

CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY
POLICY AND RESOURCES COMMITTEE: MINUTES

Date: 26th July 2018

Time: 10.30 am – 12.noon

Place: Fire and Rescue Services HQ, Hinchbrooke Cottage, Brampton Road, Huntingdon

Present: Councillors: D Giles, M Jamil, L Nethsingha, D Over (Vice Chairman), K Reynolds (Chairman) and M Smith

60. APPOINTMENT OF CHAIRMAN / WOMAN

It was resolved to appoint Councillor Reynolds as the Chairman of the Policy and Resources Committee for 2018/19.

61. APPOINTMENT OF VICE CHAIRMAN / WOMAN

It was resolved to appoint Councillor Over as the Vice-Chairman of the Policy and Resources Committee for 2018/19

62. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors Bywater, T Rogers and M Shellens.

63. DECLARATIONS OF INTEREST

None.

64. MINUTES OF THE MEETING HELD ON 12th APRIL 2018

The minutes of the meeting held on 12th April 2018 were confirmed as a correct record and were signed by the Chairman.

65. POLICY AND RESOURCES COMMITTEE MINUTE ACTION LOG

With reference to the published Log and Minutes from the 12th April meeting the following oral updates were provided:

From the Minutes:

- Minute 57 – ‘Integrated Risk Management Plan Refresh Update’ with reference to the discussion on fire assessments for schools and the request for further assurances that those schools located furthest from fire stations were visited as often, it was orally reported that 72 full audits had been carried out to primary and secondary schools, with 68 being fully compliant. There had also been 160 engagements with other

schools. Councillor Bywater had been provided with the details. **Action completed**

From the Action Log:

- Page 11 Update on Strategic Workforce Objectives - b) the action to start scoping a Membership Review had been progressed at the Fire Authority on 21st June when it had agreed to convene a Member-led working group to review governance arrangements and therefore it was more appropriate to change the status of action b) as being **Action completed**.
- Page 12 Minute 32 Annual Review of the Operation of ICT Shared Service Agreement – the pay structures with Bedfordshire had now been aligned. In terms of the Chairman meeting with his opposite Chairman / woman in Bedfordshire, it had still not been possible to commit the latter to a meeting date despite the Officers best efforts. **Matthew Warren had now taken personal responsibility to progress the action.**

The Minute Action Log was noted.

66. MINUTES OF 29TH MARCH OVERVIEW AND SCRUTINY COMMITTEE

The minutes for the Overview and Scrutiny Committee meeting held 29th March were noted.

67. CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY BDO EXTERNAL AUDIT COMPLETION REPORT – AUDIT FOR THE YEAR ENDED 31ST MARCH 2018 AND STATEMENT OF ACCOUNTS

Using the Chairman discretion available to him under 100B (4) (b) of the Local Government Act 1972, the Chairman agreed to receive both the Audit Completion report (Item 7) and the Accounts Report for the year ending 31st March 2018 (item 8) that had not been available at the time of the original despatch agenda and had been published less than five working days before the meeting, The reasons for lateness for both accounts reports had been the earlier date for their production with the reason for urgency being the need to sign off by 31st July.

The report at Agenda Item 7 summarised the results of completing the planned audit approach, specific audit findings and areas requiring further discussion and/or attention in relation to the Authority's financial statements and use of resources for the year ended 31 March 2018.

The final Statement of Accounts at Agenda Item 8 provided information on all aspects of income and expenditure in the financial year 2017/18.

The Annual Governance Statement, covering for the same period, had been approved by the Overview and Scrutiny Committee in March 2018, and had

been published on the website via the following link

http://www.cambsfire.gov.uk/Annual_Governance_Statement_17-18.pdf

In introducing the Audit Completion Report and apologising for the late submission, Zoe Thompson highlighted the challenge for both the Authority and BDO in aiming to achieve the much earlier sign off date for the Fire Authority accounts of 31st July (Previously the deadline was the end of September). She thanked the Finance Team for their close co-operation and responsiveness to queries raised, on what had been a very pressured environment.

The key issues highlighted were:

Audit Status: BDO had substantially completed their audit procedures in accordance with the planned scope and their objectives had been achieved. Oral updates on the 'Outstanding Matters Schedule' since the report's publication included:

1. **Receipt of outstanding Information** – confirming none were now outstanding.
2. **Completion of audit procedures relating to valuation of Land and Buildings** – Some information on values were awaited relating to calculations on floor plans.
3. **Receipt of bank an investment confirmation from Lloyds PLC and National Westminster bank PLC** – these were still awaited.
4. **Receipt of final draft of statement of accounts and completing of audit procedures to confirm all agreed amendments had been made** – this had been received.

Audit Risk Update: No additional significant audit risks were identified during the course of BDO's audit procedures subsequent to their Audit Plan dated 9th January 2018.

Materiality: Following receipt of the draft financial statements, showing gross expenditure lower than that used to calculate materiality at the planning stage, the final materiality threshold had reduced from £890,000 to £800,000.

Materiality misstatements – subject to the completion of the outstanding matters set out on page 5 of their Report – BDO's audit had not identified any material misstatements.

Unadjusted Audit differences - The Committee's attention was drawn to the following audit differences that BDO had identified, but which Fire Authority officers were not proposing to adjust as they did not have a material impact These included:

- £105,000 relating to unadjusted misstatements identified by their 2016/17 audit.

- £583,000 relating to overstatement of the net pension liability associated with the Local Government Pension Scheme due to a difference between the value of the investments used by the Actuary to calculate the net pension liability and the value of investments recognised in the Pension Fund's financial statements. (The difference between the value at 31st December to 31st March).
- An identified £165k overstatement of the revaluation reserve - this had no material effect on the overall reserve and would be adjusted in the financial year.

Control Environment - There had been a substantial number of deviations from the Code in the draft accounts which was linked to the introduction during the year of a new software package. The unaudited statement of accounts certified by the Treasurer and published on 31 May 2018 contained a number of material departures from the requirements of the Code. BDO indicated that Management had been unable to demonstrate that the unaudited statement of accounts was subject to robust checks or an appropriate level of review by a senior officer prior to publication. The same issue had been reported on the completion of last year's audit.

Use of Resources Risk assessment: BDO's risk assessment had not identified any use of resources significant risks. No additional work was required.

BDO's Audit Opinion was set out as follows:

Financial Statements: As an update BDO confirmed that they would be issuing an unqualified opinion on the financial statements for the year ended 31st March 2018.

Regarding the section from page 6 onwards on Key Audit and Accounting Matters and the significant risk section, the following were highlighted;

- Management Override of Controls – No matters to report.
- Other Income Fraudulent Revenue Recognition - No matters to report.
- Valuation of Land and Buildings – The audit was largely complete with no expectation of any issues
- Pension Liability Assumptions – already referred to earlier.
- Production of Financial Statements compliant with CIPFA's Code of Practice. The Deputy Chief Executive would be working with CIPFA to ensure the points highlighted in this section would not be an issue.
- Faster close timetable and capacity of the Finance Team – The former had not happened for the reasons as detailed, including the introduction of the new CIPFA software package. The Deputy Chief Executive explained that the Fire Authority was statutorily required to undertake the faster close timetable and had chosen to implement the software this

year as the Head of Finance would be going on maternity leave and therefore the decision had been taken to implement early.

Page 21 Recommendations and Action Plan – these had been accepted and responded to by Fire Authority Management.

In discussion the following issues were raised:

- There was a request for further explanation on who valued the Fire Authority's land and buildings. It was explained that a professional valuer was employed to do this, but that they changed every year as the Fire Authority's buildings were unique and a different valuer would estimate a different valuation. As he was not a professional valuer, the Deputy Chief Executive could only challenge valuations so far. It was highlighted that the value of property and land for the Accounts was estimated differently from a commercial valuation.
- Concern was expressed by the Chairman on the lateness of the accounts reports. He explained that two members of the Committee were absent as they were attending a County Council Pensions Committee meeting at the same time as this Committee, and would have provided a more detailed challenge if they had been able to view the Accounts at an earlier point. The officers involved in the accounts production were however congratulated by the Committee for having received such a clean bill of health from the external auditor. **Action: The Deputy Chief Executive was requested to pass on the thanks of the Committee to all the relevant staff involved.**
- Democratic Services to review the timing of the meeting in terms of clashes with other Committees for the next year. **Action: D Cave**

It was resolved to:

- 1) Approve the Audit Completion Report.
- 2) Approve the final Statement of Accounts and to authorise the Chairman to sign them following the meeting.

68. FIRE AUTHORITY RESERVE STRATEGY

This report provided the Committee with an outline of the current position with regard to reserves held by the Service, and seek approval for the use of reserves to reduce revenue expenditure.

The proposals were:

- ***The utilisation of reserves to invest in property.*** As the current rate of return on cash investments continued to be poor it was more beneficial for the Authority to utilise reserves rather than borrow.

- ***The utilisation of reserves to avoid borrowing.*** As the cost of borrowing was greater than the return on cash investments, it was more cost effective to use funds currently held. Officers would regularly review this, to ensure the policy remained beneficial.
- ***The utilisation of reserves to meet future demands on revenue.*** It was anticipated that there would be no additional Government funding in the future to allow for significant investment in the Authority's asset portfolio. The purpose of the General Reserve was to allow flexibility when managing the financial challenge. Having assessed the level of the General Reserve, officers recommended that it was utilised to offset borrowing in the short- term, reducing it to a still prudent level.
- ***The utilisation of the On-Call Operations Reserve to create a Wholetime Recruitment Reserve.*** The On-Call reserve was created to fund potential changes to the On-Call system. However as the project progressed it was apparent that this reserve would not be utilised to invest in one-off areas of expenditure and had consistently underspent. It was therefore proposed to re-name the reserve and use it to fund investment in additional wholetime firefighters. The aim was to help address the significant firefighter recruitment required over the coming three to four years as firefighters retired. At the current time the Service was still four below establishment.
- ***The Community Safety Reserve.*** This reserve would be managed as a fund on behalf of the Authority. Release of funds would be subject to a successful bidding process made by partner organisations. Any bid would have to meet success criteria based around community risk reduction.

In discussion:

- As it was recognised that while in the past firefighters tended to stay for a considerable number of years in the Service, as a result of better pay opportunities elsewhere, (especially for drivers leaving to become train drivers) a question was raised regarding what was the age range of new recruits and what was the wastage level in particular age groups. In reply the average age of recruits was under thirty. In terms of leavers in particular age bands, this information would be collected and provided to the Member outside of the meeting. **Action: John Anderson to provide Councillor Nethsingha with leaver figures broken by age groups.**
- It was confirmed that the numbers added by the recent wholetime recruitment exercise had been more than balanced out by leavers. Projections estimated that by 2022 the average service of firefighters would be seven years - it was currently 14 years. The Chairman added that historically the average service length had been between 20-25 years and it was issues with pay and pensions which now made the

Service a less attractive career choice. Sixty to seventy current staff were expected to be lost in the next five years.

It was resolved:

To approve the reallocation and utilisation of the On-Call Operations Reserve as detailed in Paragraph 5 of the report to be re-named Wholetime Recruitment Reserve to be used to invest in wholetime firefighters.

69. PROPERTY UPDATE – JULY 2018

This report provided an update on police and fire collaborative schemes under the following headings:

Monkswood Training Centre Update

The formal pre-application advice was received in March 2018. It was anticipated that all reports required for the planning application would be completed by August 2018 with the intention being for a full application to be submitted in September 2018 and approval anticipated by the end of the year. It was confirmed in reply to a question on consultations undertaken, that English Nature were not objecting to the proposals as the plans did not involve chopping down trees or affecting the surrounding habitat.

Huntingdon Fire Station

The police were currently undertaking an assessment on land within their Headquarters site to establish whether a fire station could be accommodated. A full report would be prepared in the autumn detailing whether it was a viable project.

St Neots Fire Station

The police and fire property teams continued to work collaboratively to fully understand the requirements for the police station to be incorporated into the fire station at St Neots. Currently building plans were anticipated to be available for October.

Wisbech Fire and Police Station

In respect of the police developed scheme to extend Wisbech fire station to enable the creation of a joint facility, a revised planning application had been submitted to Fenland District Council with an expectation that planning approval would be received over the coming weeks.

In discussion:

- The Chairman confirmed that what-ever the outcome of the current judicial review regarding merging the police and fire services, the

intention from the Fire Service was that the highlighted schemes would continue.

- In respect of the progress on the judicial review, the monitoring officer advised that unless a decision to confirm whether the Fire Authority could go ahead with a full hearing was taken by the next day, it would not then be ruled on until September due to the forthcoming summer recess, and therefore any hearing date would not be until January.

It was resolved:

- a) To note the progress made to date.
- b) To approve the next steps as set out in the report.

70. STRATEGIC RISK AND OPPORTUNITY MANAGEMENT REGISTER

This report provided an update highlighting those risks that were considered above the risk appetite of the Authority with the distribution of risk from the strategic risk register shown in Appendix 1 to the report.

The following risks were highlighted, with the report detailing the mitigations in place:

- ICT cyber-attacks - this remained the highest risk posed to the Service.
- The Service had a collection of risks detailing the threat posed to the organisation through the decline of operational calls resulting in a lack of operational experience and a higher turn-over of staff. This along with the reliance on On-Call staff to maintain operational cover and retention and recruitment challenges meant this was a significant risk area for the organisation.
- The introduction of the General Data Protection Regulations.
- The lack of clarity on the project timescales around the Emergency Services Mobile Communications Programme (run by the Home Office) and the potential for costs to increase to support the existing system. The programme was now taking forward an options appraisal to decide on how it was to progress, with options to either cancel the project or to take forward a phased implementation.
- Risks relating to health and safety.
- Two risks relating to the ICT shared service, the joint administration and also the continued investment required in ICT to maintain currency.
- The reliance on key members of staff and resources levels - could result in delays to the achievement of Service deliverables if absent.

- The potential reputational risk as a result of the new Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspectorate process. The inspection had taken place the previous week and appeared to have gone well with the expectation that a draft report would be produced in October and a final report in December.
- The ongoing discussions around a national pay award with a financial risk should the final award be higher than the 2% budgeted for.
- The reliance on a number of suppliers to provide core ICT systems.

Details were provided of the Community Safety activities being progressed to help reduce the risk posed by the increase in more vulnerable and isolated older people in the community and the potential for increased fire deaths and injuries. Portable misting systems had been procured and deployed and had already saved two lives. In reply to a question on whether these were considered a more affordable alternative to sprinkler systems the reply was that at £10ka unit, the Service was only able to afford 6-8 at the current time and deploy them to those considered most vulnerable through effective data sharing with Social Care services staff. The preference would still be for sprinkler systems to be installed in buildings.

Work remained ongoing for the introduction and adoption of the National Operational Guidance (NOG).

In discussion:

- Councillor Nethsingha who was attending the National Social Care conference in the Autumn indicated her willingness to highlight the brilliant work already achieved by the deployment of the portable misting systems.
- Regarding the Government announcement the previous day on substantial increases in in other areas of Public Sector Pay, this represented a high risk that the Government would announce a pay deal for the Fire Service above 2%. It was suggested that this should be used as an example of why the Fire Service required to hold a larger reserve than some people might think was required. .

Having reviewed the Strategic Risk Report the Committee:

Noted both the report and the Risk Distribution as set out in Appendix 1 to the Officer's report.

71. FIRE AUTHORITY PROGRAMME MANAGEMENT – MONITORING REPROT

This report presented an update against the projects for 2018-19.

Officers highlighted the following areas and provided an oral update in respect of the following Type 3 (High) Projects:

- **P0105 General Data Protection Regulation Implementation Project** – green - as the Authority was ready in May and assurances were put in place.
- **P108 Replacement ICCS and Mobilising Solution** – the procurement documents were being prepared to enable tendering to be undertaken in September. It was believed it would be broadly in line with budget and the Government grant available. Bedfordshire were also looking to buy the system.
- **P0104 Implementation of Wholetime Shift System** - This was going well with the roving pumps proving a great success. A significant number of home visits had been carried out. In reply to a question on whether the firefighters liked working with them, there had been no complaints from the stations as they were receiving calls and could see the benefits.
- **P073 Asset Management Software** – The Authority was the first in the Country to use it replacing a very old data base. There was now interest from the London Fire Service.
- **P084 - Review of Reporting** – The Authority had fulfilled all requests from of HMICFRS and had been achieved in a timely manner.
- **P089 ESMCP - Emergency Services Mobile Communications** – This was still awaiting the Home Office announcement.
- **P109 – Virtual Desk [op Infrastructure Project (VDI) Upgrade Shared Service Project** - The tender process was complete with the contractor due to start in September Cambridgeshire
- **P088 – On-Call Project Stage 2** – The alternative appliances were now to be delivered in September. There were to be a number of events being arranged to celebrate the On-Call Service. **Action: Rick Hylton to send Members with dates when known.**
- **P098 – Cambridgeshire Public Services Network (CPSN)** – Discussions had been undertaken with the successful tenderer. A report would come back in September as there were risks around transition arrangements and the associated costs. This was an ongoing piece of work.
- **P102 – Unified Comms (Shared Service Project)** This was expected to be fully implemented by next Month (August) but would not go operational until later in the year.
- **P111 Day Crewed Shift System Project** - Two business cases involving seven and five day shift system was being looked at.

Type 2 Projects – request for updates on the following:

- **P101 CFRMIS (Community Fire Risk Management Information Systems)** – the job description for the administrator had been signed off with advert out in July and a projected start date of early September.
- **P093 Co-Responding Project** – three firefighters from March were still awaiting the East of England Ambulance Service (EEAS) to complete their CBS checks and so were currently unable to attend any co-responding calls. As an update on the project and the three pilots, as

previously explained St Neots Station had dropped the scheme due to Union issues. The scheme was still operating at Ramsey and Wisbech but there had been a 50% drop off in calls. It was explained that the EEAS originally had fifteen stations involved in the project, but this had now reduced to two. The Union was still unhappy for their Members to continue without a National Agreement. The options on whether to continue with the scheme or drop it completely might require a report for decision in October.

It was resolved:

To note the Programme Status Report as at July 2018 as attached at Appendix 1 to the report and including any oral updates provided.

72. WORKFORCE DIVERSITY

This report had not been available at the time of the original despatch agenda and had been published less than five working days before the meeting. The Chairman having taken into account that the report had been requested by the Committee and that the delay in its production had been due to technical issues agreed to take this report using the Chairman discretion available under 100B (4) (b) of the Local Government Act 1972

As Members had, had little time to read the report with hard copies being tabled at the meeting, Jon Anderson the report presenter read out all the relevant paragraphs from 4.1 to 6.6 of the Officer's report. They have been included as an appendix to these Minutes.

In discussion:

- The Officers were congratulated on producing an excellent report. One Member while welcoming the increase in the proportion of female operational staff and managers, noted that operational staff were still dominated by white males and suggested that as the "Have a go" sessions had proved very successful, a session needed to be targeted to Black and Minority Ethnic (BME) Communities.
- Councillor Nethsingha requested details outside of the meeting of the numbers of BME people who had attended tests and then gone on to join the Service. - **Action Jon Anderson / Alison Scott.** Whilst accepting the number of applicants from BME was low, it was known that there was a 50% drop out from the test sessions. If it could be shown this drop out rate was consistent, whatever the person's ethnicity, it would not be such an issue. It was suggested and agreed that the qualification requirements of Five GCSE's including English should be reviewed by officers as potentially being a barrier.

- Another Member suggested that the report should be widely publicised to highlight the strides that had been made to make the Service workforce more diverse.

Another Member while also agreeing that the report showed progress and was going in the right direction, highlighted that for the BME communities the Fire Service was still not seen as being as attractive as joining the Police. There needed to be more publicity highlighting that the Service was a lot more than just fighting fires and should include a percentage breakdown of the different elements of the job. As an attempt to widen recruitment it was explained that the Service were working closely with the Regional Colleges to include the Fire Service in their Public sector studies.

It was resolved:

To note the progress made as at June 2018.

73. POLICY AND RESOURCES COMMITTEE WORK PROGRAMME

The work programme was noted.

74. DATE OF NEXT MEETING

Members noted that the next meeting was scheduled for 4th October 2018.

Councillor Giles asked in advance that his apologies be given for the October and December meetings.

FIRE AUTHORITY CALL OUTS DURING JUNE-JULY

At the request of the Chairman using his discretion, officers were asked to provide details the additional pressures placed on the Service during June and July as a result of the increase in the number of fires resulting from the extended period of extreme hot weather. Amongst the figures reported was that there had been a total of 2032 calls to fire stations with 1,577 mobilisations, mainly in rural areas. There had been 320 fires in the open compared to 4 to 6 in a normal six month period.

There was a request that the Fire Service increase publicity regarding the need to ensure that outside BBQ's were properly extinguished after use.
Action

Chairman
4th October 2018