

## **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, 9 November 2023.**

Present: Councillors Scott (Chair), Azad, Evans, Geary, Osborne, Theobald and Maples (In place of West)

Also present: D Whittaker (Chief Fire Officer/Chief Executive), D Norris (Deputy Chief Fire Officer), M Matthews (Assistant Chief Fire Officer), D Savage (Assistant Director Resources/Treasurer), L Woodley (Deputy Monitoring Officer), L Ridley (Assistant Director Planning & Improvement), M Lloyd (Assistant Director Safer Communities), H Scott-Youlton (Assistant Director Operational Support & Resilience), S Milner, L Jackson and A Blanshard (Democratic Services Manager)

### **59        Declarations of Interest**

There were none.

### **60        Apologies for Absence**

Apologies had been received from Councillor West. Councillor Maples had been appointed to attend as substitute for this meeting.

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

There were none.

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

**RESOLVED** – That the minutes of the meeting held on 20 July 2023 be approved and signed by the Chair.

### **63        Callover**

Members reserved the following agenda items for debate:

- 6        External Audit Update
- 7        Corporate Risk Register Review Quarter 1 2023-24
- 8        CIPFA: Audit Committee Guidance Position
- 9        Strategic Performance Report Q1 2023
- 10      Contract Standing Orders – Waivers Summary

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

### **64 External Audit Update**

The Panel received the report of the Assistant Director Resources/Treasurer (ADR/T) providing 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. The ADR/T reminded Members that PSAA consulted on its proposed fee scales for 2023/24 in September, a copy of the Fire Authority's response was attached at Appendix 1 to this report. Members were aware that there was a national backlog of local public audits, PSAA had confirmed that only 5 out of 467 audit opinions on the 2022/23 accounts were issued by the statutory deadline of 30 September 2023. The ADR/T confirmed that the Authority had issued its draft accounts by the deadline but the audit had not been completed. Therefore, in line with the requirements of the Accounts & Audit Regulations 2015 the Authority published a notice on its website to the effect that the audited accounts could not be published by the deadline.

The Panel were informed by Liz Jackson of EY that, whilst waiting for the Department of Levelling Up Housing & Communities (DLUHC) to confirm that they would be resetting the market from scratch, they would be prioritising the 2022/23 accounts, particularly value for money work. This would involve some financial tests but not an audit. They would not be commencing work at the Authority until the process was clear in order to avoid issuing a charge for an incomplete audit. The Panel were assured that this would not reflect badly on the Authority, and that EY were urging the Minister to take radical action to improve the situation for public authorities.

In response to a question from the Panel, EY confirmed that fees would only be charged for work that is undertaken, there would be some costs but it was unlikely that these would be near to the costs of a full audit. The ADR/T added that as this was the case, and the fee for the 2022/23 audit had already been paid it was possible that the Authority may be eligible for a refund.

**RESOLVED** – The Panel agreed to note:

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

### **65 Corporate Risk Register Review Quarter 2 2023-24**

The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) providing a review of the Corporate Risk Register at Quarter 2, detailing the corporate risks (CR) that had been identified and how they were being mitigated, the updated position was detailed at Appendix 2 to the report. The ADR/T explained that CR17 relating to the Firefighter Pension Scheme had been revised to 6 (moderate) from 12 (substantial), this was because the pension schemes had moved into the remedy stage on 1 October 2023 with all the preparatory work completed

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before this date, therefore the risk to the Authority had reduced. The process was still challenging and time consuming for the pensions team and difficult for those affected but a nationally agreed scale for processing these claims was now underway.

The Senior Leadership Team (SLT) had asked the Assistant Director Safer Communities (ADSC) 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 would be brought back to the Panel for consideration at its meeting in January 2024.

The ADR/T informed the Panel that the Service had commissioned Sue Nugent from Devon & Somerset Fire & Rescue Service (DSFRS) to undertake an assessment of risk management at East Sussex Fire & Rescue Service. Further discussion would be had with DSFRS to see if they could provide ongoing support for the resulting improvement plan.

The Panel thanked officers for the report and for the work to include a risk relating to climate change. Confirmation was sought regarding whether a reference to “resources” in CR3 meant personnel, the ADSC confirmed that this meant personnel, there was a risk connected to the fact that the qualification referred to took years to complete and that people once qualified may leave to take up employment elsewhere. The Service was aiming to mitigate this by investing early in apprentices and being part of a national rolling recruitment process.

Members asked whether there were regional, multi-agency discussions taking place on the risks of climate change. The Assistant Chief Fire Officer (ACFO) confirmed that the Service was active in the Local Resilience Forum (LRF), a multi-agency group including Category 1 and 2 responders under the Civil Contingencies Act. The LRF owned the Community Risk Register which included particular risks such as Flooding. The ACFO offered to share some more information from the LRF and its Community Risk Register with all Members outside of the meeting.

**RESOLVED** – That the Scrutiny & Audit Panel:

- i. agreed the Q2 Corporate Risk Register including changes made since Q1 2023/24; and
- ii. did not identify any further information or assurance required from Risk Owners.

## **66 CIPFA: Audit Committee Guidance Position**

The Panel considered the report of the Assistant Director Resources/Treasurer (ADR/T) and the Deputy Monitoring Officer (DMO) providing an update on the latest audit committee guidance for local authorities and asking Members to consider the best practice recommendations within the guidance.

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Members welcomed the report and agreed that the guidance was valuable, it was clarified that the skills audit would be for all members of the Fire Authority and not limited to those who were appointed to the Scrutiny & Audit Panel.

A cross-party working group of volunteers from across the Fire Authority would be established to undertake a self-assessment of good practice for the Panel, a training needs analysis of all Members and to consider the inclusion of a co-opted independent member on the Panel. In accordance with the guidance it would be chaired by the Panel Chair. A request for volunteers would be sent to all Members in a future weekly email. Once the Working Group was formed, the terms of reference, meeting dates and reporting process would be determined.

There was a query regarding whether it may be possible to appoint independent Members for specific matters, the Chief Fire Officer confirmed that there had been precedent for external individuals to assist in particular projects but who had no voting rights at meetings, but this working group would be looking at whether the Fire Authority wished to appoint full, independent members to the Scrutiny & Audit Panel on a permanent basis.

**RESOLVED** – The Panel agreed:

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

### **67 Strategic Performance Report Q1 2023**

The Panel considered a report of the Assistant Director Planning & Improvement (ADP&I) presenting members with the strategic performance for quarter one of 2023/24. The ADP&I explained that this was the first report to include the revised performance measures and to be presented in the new style as agreed by the Panel in November 2022. The new report was split into four sections an at-a-glance summary, a deep dive into the Service's priority areas, performance measures that are needing improvement and the annual performance measures including those that are new.

Members thanked officers for the new report which was found to be much clearer and more informative. It was suggested that it may be useful to distinguish between things that could be done/improved and things that could not, particularly during times like this when there were significant financial challenges to the Service and difficult decisions were being taken.

There was a query regarding performance indicator (PI) 21 regarding the number of workplaces report accidents/injuries and that this appeared to be

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rising. It was explained that as the Service had a positive reporting culture this measure also represented “near misses” as well as including accidents that included damage to vehicles rather than injury to people. It was suggested that the Service may want to consider if it were possible to separate off “actual” from near-misses” into separate measures. Members also asked if the Service was encouraging staff to have Flu-jabs and whether there was an opportunity for assistance with Covid jabs. The Assistant Director Operational Support & Resilience (ADOSR) confirmed that the Service was actively encouraging staff to have a Flu-jab and there was the facility for the cost of these to be reimbursed. Unfortunately there was no special provision to enable Fire Service staff to be eligible for a Covid-jab.

The Lead Member Assurance & Peer Review added their congratulations to all those involved in the designing of this new report and hoped that it would make it easier to scrutinise performance under the new layout.

There was a query from the Panel about the progress of activities against their targets as set out in the chart at para. 2.3 of the report. The ADP&I confirmed that this was as expected in quarter one, at the start of the year, and each activity was monitored outside of this by the Assurance, Performance & Governance Group there was also the ability to reassess performance against deadlines and targets if circumstances change as was particularly possible with larger projects or those with other partners.

**RESOLVED** – The Panel considered and noted the contents of the new strategic performance report as set out at Appendix 1.

### **68 Contract Standing Orders - Waivers Summary**

The Panel received the report of the Assistant Director Resources/Treasurer (ADR/T) which informed Members of the waivers granted since November 2021 as required by Procurement Standing Order (PSO) 4.1. The Treasurer, after consultation with the Procurement Manager, Deputy Monitoring Officer and the relevant Member had approved a total of eight waivers from November 2021 to date. Each had been 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. None had been granted based on expediency alone and in the main they were granted to achieve best value, leverage efficiencies, ensure operational alignment and mitigate any risk to security of supply and/or continuity of service.

The Panel had some points of clarity. Firstly, with regards to the waiver set out at para. 2.2 of the report, Members asked what was covered by the £75,000. The ADR/T explained that this included the payment to the agency candidates and the fee for the agency. Members also asked, with regards to the waiver at para. 2.1, why it had been necessary to have a contractor to complete Project 21. The Deputy Chief Fire Officer (DCFO) confirmed that the lead officer, the previous DCFO, had retired before the project completed and therefore, in order to expediate swift completion of the project it was deemed

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appropriate and necessary to ask him to continue to work with the Service to complete the project.

Finally, Members asked for some more detail regarding the waiver set out at para 2.6. The ADR/T explained that the Service had been part of a national framework for workwear but the contract had collapsed due to national issues with quality and regularity of supply. The new company, Hunter, had already been contracted to supply Undress uniform and the Service entered into an interim contract with them for regular workwear. There were still issues, some of which related to ongoing worldwide supply chain issues. The ADR/T confirmed that there was a national project underway, led by the NFCC, to look at a new PPE contract but it was not expected to be in place until 2025. There had been work at a national level to work out a way for Services to exit the original contract, including agreement to collectively waive rights to refund in or to exit the contract, it had been a difficult and unsatisfactory situation.

**RESOLVED** – The Panel agreed to note the report and that there was no additional information, beyond that provided at the meeting, required.

The meeting concluded at 11.06 am

Signed

Chairman

Dated this

day of

2024