

MINUTES OF THE MEETING OF THE ROYAL BERKSHIRE FIRE AUTHORITY'S AUDIT AND GOVERNANCE COMMITTEE



Held on Monday, 27 January 2020, at 6.30pm

RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot,
Reading, Berkshire RG31 7DS

Members: Councillor Christine Bateson
(* present) Councillor Dennis Benneyworth
Councillor Tricia Brown
* Councillor Graham Howe
* Councillor Christine Hulme
* Councillor Tony Linden
* Councillor Tina McKenzie-Boyle
* Councillor Jane Stanford-Beale (18.47)
Councillor Simon Werner

In

Attendance: Lincoln Ball (Chair of Pension Board, CPB)
Paul Binyon (Area Manager Response and Resilience, AM R&R)
Conor Byrne (Head of Finance and Procurement, H&FP)
Becca Chapman (Data and Performance Analysis Manager)
Tony Deacon (Area Manager Prevention and Protection, AM P&P)
Steve Foye (Deputy Chief Fire Officer, DCFO)
Becci Jefferies (Head of Human Resources and Learning and Development,
HHR&L&D)
Allison Kennett (External Auditor, Ernst Young)
Tim Lo (Internal Auditor, RSM)
Katie Mills (Head of Corporate Services, HCS)
Andrew McLenahan (Head of Facilities, Fleet and Equipment, HFF&E)
Jim Powell (Area Manager Collaboration and Policy, AM C&P)
Nikki Richards (Director of Support Services, DSS)
Fayth Rowe (Democratic Support Lead, DSL)
Hannah Sheehan (Democratic Support Assistant, DSA)
Tony Vincent (Head of Business and Information Systems, HBIS)

Action

14. APOLOGIES FOR ABSENCE

Apologies for inability to attend the meeting had been received from Councillors Christine Bateson, Dennis Benneyworth and Tricia Brown.

The Chairman welcomed Councillor Christine Hulme to the Audit and Governance Committee.

15. DECLARATIONS OF INTEREST

In accordance with the provisions of the Fire Authority's Local Code of Conduct there were no declarations of interest received from Members.

There were no declarations of interest received from Officers.

16. MINUTES OF THE MEETING HELD ON 4 NOVEMBER 2019

RESOLVED that the Minutes of the meeting held on 4 November 2019, be approved as a true and correct record and signed by the Chairman.

17. INTERNAL AUDIT UPDATE

Conor Byrne (HF&P) informed the Committee that there had been three audits since the last meeting. The audits were on Governance and Risk Management, Pension Administration and Payroll. Tim Lo, Internal Auditor RSM, had given the opinion of substantial assurance on all three audits. He advised there were one medium and two low priority actions of which management had accepted all actions.

In response to a question from Councillor Linden, Tim Lo stated Appendix A outlined the option for three additional audits to be requested by Audit and Governance Committee, however no further audits had been commissioned.

RESOLVED that the findings in the Audit Progress Report were noted.

18. EXTERNAL AUDIT UPDATE

HF&P stated there had been a delay in signing off the Statement of Accounts, therefore, it was not possible to bring them to this meeting for approval. This delay was due to the audit by Deloitte of the Berkshire Pension Fund which was still ongoing, Ernst and Young (EY) were unable to sign off the Fire Authority's accounts until Deloitte have concluded their audit.

Allison Kennett (EY) explained EY was waiting to receive figures from Hymans in order for an IAS19 pension letter to be sent to Deloitte. On receipt of the figures and upon EY being satisfied, the financial accounts would be updated. HF&P stated that the accounts would not be signed off until an audit opinion from EY had been received.

RESOLVED that:

- The verbal update from the External Auditor be noted.
- The approval of the 2018/19 Statement of Accounts, on receipt of the Audit Opinion, be delegated to the Head of Finance and Procurement in consultation with the Chairman and Vice-Chairman of the Audit and Governance Committee be agreed.

19. BUDGET AND MEDIUM TERM FINANCIAL PLAN ASSUMPTIONS

HF&P gave a presentation on the Budget and Medium Term Financial Plan (MTFP) assumptions. He reported the purpose of the MTFP was to ensure the Fire Authority had the resources available to deliver the Integrated Risk Management Plan (IRMP) and Corporate Plan.

In referring to the removal of Caversham Road Fire Station out of Phase 1 into Phase 2, Councillor McKenzie-Boyle asked which financial year would Phase 2

be in. HF&P explained that Phase 1 was in 2023/24 therefore it would be after that. However, the 2020/21 financial year would be critical, due to the uncertainties of pensions and business rates.

Councillor Linden stated that the financial state looked worrying, with not much in reserves. He asked that Members let their MPs know the seriousness of the situation. DSS confirmed that the Chairman and CFO had been lobbying MPs.

In answer to Councillor Hulme's question on the current issues around the 2015 Firefighters Pension Scheme, HF&P advised it was unclear at present due to the complexity of the case, which determined that the 2015 Firefighters Pension Scheme amounted to direct discrimination on the grounds of age. The potential findings of the case could have both financial and workforce impacts on the Service.

For a copy of the presentation contact committeeteam@rbfrs.co.uk

20. PAY POLICY STATEMENT 2020/21

Becci Jefferies (HHR&L&D) informed the Committee that the format of the 2020/21 Pay Policy Statement had not been amended, although a number of updates had been made. The updates included; the new Watch Based Station Managers and that they receive an allowance, one off payment to the Flexible Duty Officers for transferring to a new rota arrangement and the completion of the Equal Pay Audit in 2019/20.

HHR&L&D explained that the Home Office were yet to provide guidance on the implementation of the interim order on remedy for the transitional protection pension claims. Any further information received regarding the pension matter would be reflected in the Pay Policy Statement 2020/21 taken to the Fire Authority meeting at a future date, if available.

Councillor McKenzie-Boyle asked what impact the McCloud case was having. HHR&L&D explained that the impact was vast and there were many unknowns, however administration would still be carried out in a timely way.

RESOLVED that:

- The Committee considered the content of the draft Pay Policy Statement for 2020/2021 and no amendments were necessary.
- It be noted and recommended to the Fire Authority to approve the Pay Policy Statement for 2020/2021.

21. PENSION BOARD SIX MONTHLY REPORT

Lincoln Ball (PBC) explained that the current Firefighter Pension issues were dominated by the McCloud and Sargeant case, which determined that the 2015 Firefighters Pension Scheme amounted to direct discrimination on the grounds of age. Due to the complexity of the case the Local Government Association (LGA) immediately sought advice from the Home Office on how to implement the interim declaration and requested the advice be provided before 21 January 2020, however, they were still awaiting a response from the Home Office at the time of the meeting (27 January 2020).

Lincoln Ball added that there was no significant news during 2019 in terms of valuation for the 2015 Firefighter Pension Scheme, however the rate of pension could change in the future and this had been built into the risk assessment.

The Local Pension Board has been informed of two potential breaches, while the Board itself has not reported any potential breaches since the last report to Audit and Governance Committee (A&GC).

An audit of Firefighter Pension Administration was undertaken in November 2019, the outcome was that the Authority was given the audit outcome of substantial assurance.

Councillor McKenzie-Boyle asked whether there would be a penalty to the Authority if there were pension breaches. Lincoln Ball explained that it is the Authority's duty to report any breaches and that the breaches so far were minor with little material significance.

RESOLVED that the contents of the report including latest key updates, activities undertaken by RBFRS, the Pension Administrator and the Local Pension Board, since the last report were noted.

22. EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME

Tony Vincent (HBIS) advised that there was no significant change since the last report to the A&GC (4 November 2019), the full business case remained under review by the Home Office National Programme and the final sign off would not happen before Spring 2020. At a meeting held on 9 December 2019, the Thames Valley Fire Control Service Joint Committee once again expressed disappointment in the lack of forward movement from the Home Office National Programme.

HBIS informed the Committee that provisional agreement had been reached between ESMCP South Central Region services for the potential move of Hampshire and Isle of White Fire and Rescue Services to ESMCP South West Region. This remains subject to approval by the Home Office ESCMP National Programme.

RBFRS is considering the feasibility of deploying the Emergency Services Network (ESN) connect product, to replace ageing outstation equipment at our fire stations. If considered viable it could reduce and simplify technology required, may lead to cost saving and may provide a pathway into limited ESN deployment ahead of the main ESN Prime product deployment.

Currently, the Airwave cessation date is programmed for the end of 2022, however, National Programme language indicates it may need to be later than this. RBFRS and Thames Valley Partnership organisations continue to plan flexibility in order to ensure the maximum degree of readiness possible under the circumstances.

Councillor McKenzie-Boyle asked what impact this would all have on the budget. HBIS explained that the impact would be minimal if any at all as we would be spending against annual commitments.

Councillor McKenzie-Boyle also asked how many fire and rescue services would be affected by Airwave cessation. HBIS said that all 45 fire and rescue services and all other blue light partners utilise the current Airwave system.

Councillor Stanford-Beale asked what the situation was regarding our current hardware and whether a slip would be paid for from the grant. HBIS explained that the Airwave provision was still being used comfortably and there was no issue with the supplier, however, the situation towards the end of the programme was unknown.

Councillor Linden said he was surprised that Hampshire Fire and Rescue Service was joining ESMCP for the South West Region. Steve Foye (DCFO) advised that Hampshire and the Isle of Wight Fire and Rescue Services operate a control room that is interlinked with control rooms in a number of the South West Region fire services and they have been developing common ways of working in a number of operational areas. This being similar to the Joint Fire Control Service and wider collaboration we see in the Thames Valley. Both South Central and South West Region are in agreement to the move and will be working with the Home Office ESMCP Programme for approval.

RESOLVED that the report be noted.

23. QUARTERLY PERFORMANCE REPORT- QUARTER 2

Becca Chapman (D&PAM) presented an overview of the Royal Berkshire Fire and Rescue Service (RBFRS) second quarter (July to September 2019) performance for the 2019/20 financial year.

The quarterly performance report had been presented to the Strategic Performance Board and was signed off by the Senior Leadership Team prior to oversight and scrutiny at A&GC. The report provided an overview of performance for the second quarter of the 2019/20 financial year and reported on performance in four key areas – Service Provision; Corporate Health; Priority Programmes and Corporate Risk.

Key Highlights were:

- Continuing to meet the IRMP commitment of Safe and Well visits. Since April 2017 completing 18,381 visits to individuals at heightened risk of dying in an accidental dwelling fire and completing 6,807 visits to individuals at increased risk of having a fire in their home and being injured as a result.
- Responding to emergency incidents in under 10 minutes on 73.6% of occasions during Q2, performance has improved compared to the same time period last year (69.3% Q2 2018/19).
- Continuing to see lower numbers of casualties in accidental dwelling than experienced in 2018/19.
- 5 interns started in Finance, Business Support, HR and Communications and Engagement from June 2019.

Councillor Tina McKenzie-Boyle went through the quarter two report page by page and the following highlights/challenges were discussed:

- Page 7 Corporate Health variance of 0.3%- HF&P explained that £408,000 of reserves were used to support the current year budget.
- Page 71 EDI was progressing well, the Fire Authority recently received a presentation from the EDI coordinator, who was a great asset to the team.

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- Page 82-84 Capital Risk Strategy current risk score had risen to 14. Nikki Richards (DCS) explained this was related to Theale and its progress at the time of the report, it was something that would continue to be monitored.
- Page 85-86 HR&L&D Staffing current risk score had risen to 17. HHRL&D explained that the HR Manager and GM L&D were both leaving and that both posts were being advertised, therefore the risk was being managed.
- Page 88-90 Firefighter Safety, it was questioned whether the new Watch Manager Ops Policy had started on the 13 January, DCFO confirmed that they had and that the risk score on Firefighter Safety will never remain lower than 19 as the impacts score will always be high.
- Page 97-98 Volatility of funding, no movement on the risk score of 22, HF&P explained that this was due to the increasing volatility in local funding and increasing budget pressures.
- Page 111 Firefighter Pension Administration status is red. HHRL&D explained that this was because of the delay to the sign off of the organisational review by the Council have resulted into the delay of the development of a formal written succession plan for West Yorkshire Pension Fund. As a result interim measures have been put in place to address the risk.

RESOLVED that:

- The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2019/20, be noted.
- The progress made on the two priority programmes be noted.
- The position on corporate risk be noted.

24. DATE OF NEXT MEETING

The next meeting was scheduled for Thursday, 26 March 2020, at 6.30pm, Lynda Kenyon Suite, RBFRS Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire, RG31 7SD.

The meeting concluded at 7.43pm