on track

Priority 5 – Inspections of high-risk premises completed

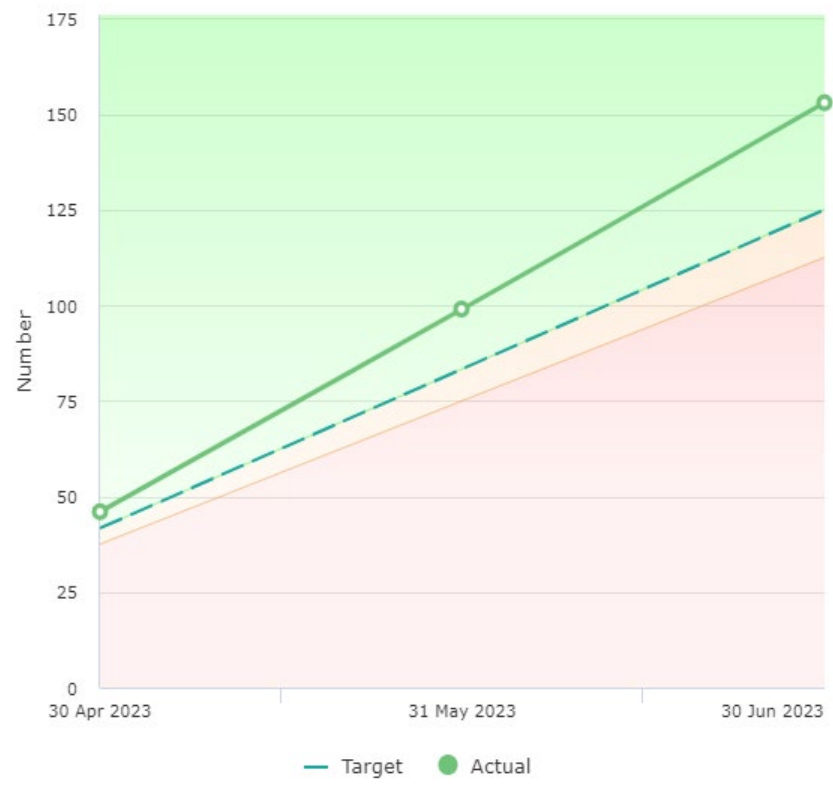
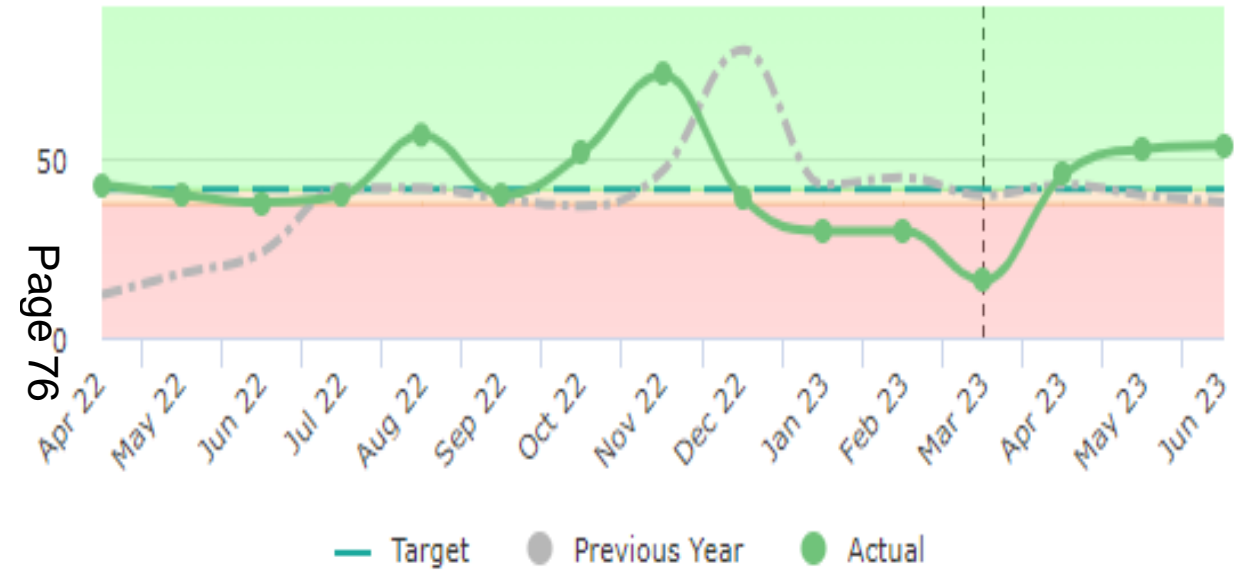
The number of audits / inspections completed within East Sussex as provided from the reinspection list

153 at end of Q1

RAG Status – Green

Improvement Target:
Green > 500
Amber 450 - 500
Red < 450

Service Owner
Matt Lloyd
Area – Service Delivery
(Business Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	110	165	135	170	580
2019-2020	116	120	96	117	449
2020-2021	165	73	60	60	358
2021-2022	54	123	165	128	470
2022-2023	121	137	165	76	499
2023-2024	153				153

Commentary and actions (Treat or Tolerate): Current Annual Projection – 614
Performance is on track



Performance measures needing improvement



PI 09 – Number of primary fire deaths

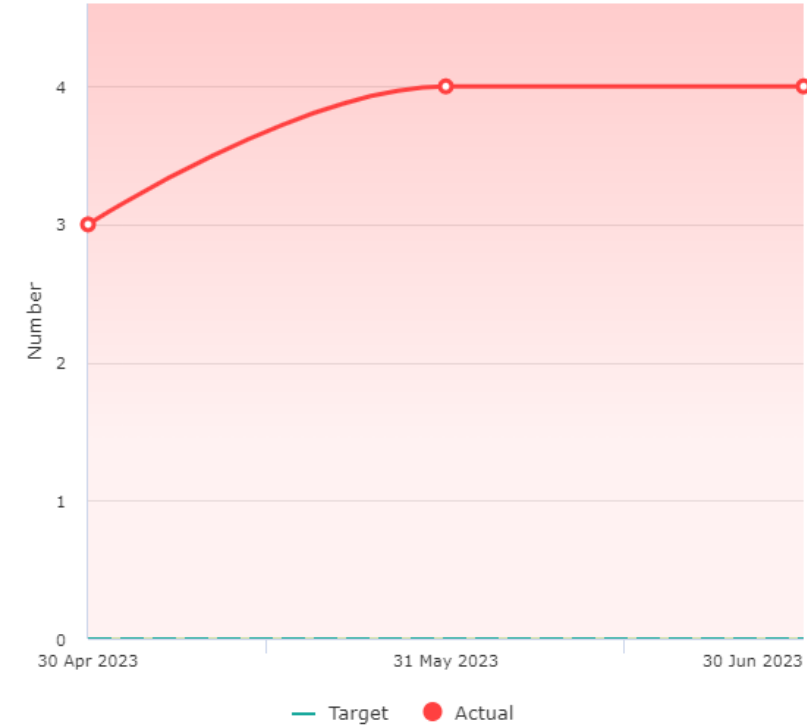
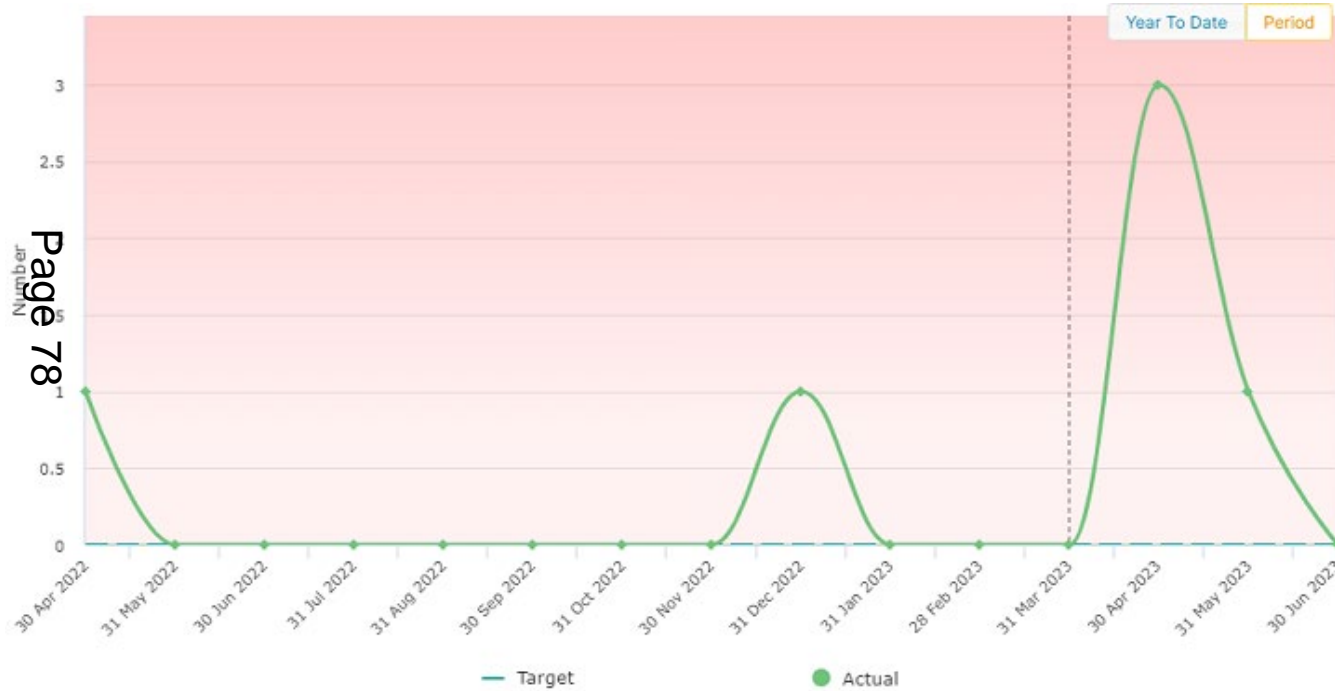
4 at end of Q1

RAG Status – Red

The number of people whose death was caused by fire in a major fire which involves property, casualties or 5 or more appliances the death may occur weeks or months later.

Reduction Target:
Green < 0
Amber 1-2
Red > 3

Service Owner
Matt Lloyd
Area – Prevention & Protection (Community Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	0	3	0	1	4
2019-2020	1	0	1	1	3
2020-2021	1	0	0	1	2
2021-2022	1	1	0	2	4
2022-2023	1	0	1	0	2
2023-2024	4				4

Commentary and actions (Treat or Tolerate): Current Annual Projection – 16

This KPI has recently been reviewed and agreed that we strive to have no fire deaths within a year, therefore, any deaths will result in this KPI being red. The service undertakes fatal fire reviews after every fatal fire to determine any outcomes in respect of prevention activities.

PI 10 – Number of injuries (excl. Precautionary checks) arising from Primary Fires

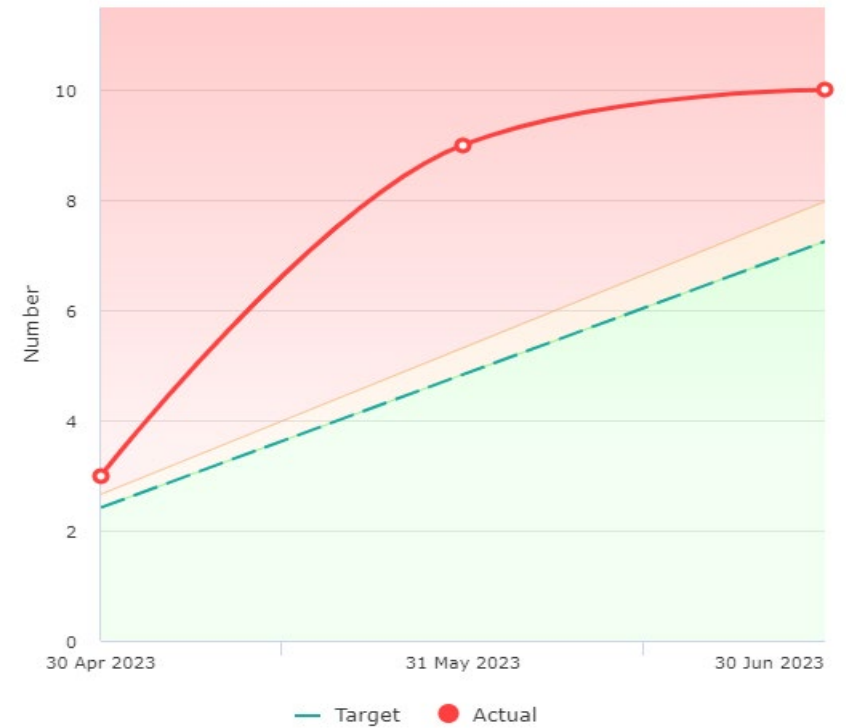
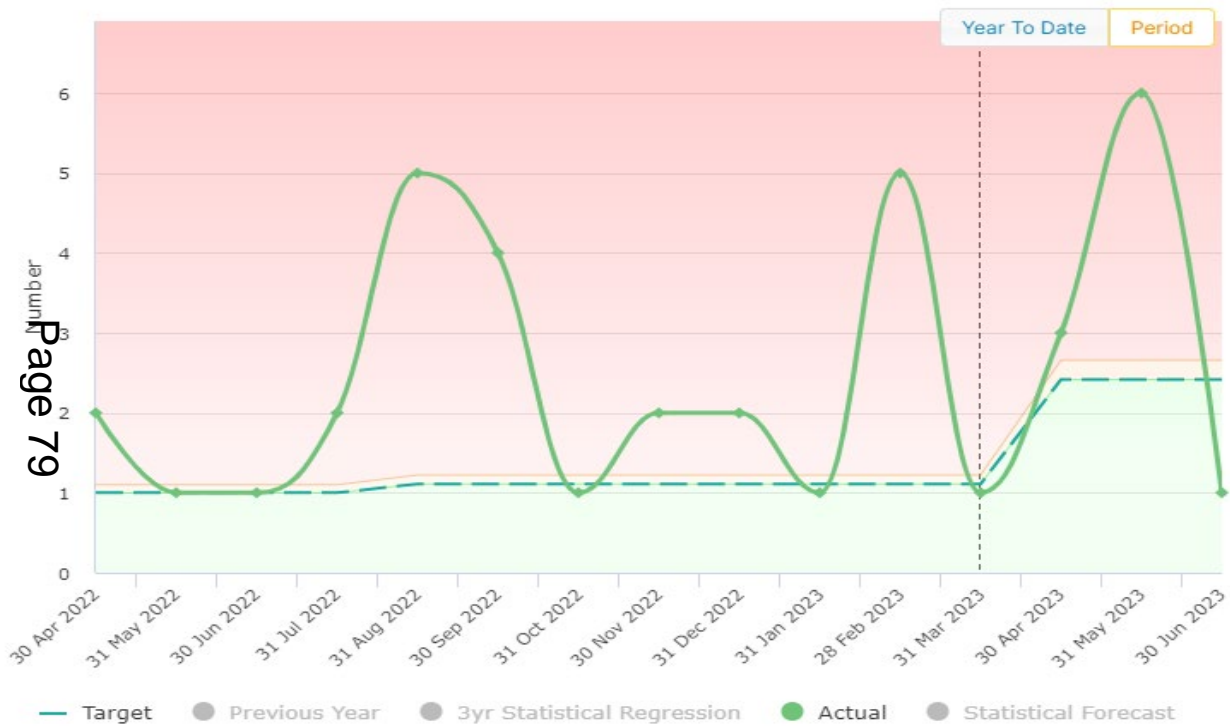
The number of people who required medical treatment beyond first aid given at the scene of the fire.

10 at end of Q1

RAG Status – Red

Reduction Target:
Green < 33
Amber 33-36
Red > 36

Service Owner
Matt Lloyd
Area – Prevention & Protection
(Community Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	9	13	6	11	39
2019-2020	7	4	13	10	34
2020-2021	6	3	19	3	31
2021-2022	3	4	3	2	12
2022-2023	4	11	5	7	27
2023-2024	10				10

Commentary and actions (Treat or Tolerate): Current Annual Projection – 40
There was one incident in May involving 5 injuries (1 family), which has caused this unusual increase, therefore, the projection for the year is currently higher than expected, however, may reduce over the forthcoming quarters.

PI 12 – Number of Deliberate Fires

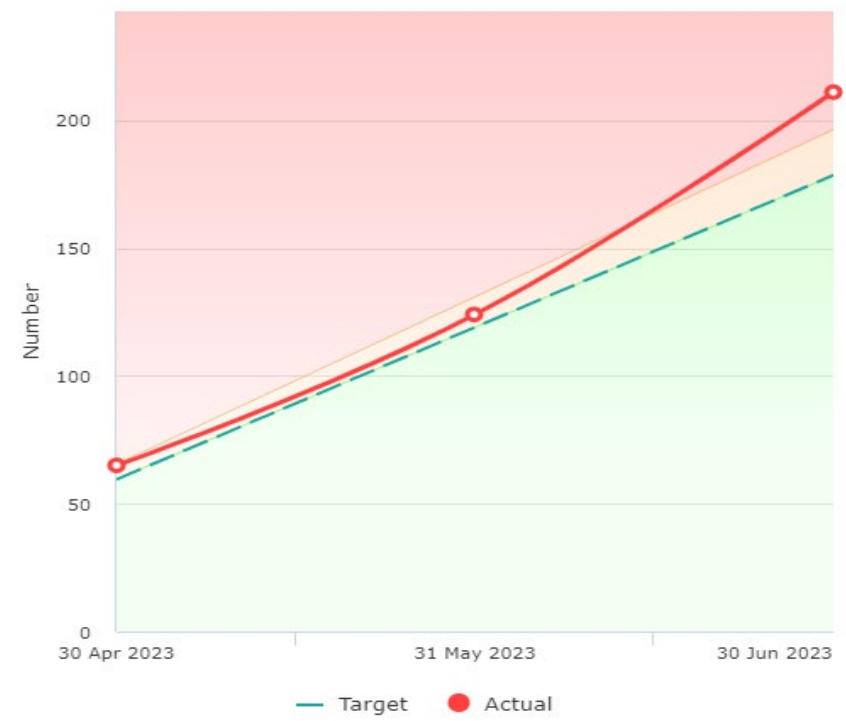
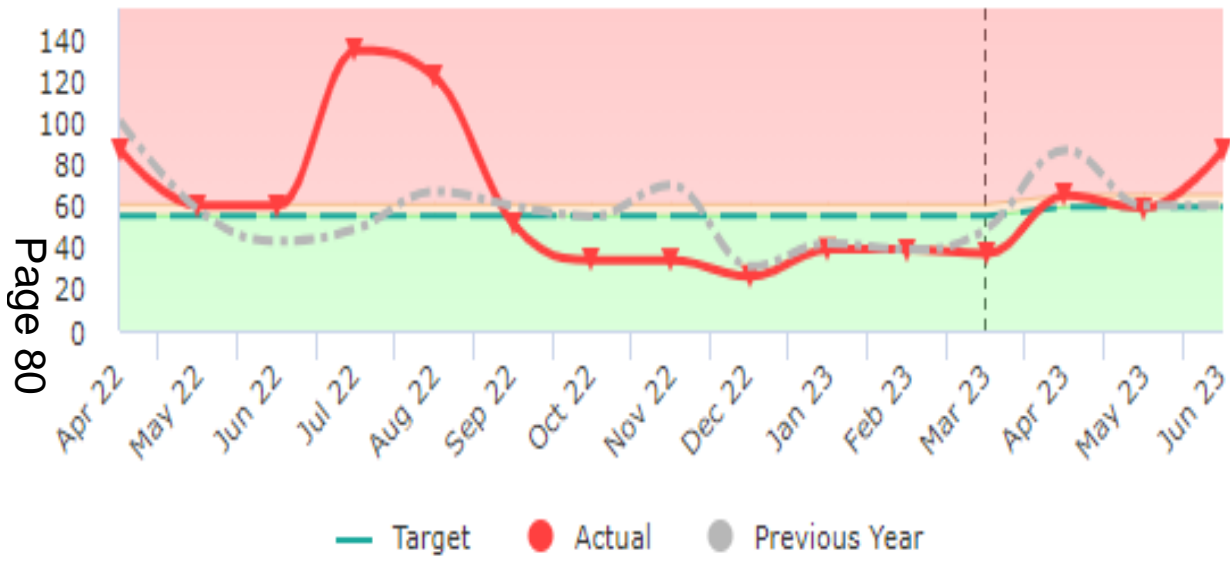
211 at end of Q1

RAG Status – Red

The number of fires where the cause of fire is suspected not to be an accident.

Reduction Target:
 Green < 714
 Amber 714 – 786
 Red > 786

Service Owner
 Matt Lloyd
Area – Prevention & Protection
 (Community Safety)



Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	157	227	146	170	700
2019-2020	256	226	118	142	742
2020-2021	234	245	161	99	739
2021-2022	202	176	156	130	664
2022-2023	207	308	94	115	724
2023-2024	211				211

Commentary and actions (Treat or Tolerate): Current Annual Projection – 846

This is red to reflect the current number, however, it is worth noting that this is in accordance with the Q1 average for the last 5 years, therefore, if the other quarters' averages follow the trajectory of the last 5 years, we will be green at end of Q4.

PI 21 – Number of workplaces reported accidents / injuries

The number of safety events received

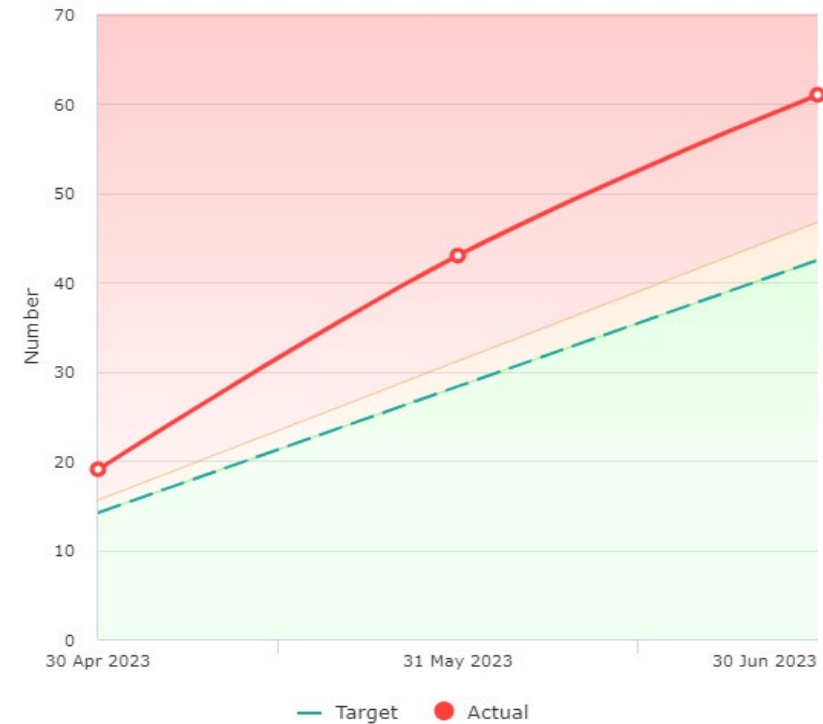
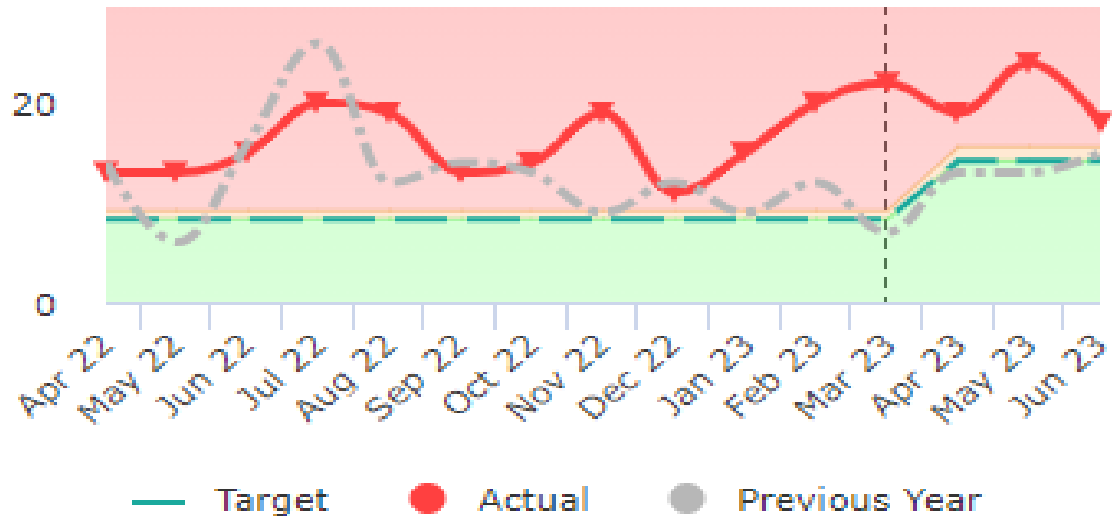
61 at end of Q1

RAG Status – Red

Reduction Target:
Green < 170
Amber 170 – 187
Red > 187

Service Owner
Julie King
Area: Health, Safety and Wellbeing

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Financial Year	Q1	Q2	Q3	Q4	Total
2018-2019	69	64	49	66	248
2019-2020	52	73	74	40	239
2020-2021	47	70	28	50	195
2021-2022	36	52	34	28	150
2022-2023	41	52	44	57	194
2023-2024	61				61

Commentary and actions (Treat or Tolerate): Current Annual Projection – 244

There has been an increase in reported incidents in the first quarter of 2023/24. ESFRS has a positive reporting culture and encourage to report when accidents happen, however minor. This enables trends to be identified with specific action plans and focus to be identified. An area of focus is with vehicle accidents that when reported include all incidents such as where the driver was not at fault, low speed parking manoeuvres in tight spaces and wing mirrors clipping hedgerows.



Annual Performance Measures and new performance measures



Under development

PI_031 Number of incidents attended excluding assist other agencies

PI_032 Number of assist other agencies

PI_049 Percentage of all AFAs attended in low risk premises

PI_041 Percentage of all AFAs attended in medium risk premises

PI_042 Number of UWFS challenged

PI_050 Percentage of all AFAs attended in high risk premises

Annual Indicators

PI_044 Domestic dwelling respondents satisfied with the overall service from ESFRS

PI_045 Commercial/Business respondents satisfied with the overall service from ESFRS

PI_046 Commercial/Business respondents satisfied with the services with regards to Fire Safety Audits by ESFRS

PI_047 Home Safety visit respondents satisfied with the services with regards to HSV by ESFRS

PI_048 Cost of Fire Service per Head of Population (Information Only)

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EAST SUSSEX FIRE AUTHORITY

Panel Scrutiny and Audit Panel

Date 9 November 2023

Title of Report: Contract Standing Orders - Waivers Summary

By Duncan Savage, Assistant Director Resources / Treasurer

Lead Officer Claire George, Procurement Manager

Background Papers None

Appendices None

Implications (please tick ✓ and attach to report)

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

PURPOSE OF REPORT: To inform the Panel of the waivers granted since November 2021, as required by Procurement Standing Order (PSO 4.1)

EXECUTIVE SUMMARY: The Treasurer, after consultation with the Procurement Manager, Deputy Monitoring Officer and the relevant Member has approved a total of eight waivers from November 2021 (the last report to Panel) to date.

Each was considered on the basis that the Authority could achieve value for money, were below the threshold of the Public Contract Regulations 2015 and therefore subject to internal governance arrangements only.

No waivers were granted on the basis of expediency alone. In the main, the waivers were granted in order to secure best value, to leverage efficiencies, ensure operational alignment and to mitigate any risk to security of supply and/or continuity of service.

RECOMMENDATION: To note the report & consider whether any further information is required.

MAIN ISSUES

1 Summary of waivers granted

- 1.1
 1. Project 21 (Joint Fire Control) – Skylark Consulting Solutions Ltd (Dec 21)
 2. Finance Officer - RM Recruit (Feb 22)
 3. Valuation Services – Flude Property Consultants (June 22)
 4. Preston Circus Electrical Upgrade – UK Power Networks (June 22)
 5. Smoke Curtains – Vimpex Ltd (July 22)
 6. Workwear – Hunters Apparel Solutions Ltd (Feb 23)
 7. Access Control Systems – AM Fire & Security Group (June 23)
 8. Preston Circus Refurbishment – Mackellar Schwerdt Partnership (July 23)

2 Summary of each waiver granted

2.1 Project 21 (Joint Fire Control) – Skylark Consulting Solutions Ltd

Background

Following the completion of the move to JFC in partnership with Surrey and West Sussex FRS in November 2021, there were several outstanding elements as part of the legal and programme agreement that needed completion.

In addition, the Senior Leadership team was due to undergo significant change in January 2022, including a new DCFO and with significant work to complete on the budget and in preparation for round 2 of HMICFRS inspection. This created a capacity concern for the team, alongside the impact of a rising tide for Local Resilience Forum (LRF) in responding to the winter wave of the COVID pandemic.

Reasons for Waiver Request

- In order to minimise costs and to allow key people who were part of the P21 programme to resume their normal and new roles and to reduce the technical project consultants' hours, it was important that an implementation co-ordinator be put in place.
- The retiring DCFO Mark O'Brien was uniquely placed to perform that role as he was the Program SRO for P21 and was integrally involved in the drafting of the legal and contractual Section 16 document.
- The Chief Fire Officer consulted with the Chairman and Deputy Chairman of the Authority and the Treasurer about this contract and the alternatives prior to submission of the waiver, who all understood the organisational imperative to complete this work in a timely manner and also that it would be impossible to find an additional resource with the depth of knowledge about the programme, that could immediately get to work in the new year to ensure delivery and in addition would be able to complete the work within a 12 week envelope
- The Chief Fire Officer therefore requested that a waiver under PSO 4.1 was granted to allow for a contract to be let to Skylark Consulting Solutions Ltd without the need to obtain three quotations.
- The daily rate charged at £425 inclusive of expenses was below the rate currently being paid for the Project Manager resource on P21 and therefore offered value for money to the Authority.

- **Contract value:** £21,000.

2.2 Finance Officer – RM Recruit Ltd (Feb 22)

Background

Waiver in relation to the appointment of two agency members of staff to provide additional capacity to support the Finance Team, via the recruitment agency RM Recruit, who at the time were not on our current agency framework, although in the process of applying for inclusion.

This specific case relates to a proposed agency appointment of Finance Business Partners.

Reasons for Waiver Request

- Agencies on the framework were approached in relation to this vacancy, but none provided any candidates. RM Recruit were in a position to provide four candidates.
- Rate agreed consistent with the market rate and candidates had the skills required for this work.
- On the basis that there will be no further spend with RM Recruit without prior consultation and on the proviso that the assignment is limited to 6 months

Contract value: £75,000.00

2.3 Valuation Services – Flude Property Consultants (June 22)

Background

The previous Term Contract for Valuation Services, which ran from 15 January 2018 to 31 March 2022, used a new vendor Flude Commercial.

The Valuation Services provided as standard each year (insurance rebuild estimates) costs £3,900.00 plus accountancy valuations at £600.00 per station which equates to approx. £4,800, and these figures were offered to be held for a further three years by the existing services provider now called Flude Property Consultants.

The ad-hoc services provided by Flude at £125.00 per hour and at 10 to 15% were benchmarked (during the then recent business rate challenge) against the existing Police provider Gerald Eve at £140.00 per hour and 17.9%

Spend with the contractor had been inflated in 2021/22 and 2022/23 due to the fees paid for the successful business rates challenge. This was one off spend and not to be repeated during the proposed waiver period.

Reasons for Waiver Request

- The supplier had been providing very good service at a reasonable cost (as evidenced by benchmarking against Sussex Police's contractor).
- The intention is to explore a joint procurement of valuation services with Surrey & Sussex Police as part of the Estates Shared Service Project – a three-year extension (1 plus 2) will allow time for this to be explored.

- The current supplier already knew our Estates property portfolio and had recently undertaken our then recent successful challenge on our non-domestic business rates.
- Seeking quotations was unlikely to achieve a material saving.
- In addition, any change of contract was likely to incur additional transitional costs as the external auditor may have required the whole estate to be revalued rather than a third (as is usual) in the first year of a new contract.

Contract value: c£9,000.00

2.4 **Preston Circus Electrical Upgrade – UL Power Networks (UKPN) – (June 22)**

Background

As part of our Design Guide Works to improve the Fire Station at Preston Circus, Brighton it was identified that we needed to upgrade the electrical supply to the site, both to supply the new internal requirements on site and to give scope for limited electrical vehicle charging in the future.

UKPN had quoted £22,389 for the works to the current sub-station to supply our immediate needs. As the value was such that we needed to seek at least three quotations, another company that specialised in this area was approached.

Their response was that as it was low value work, and due to the amount of co-ordination that would be required with UKPN as the power supplier, they could not be competitive. This is not a field with many specialised suppliers & therefore dispensation was sought to direct award this work to UKPN without a quote or tender process being conducted.

Reasons for Waiver Request

- UKPN provided the best value for money in this instance as it was a low-cost upgrade.
- Tendering or any other quote process would have delayed the work and was unlikely to achieve savings.
- If we had used an alternative supplier, we would have needed to ensure both they & UKPN were managed under the CDM 2015 regulations, at a cost to ESFRS.
- With UKPN managing the process from start to finish, a station power outage during the upgrade process was very significantly decreased.

Contract value: £22,389.00

2.5 **Smoke Curtains – Vimpex Ltd**

Background

Waiver in relation to the introduction of the Reick F70 portable smoke curtains, which prevent the ingress of oxygen whilst ensuring dedicated means of escape are not compromised by fire, heat and smoke, as firefighters enter the affected compartment.

This was highlighted as an area of good practice across the sector prior to the major incident at Grenfell Tower on 14th June 2017. Following the publication of the phase 1 recommendations, this is identified as a requirement in our activity risk assessment for fighting fires, particularly those in tall buildings.

3F Chief Fire Officers committed to ensure all cross-border emergency response arrangements are aligned – including policy, procedure and new equipment, ensuring economies of scale can be realised wherever possible.

The ESFRS/WSFRS/KFRS border corridors include many residential and high-rise residential properties where both WSFRS and KFRS crews, if in attendance first, will deploy smoke curtains thus preventing our crews from working in the same building and/or compartments.

Reasons for Waiver Request

- Any deviation from product design that ESFRS purchased would prevent WSFRS/KFRS crews from working in the same building and/or compartments.
- Over-border partners had already implemented the above smoke curtains on all standard frontline appliances.
- Stowage for this product was confirmed with our Engineers for all new and existing P1 and P2 appliances, meeting the needs of our IRMP for standardised inventories.
- Product alignment offers the opportunity for collaborative economies of scale.
- Compartment firefighting in high-rise premises attracts the largest pre-determined attendance of all incident types, requiring multiple over-border appliances on either side of the border for initial and relief attendances.
- There is only one single UK agent/supplier for the Reick F70 portable Smoke Curtain.

Contract value: £19,460.00

2.6 Workwear – Hunter Apparel Solutions Ltd

Background

Waiver in relation to workwear, following the collapse of the Kent FRS led National Framework.

ESFRS experienced significant supply issues with the previous incumbent, Ballyclare UK Ltd (Ballyclare) which, along with similar issues experienced by other Services, led to the framework agreement being terminated in June 2022.

Initially Kent FRS, intended to novate the contract to Hunters Apparel Solutions Ltd (Hunters) via Lot 2 of the framework, however, subsequently took the decision not to pursue this option. This left ESFRS in the unprecedented position of having no formal contracted workwear supplier.

Procurement's immediate focus was on achieving a safe and orderly transition to a new supplier. In the main, it was felt this would be best achieved by identifying, a single supplier, operating a fully managed service with self-serve capability, to secure like for like, off the shelf replacements, with minimal changes to the offering.

This would minimise the need for extensive consultation and avoid further significant disruption.

To satisfy immediate demand, all emergency orders were being processed via Procurement, by placing the orders on behalf of the Service, with Hunter, for delivery direct to the relevant stations. This was not sustainable in the longer term as the effort required to manage supply in this way, impacts significantly on the level of support that the Procurement team is able to offer to other procurement exercises.

The recommendation was therefore to direct award to Hunters, to plug the gap between the collapse of the current national collaboration for workwear and the new iteration, for a period of 24 months, with the flexibility to extend further, if required. This would allow for a period of stability in the absence of a national contract. We understood that a number of other FRS who were part of the failed national workwear contract took a similar approach.

The NFCC PPE/Clothing Committee is working to secure a replacement offering which will represent National consensus. Procurement are supporting the Commercial Committee on behalf of ESFRS.

Reasons for Waiver Request

- Urgent need to secure a supplier that could supply all workwear requirements via an online, fully managed, ordering system, as we did not have the capacity to store and issue uniform.
- A tender exercise would take 6 to 9 months to complete, including evaluation of up to 10 suppliers plus consultation, whereas like for like replacements for the majority of workwear items could be secured immediately via Hunters.
- Given it was Kent's original intention to novate to Lot 2, it seemed most logical to purchase emergency off-the-shelf products from Hunters to ensure continuity of supply, reduce costs and avoid extended lead times for delivery.
- Market intelligence has indicated lead times of 6-9 months for forecasted manufacturing if we were to bulk buy and store from suppliers who do not hold sufficient off the shelf stock to absorb ESFRS requirements.
- Hunter had readily available, sufficient capacity for like for like replacements for most items, with no requirement to forecast & purchase ESFRS specific stock.
- Online portal self-serve capability, with deliveries sent direct to the individual, would significantly reduce the administrative burden on the Procurement Department.
- All staff who currently wear workwear are already familiar & registered for use to the Hunter PAC portal for access to undress.
- Single supplier provision reduced the need for multiple contract management & the associated resource effort.
- Hunters were pre-vetted in terms of financial stability and ethical sourcing, as a pre-requisite of the National Framework.
- Kent FRS conducted benchmarking & Procurement's market research indicated that Hunters' pricing benchmarked consistently with where the market sat.
- Hunters indicated their intention to divert a proportion of manufacturing from China to Pakistan, to alleviate the ongoing delays resultant from the zero covid policy factory shutdowns in China.

2.7 Access Control Systems – AM Fire & Security Group

Background

Further to approval of the Access Control Business Case in January 2022, to provide a centrally managed card access system to all main entrance doors and IT rooms across our estate, we were in a position to recommend the installation of the SALTO Access control system, the system currently in use at Saxon House.

The recommendation was to award direct to the incumbent AM Fire & Security. This followed a review of the technical solutions available on the market and their respective costs, including both capital installation and ongoing revenue operational and maintenance costs.

Reasons for Waiver Request

- AM Security were the most competitive supplier of the 3 local suppliers during market testing.
- The current supplier was familiar with both our estate and its existing security systems.
- The current supplier could mobilise at short notice and was willing to work alongside our existing electrical maintenance contractor Openview, who would complete the additional power and data wiring required.
- Since the pricing exercise in December 2022, Salto had increased their equipment prices by approximately 8%, however, A.M Security confirmed that they would not be passing this increase on to ESFRS.
- AM Security had recently Installed a Salto door access system for Kent Fire & Rescue and the feedback from their Estates team was very positive.
- AM Security is a Salto Gold Partner which enables them to purchase the equipment at a discounted rate which they then passed onto ESFRS as demonstrated in their quotation.

Contract value: £104, 101.00

2.8 Preston Circus Refurbishment - Mackellar Schwerdt Partnership

Mackellar Schwerdt were originally appointed in 2016 following a mini competition to provide Design Consultancy services including Principal Designer, Architectural, Mechanical & Electrical and Structural services.

This appointment came to an end following the completion of RIBA stage 2 in June 2019.

For RIBA Stages 3 and 4, Mackellar Schwerdt were deemed to offer better value for money and a waiver was agreed in June 2019.

At the commencement of RIBA Stage 5, there was need to further commission the Design Consultancy Services Principal Designer, architectural, structural consultancy services, to support the project from RIBA stage 4 to completion of RIBA stage 7.

It was proposed that these services be procured via a single source waiver, with proposed contract award to Mackellar Schwerdt, due to their detailed knowledge of the project gained via RIBA stages 1-4.

Reasons for Waiver Request

- Preston Circus is a complex building - the surveys conducted by Mackellar Schwerdt at feasibility and scheme design stages contained valuable information and would, should we continue their appointment, not be required to be redone.
- Although the building is not nationally listed, it is locally listed, Mackellar Schwerdt have liaised with BHCC planners and to restart this conversation with a different consultant could both be detrimental in terms of the relationship.
- The learning that Mackellar Schwerdt have with regard to Design Guide needs and stakeholder requirements is paramount to the success of the project.

Contract value: £36,605.00