

MINUTES OF THE MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE



Held on Monday, 19th July 2021, at 6.30 pm
Royal Berkshire Fire and Rescue Service (RBFRS) Headquarters
Newsham Court, Pincents Kiln, Calcot, Reading RG31 7SD

Members:
(*present)

Councillor Christine Bateson	* Councillor Tony Linden
* Councillor Jane Stanford-Beale	Councillor Harjinder Minhas
Councillor Tina McKenzie-Boyle	* Councillor Garth Simpson
* Councillor Anne Chadwick	Councillor Simon Werner
Councillor Avtar Cheema	

In Attendance: Mark Arkwell (Deputy Chief Fire Officer, DCFO)
Graham Britten (Monitoring Officer, MO)
Andrew Britten (External Auditors, Ernest and Young (EY))
Alex Brown (Head of Property Capital Projects and Estates, HPCP&E)
Doug Buchanan (Assistant Chief Fire Officer, ACFO)
Conor Byrne (Head of Finance and Procurement, HF&P)
Becca Chapman (Data, Performance and Risk Manager, DP&R)
Daniel Harris (Internal Auditors, RSM)
Becci Jefferies (Head of Human Resources and Learning and Development, HHR&L&D)
Allison Kennett (External Auditors, Ernest and Young (EY))
Andrew McLenahan (Head of Facilities, Fleet and Equipment)
Katie Mills (Director of Corporate Services, DCS)
Fayth Rowe (Democratic Support Lead, DSL)
Nikki Richards (Deputy Chief Executive, Dep ChEx)
Tregear Thomas (Area Manager, Prevention and Protection, AM P&P)
Tony Vincent (Head of Business and Information Systems, HBIS)

5. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors McKenzie-Boyle, Cheema, Minhas and Werner.

Councillor Tony Linden, as Vice Chairman, presided over the meeting in the Chairman's (Councillor McKenzie-Boyle) absence.

Action

The Vice-Chairman reported the Internal and External Auditors, and Alex Brown, Head of Property Capital Projects and Estates (HPCP&E) joined the meeting via teleconference.

6. DECLARATIONS OF INTEREST

There were no Declarations of Interest from Councillors relating to items to be considered at the meeting, in accordance with the provisions of the Fire Authority's Local Code of Conduct, and any from Officers.

7. MINUTES OF THE MEETING HELD ON 31 MARCH 2021

Conor Byrne, Head of Finance and Procurement (HF&P), confirmed that the action on page 10 of the agenda pack was completed and further information will be included as part of the External Auditors update at this meeting.

RESOLVED that the Minutes of the meeting held on 31 March, be approved as a true and correct record and signed by the Chairman.

8. CONSIDERATION OF ANY MATTERS PROPERLY REFERRED TO THIS COMMITTEE FOR DECISION

There were no matters of consideration referred to this Committee for decision.

9. INTERNAL AUDIT UPDATE

Conor Byrne, Head of Finance and Procurement (HF&P), introduced the item and stated that the Internal Audit Update included two reports, which were the 2020/21 Annual Report and the Performance Development Review Audit. In referring to the Annual Report, he reported RSM stated that *'the organisation has an adequate and effective framework for risk management, governance and internal control'* which was RSM's (internal auditors) highest rating.

Dan Harris, Internal Auditor stated page 29 of the Annual Report outlined the four ranges of audit opinions. All of the audits were remote and some were delayed due to the Covid-19 pandemic. Pages 22 to 23 show all seven audit opinions were positive. He added that there was no audit opinion on Cyber Essentials as it was an advisory audit, however a significant number of actions had been implemented.

In referring to pages 36 - 37 of the report, Dan Harris highlighted the positive assurance opinion and reported on the agreed management actions of chasing and follow up of overdue Performance Development Reviews (PDRs).

The Vice-Chairman stated it was encouraging to receive the annual opinion from RSM, which gave its highest level of assurance, in a year when the organisation has been challenged by the pandemic. The focus remained on good governance, internal controls and risk management.

The Vice-Chairman drew Members attention to the percentage of staff receiving PDRs and stated, 99.7% of eligible staff received their annual appraisal, amid an unprecedented year, which was a remarkable achievement. He added annual appraisals were an important part of staff development and well-being and the commitment to this was shown in the high percentage achieved. He requested his thanks be recorded for the hard work of those that were involved in this achievement.

In answer to a question from Councillor Simpson, Nikki Richards, Deputy Chief Executive (DCHx), reported PDRs were linked to strategic objectives and the two referred to on page 41 of the report were anomalies.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Stanford-Beale.

RESOLVED that the 2020/21 Annual Report and the findings from the Performance Development Review Audit be noted.

Dan Harris left the meeting.

10. EXTERNAL AUDIT UPDATE

Conor Byrne outlined the positive developments in the External Auditors Update and reported that the 2019/20 Accounts were due to be signed off as soon as possible.

Andrew Britten, External Auditor (EY), reported that he was close to issuing his audit opinion for the 2019/20 Accounts and explained the background of the delay. In referring to page 69 of the report, he stated EY received an IAS19 report from Deloitte highlighting issues in relation to reconciliations of membership data of the Pension Fund. He stated that he believed that there was no potential for material misstatement in the LGPS liabilities, however, he was waiting for the final report from the EY technical expert prior to issuing his final audit opinion.

He reported on the impact of Covid-19 pandemic, in particular, on material accuracy of the value of Property, Plant and Equipment (PPE). He also advised that public sector bodies will need to undertake an assessment on funding and financing going forward. He stated that this would be an ongoing part of the audit. All of the audits were held remotely and this was likely to continue.

In answer to a question from Councillor Chadwick on the pension fund deficit of £414 million as of 31 March 2019, Conor Byrne reported that the Authority had seen deficiencies over the last decade and it is revalued every three years. He

added there were many factors that affect valuations, for example, asset valuations at a particular point in time or discount rates, as well as demographic assumptions. Sustainability was a factor considered by auditors.

Allison Kennett, EY reported on the audit differences on page 78 of the report and confirmed there were no uncorrected misstatements. She stated EY identified £950 of expenditure had been recorded in 2019/20 instead of 2020/21 and that there were no other unadjusted differences.

The Vice-Chairman reported that in August 2020, the Chairman of Audit and Governance Committee wrote to EY to express the Committee's concern at the proposed fee increase of 91%, and asked EY to revisit the model on which the proposal was being made. On noting the update on page 94, which related to fees, he asked EY to provide an update on this matter and expected timescale for resolution.

Andrew Britten reported that the proposed fee was currently with Public Sector Audit Appointments (PSAA) for determination on the audit fees.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Chadwick.

RESOLVED that the Audit Results Report in Appendix A be noted.

Andrew Britten and Allison Kennett left the meeting.

11. ANNUAL GOVERNANCE STATEMENT

Katie Mills, Director of Corporate Services (DCS), reported that the Authority is required to prepare an Annual Governance Statement to report publicly on the extent to which it complies with its own code of Governance. The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework'.

She explained the Annual Governance Statement detail how the Authority has complied with the Framework and also meets the requirements of the relevant financial regulations. In February 2021, CIPFA issued guidance on reflecting the challenges from Coronavirus in Annual Governance Statements, and in accordance with that guidance a section in the Statement for 2020/21 had been included.

In referring to page 124 of the report, she informed Members of the small typo with 2021/20 being referenced and advised this will be changed to 2021/22 in the published version.

She added the 2020/21 Statement looks back at governance issues identified in the 2019/20 Statement and the action that has been taken in the last year to address these, and identifies significant governance issues for 2021/22. The

approved Statement will be published alongside the draft accounts by 31 July. In response to a query from the Vice-Chairman on the abbreviated FM Code, Katie Mills reported it stood for Financial Management.

In answer to a question from Councillor Chadwick on page 123 of the report, Katie Mills advised the extract had been taken from 2019/20 Statement and that the document was a backward look. In discussing the volatility of funding, Conor Byrne reported that in 2020/21 the Authority had budgeted 0% pay increase, however, the actual increase was 2.75%.

In answer to a further question from Councillor Chadwick on page 124 of the report, Nikki Richards reported £200,000 in 2021/2022 was a projected saving.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Stanford-Beale.

RESOLVED that the Annual Governance Statement 2020/21 be agreed.

12. EMERGENCY SERVICES MOBILE COMMUNICATIONS PROGRAMME

Tony Vincent, Head of Business and Information Systems (HBIS), outlined the changes in leadership of the South Central Leadership Board, representing Thames Valley Fire and Rescue Services (TVFRSs) at Fire Customer Group. Jo Bowcock, Assistant Chief Fire Officer, Oxfordshire Fire and Rescue Service, had taken the position of Chair and Tony Vincent stated that he had become Vice-Chair.

He outlined that the Full Business Case (FBC) had been reviewed by TVFRS, which had been accepted with caveats. The FBC was expected to be signed off by government in July 2021.

The FBC had indicated that although the overall programme was cheaper than the current Airwave Service, Fire and Rescue Services (FRSs) may find an increase in local costs, however this was being monitored and had been included in TVFRSs corporate risk.

The National Fire Chief Council (NFCC) and National Programme Senior Responsible Officers (SRO) were committed to working with the treasury to secure funding for local FRSs. Concerns were raised about the dual running of Emergency Service Network (ESN) and Airwave. The National Programme timeline has continued to slip, however assurance had been provided by the National Programme that they will not cease Airwave until ESN was up and running.

Tony Vincent reported that he was confident in the current timelines and that Buckinghamshire and Milton Keynes Fire and Rescue Service (B&MKFRS) were in the process of recruiting a Regional Programme Manager to fulfil a contract that had ended in January 2021.

The Vice-Chairman asked Tony Vincent how confident was he in the delivery of the programme to the new timeline and whether the two systems would run in parallel.

Tony Vincent reported that the two systems (ESN and Airwave) would run in parallel, for a period. He stated there was a level of confidence due to physical devices had been developed and there was increased engagement between the National Programme and TVFRSs.

In answer to a question from Councillor Stanford-Beale, Tony Vincent reported that the government was committed to maintain Airwave until 2026, although there was a risk in the degradation of equipment. Yorkshire and Merseyside FRSs had been testing the device and that they work. He added the need to ensure that the software worked and that was what teams were working on. The device had not been used to date.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Stanford-Beale.

RESOLVED that the report be noted.

13. SCRUTINY TASK AND FINISH GROUP RECOMMENDATION

Graham Britten, Monitoring Officer (MO), presented the report on behalf of the Scrutiny Task and Finish Group and advised that the report of the cross-party Task and Finish Group was established following a range of serious allegations and derogatory statements that were made about officers of the service by a member of the public regarding the issuing of a Compulsory Purchase Order by Slough Borough Council relating to premises on Tuns Lane adjacent to Slough Fire Station.

The Committee was advised that the individual did not wish to make a formal complaint but due to the seriousness of the statements and allegations a Task and Finish was established to scrutinise the matter; and that the Group comprised the Group Leaders from the three political parties and was chaired by the Chairman of the Audit and Governance Committee.

The Committee was informed that the report had been anonymised to protect the identity of the individual; and that the Task and Finish Group last convened on 23 June 2021, and agreed the report, the final version of which was at pages 149 to 165 of the agenda pack.

The MO stated that the report set out the evidence that was considered in relation to the matter together with its findings, which were agreed unanimously, on page 158, as follows:

- (1) At no time was a formal partnership entered into by the Fire Authority for

the redevelopment of Slough Fire Station;

- (2) There was no impropriety on the part of RBFRS officers or the Authority, and matters were conducted appropriately at all times;
- (3) The position of the Fire Authority was reiterated to partners throughout with formal representations made to Slough Borough Council to ensure this position was publically accessible; and
- (4) The decision to put in place provisions for a Compulsory Purchase Order was taken by Slough Borough Council, without involvement of Royal Berkshire Fire Authority or Royal Berkshire Fire and Rescue Service.

The MO reported that he had written to the individual on 29 June 2021, and the individual was invited to make representations on the draft report including its findings and recommendations, which would be taken into account. No representations were made on the substance of the report nor its findings, rather they were aimed at the process and further requests for copies of documents; and that the representations received were summarised on pages 159 and 160 of the agenda pack.

The MO advised that the Task and Finish Group's recommendations, which were agreed unanimously were set out in its report on page 161 of the agenda pack.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Stanford-Beale.

On being put to the vote, with all in favour, it was unanimously;

RESOLVED that:

- The findings of the Scrutiny Task and Finish Group be agreed; and
- The Chief Fire Officer write to the Chief Executive of Slough Borough Council reiterating the position of Royal Berkshire Fire Authority and provide a copy of the report.

CFO

14. GUIDING PRINCIPLES FOR PROPERTY DISPOSALS

Conor Byrne, Head of Finance and Procurement (HF&P), reported that Appendix A, the *Guiding Principles on Property Asset Release* was based on the seven Nolan Principles. He provided an overview of the document and stated it was aligned to the Fire Authority's Strategic Objectives, it complied with legalisation, included restrictions of sale and the pros and cons of the market. He added that whichever route Members chose, each route will ensure that transparency and objectivity could be demonstrated throughout any disposal process.

Conor Byrne advised that the draft document had been reviewed and commented by the Authority's Internal Auditors, RSM.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Simpson.

RESOLVED that the Committee recommend Management Committee approve the *Guiding Principles on Property Asset Release*.

15. PENSION BOARD ANNUAL UPDATE

Mark Arkwell, Deputy Chief Fire Officer (DCFO), presented the report on behalf of Pension Board Chair, Lincoln Ball. He stated the annual report outlined the 2020/21 performance of the pension scheme administrator and the recent activities of the Local Pensions Board.

The Vice-Chairman stated he was impressed with the comprehensive report and the activity of the Pension Board. In referring to paragraph 3.23, he highlighted it was a very complex time for pensions. He asked that his thanks was formally recorded on the work of the pension board, Human Resources and Finance Teams in their support of working alongside the pension administrator, West Yorkshire Pension Fund.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Stanford-Beale.

RESOLVED that the report be noted.

16. ANNUAL REPORT 2020/2021

Katie Mills, Director of Corporate Services (DCS), stated the 2020/21 Annual Report provided a summary of Royal Berkshire Fire and Rescue Service (RBFRS) performance for the year. She added, last year had been an extremely challenging one for all and the Service had prioritised its delivery of critical core services and the health, safety and wellbeing of staff, whilst supporting communities and partners through additional activities.

The report highlighted a number of important milestones and work areas that have progressed throughout the year, such as the Built Environment Programme, commitment to equality, diversity and inclusion and capital projects.

The Vice-Chairman echoed that it had been an unprecedented year, and acknowledged that not only the Service continued to deliver its critical core services, it had prioritised the health, safety and wellbeing of both its staff and communities. He stated it was fantastic to read about the additional activities undertaken which included creating the infrastructure to support the delivery of over 6 million pieces of PPE to healthcare workers.

He formally acknowledged the six Awards and Accreditations listed on page 221 of the agenda pack. The Vice-Chairman reported the list was a testament to the Authority's continued commitment to being an inclusive and diverse organisation, better equipped to represent and serve communities.

He added that he was especially proud that the outgoing Chief Fire Officer, Trevor Ferguson, was recognised in the Queen's New Year Honours list and was awarded the Queen's Fire Service Medal. He stated that he knew Trevor attributes this achievement to the hard work and dedication of the Service and its staff, who work with the Fire Authority to provide a high quality public service, which was evident in the Annual Report.

He reflected on the recent virtual Awards Ceremony which recognised the achievements of staff up until 31 December 2020, and stated that he looked forward to hopefully attend a summer celebration in person to recognise the tireless work that has been undertaken in the response to the pandemic from the beginning of 2021.

The Chairman moved the recommendation and it was seconded by Councillor Simpson.

RESOLVED that the Annual Report prior to external publication be noted.

17. QUARTERLY PERFORMANCE REPORT (JANUARY - MARCH 2021) - QUARTER FOUR

Becca Chapman, Data, Performance and Risk Manager (DP&R), provided a summary of the Quarter Four Performance report. She highlighted that the Response Standard in this quarter achieved 80.1% of occasions responded within 10 minutes, staff sickness absence levels were low and the Aerial Ladder Platform (ALP) was in service.

The Vice-Chairman requested Members to ask questions by the Quadrants of the report.

In answer to a question from Councillor Chadwick on Quadrant One, Becca Chapman reported that arson was classed as deliberate and that the Corporate Measure would be looking at prevention activity.

Councillor Stanford-Beale identified the number of Safe and Well Visits were significantly down since last year, which she assumed the reason was the pandemic. She expressed her concern for vulnerable adults and children, and asked whether the target would be increased. Becca Chapman advised that the targets for 2021/22 would be brought back inline pro-rata for the remaining three Quarters.

Doug Buchanan, Assistant Chief Fire Officer (ACFO), confirmed that in Quarter

One 2021/22 the Service concentrated on completing high risk Safe and Well Visits, then in Quarter Two – Three the Service will get back inline with its planned targets (pre-covid) pro-rata.

Tregear Thomas, Area Manager Prevention and Protection (AM P&P), added there was a waiting list of referrals and it had been identified some of them had more complex needs. He stated that the Service were prioritising those with the greatest need in the first instance.

The Vice-Chairman asked a question on crewing and availability and queried whether the trend would continue, as he was mindful of the increase of covid cases.

Doug Buchanan explained that the overall Wholetime and On-Call availability was good. He advised that Quarter Three was around the Christmas period and stated there were pressures around this period due to the second national lockdown, which showed that figure had moved into amber. In relation to On-Call availability, the Service found that due to a number of people had been furloughed, the availability had increased. He added that the summer period and staff required to self-isolate will challenge the availability, however this will be closely monitored.

The Vice-Chairman asked a question on the Service's work to reduce the burden of false alarms. Mark Arkwell stated that the Service was working with business and alarm receiving centres, and were proposing changes in policy.

Councillor Stanford-Beale congratulated the achievement of the Service meeting its 2020/21 target of 0 number of fire deaths in accidental dwelling fires.

In referring to page six of the performance report and the Quarter Four summary, the Vice-Chairman stated the circumstance in which staff have continued to deliver services, had been incredibly challenging. Despite this, the Service exceeded its Response Standard target and responded on 80.1% of occasions within 10 minutes, continued to deliver safe and well visits and fire safety audits and staff sickness continued to be low compared to previous years. He requested for his thanks to be recorded to all of those that made this possible.

The Vice-Chairman moved the recommendation and it was seconded by Councillor Chadwick.

RESOLVED that:

- The performance against Service Provision and Corporate Health measures for the targets agreed by the Fire Authority for 2020/21 be noted;
- The progress made on the two priority programmes be noted; and
- The position of corporate risk be noted.

18. DATE OF NEXT MEETING

Wednesday, 20 October 2021, at 6.30pm, Lynda Kenyon Suite, Royal Berkshire Fire and Rescue Service (RBFRS) Headquarters, Newsham Court, Pincents Kiln, Calcot, Reading, Berkshire RG31 7SD.

Alex Brown left the meeting.

(The meeting concluded at 7.47pm)