

**CAMBRIDGESHIRE AND PETERBOROUGH FIRE AUTHORITY
OVERVIEW AND SCRUTINY COMMITTEE – MINUTES**

Date: Thursday 23 March 2017

Time: 14:00 – 14.55

Place: CFRS Headquarters, Hinchingsbrooke Cottage, Huntingdon

Present: Councillors, S Bywater (Vice Chairman and Chairman for the meeting in the absence of Councillor Butcher), R Henson, M Jamil, M McGuire and J Peach.

Officers: Rick Hylton - Assistant Chief Fire Officer, Shahin Ismail - Monitoring Officer, Suzanne Lane – Internal Auditors RSM, Rob Sanderson – Democratic Services Officer, Chis Strickland – Chief Fire Officer, Zoe Thompson BDO External Auditors, Matthew Warren – Deputy Chief Executive, and Deb Thompson - Scrutiny and Assurance Manager

142. APOLOGIES FOR ABSENCE

The Clerk reported apologies for absence from Cambridgeshire County Councillors B Ashwood and R Butcher.

MINUTES SILENCE

At the start of the meeting all Members and Officers stood and observed a minutes silence as a mark of respect to those killed and injured on Westminster Bridge and at Westminster the previous day.

143. DECLARATIONS OF INTEREST

There were no declarations of interest.

144. MINUTES OF THE MEETING ON 5 JANUARY 2017

The minutes of the meeting held on 5 January 2017 were approved as a correct record and signed by the Chairman.

145. INTEGRATED RISK MANAGEMENT PLAN PERFORMANCE TARGETS

The Committee received a report sent out on a late despatch presented by Rick Hylton - Assistant Chief Fire Officer setting out performance against the Integrated Risk Management Plan (IRMP) targets. The report provided updates against a number of standard headings as set out below:

- ‘Accidental Dwelling Fires’ had a figure of 245 which was an increase of 8.4% in the year to date (April to February) compared to the same period last year (equivalent to 19 more accidental fires). These were mainly fires started in kitchens predominantly caused by people becoming distracted while cooking and tended to be relatively minor in nature.

- 'Deliberate Fires' - had increased by 20% in the year to date (April to February) compared to the same period last year showing a figure of 696 which was above the IRMP target. The main areas being deliberate outdoor fires, deliberate motor vehicle fires and an increase in deliberate fires in prisons. The Acting Chairman made reference to the previous report which had highlighted the significant rise in the number of calls to Peterborough Prison. As an oral update it was indicated that deliberate fires in cells had fallen since the withdrawal of privileges by the Prison Governor.

Under the heading 'Fire related Fatalities and Casualties' these had reduced by 9.6% in the year to date (April to February) compared to the same period last year (equivalent to 6 less casualties). 46 had been from accidental fires and 10 were from deliberate fires. 37 out of the 56 occurred in dwellings. *(Post meeting note: The number of fire related fatalities between 01/04/16 and 31/03/17 was 4).*

- 'Accidental Fires in Non Domestic Premises' showed a 10% decrease compared to the same period last year (equivalent of 11 less accidental non-domestic fires)
- 'Automatic Fire Alarms in Non Domestic Premises' – 4.6% decrease in the year to date (April to February) compared to the same period last year (equivalent of 2 AFA incidents per 1,000 non domestic premises less).
- Average attendance times:
 - of the first appliance / pump on scene was in line with the previous call year being 4 seconds faster call year to date.
 - Percentage of first attendance within 18 minutes was in keeping with the previous year, current call year to date was 93.5% compared to 93.4% in the 2015/16 call year.
 - Attendance times for Second Appliance were improved with current call year to date being 21 seconds faster than in the 2015/16 call year.
 - Percentage of second attendances within 25 minutes was in keeping with the previous year, current call year to date being 96.9% compares to 97.0% in the 2015/16 call year.
 - Average attendance times for first appliance to rural incidents had improved, showing 12:1 current call year to date compared to 12:24 in the 2015/16 call year.
 - Average attendance times for second appliance to rural incidents is also improved, showing 15:53 current call year to date versus 2015/16 call year.
 - Average attendance times for first appliances to urban incidents was in keeping with the previous year, current call year to date showing as 08:41 versus 08:40 previous call year.
 - Average attendance time for second appliances to urban incidents was much improved, current call year to date showing as 11:19 compared to 11:40 in the previous call year.

- On Call Availability or BA/ Crew deficient had declined slightly showing 71.5% compared to 74.7% in the 2015/16 call year to date.

It was resolved:

to note the contents of the report.

146. REVIEW OF CAMBRIDGESHIRE FIRE AND RESCUE SERVICE TRANSFORMATION AND EFFICIENCY PROGRAMME (STEP) TRANSFORMATION FUND PROJECT

The Committee received a report on the review findings of the Cambridgeshire Fire and Rescue Service, Transformation and Efficiency Programme (STEP) Transformation Fund Project which had been led by Councillor Jamil.

The objective of the review had been to ascertain if the organisation had achieved the objectives set out in the transformation funding bid to Communities and Local Government (CLG) in 2014. The Service, in collaboration with its partners, was awarded £1.45m to consider alternative delivery of the STEP technology and primarily to deliver an On-Call recruitment process and had a particular focus on Value for Money.

The report set out details of the review objectives, the methodology used and details of the funding objective to develop an ambitious and innovative cloud-based solution to improve the efficiency of On-Call firefighter recruitment. The Transformation Fund bid for the collaboration had three core and one optional deliverable with the review group able to confirm that three out of the four had been delivered namely:

- Creation of a centre of excellence to accelerate development
- A shared development team consisting of specialist skill sets to deliver On-Call recruitment and other On-Call processes
- Development of a United Kingdom Fire Framework (UKFF)* On-Call strand.

In respect of the objective 'Sharing of this process outside of the collaboration through a cloud-based solution' - this was the optional deliverable which had not yet been completed, with work ongoing to engage the fire and rescue community to demonstrate the process and its associated benefits. Following the Westminster Briefing the Service was seeing active interest especially as other Services could choose to take parts of the process e.g. Human Resources, and not the whole process. At the time of writing the report six other services had expressed a firm interest including Suffolk, Cleveland and Durham. In addition, work was ongoing within the collaboration to look at an alternative cloud-based solution as detailed in the report. Having been appraised of the progress against the deliverables, the Review Group investigated further the On-Call recruitment process, as detailed in the report.

The report concluded that the Review Group were satisfied that the evidence available to them demonstrated the achievement of the funding bid objectives. They were further assured that efficiencies were being

delivered in terms of time, effort and value for money as a result of the proactive, leading role being taken by the Service, not only in the collaboration, but across the fire sector. The Review Team were able to confirm that the Service was demonstrating its commitment to recruitment, retention and overall sustainability of the On-Call Service element of the organisation through the developments being pursued.

Highlighted orally was the CFRS Award for Innovation and Improvement awarded to the STEP Development Team for their work and innovation around the introduction of the 'On-Call payment system' and 'On-Call recruitment system' which had saved the Service in the region of £20,000 a year.

An oral update on the efficiencies achieved with the paperless technology indicated savings of 37% per annum and a far higher conversion rate of successful applications using the on-line process compared to the previous paper based system. The issue going forward was continued resourcing of the project as the Government funding was coming to an end.

Having considered the findings of the review group and congratulating all those involved,

It was resolved:

To note the contents of the report.

147. BDO EXTERNAL AUDIT PLAN – AUDIT FOR THE YEAR ENDING 31ST MARCH 2017

Zoe Thompson introduced the External Audit Plan in respect of the audit for the year ending 31st March 2017 which highlighted and explained the key issues which they believed to be relevant to the audit of the financial statements and uses of resources of Cambridgeshire and Peterborough Fire Authority.

Attention was drawn to:

- The Audit scope and objectives as set out on page 4 of their report.
- the Materiality Level of £750,000 based on 2% of prior year gross expenditure and the clearly trivial threshold amount of £15,000 based on 2% of the materiality level as set out on page 5 of their report.
- The key audit risks shown on page 7 relating to 'management override' and 'revenue recognition' which were key risks inherent to all organisations.
- Risk 'Property, plant and equipment valuations' this had been highlighted as a risk due to the amount of assumptions that went into producing the figures.
- Risk 'Changes in presentation of the financial statements' this was a risk area due to the changes being introduced in the Code of

Practice on Local Authority Accounting' in the presentation of the Accounts.

- Risk 'working with partners' as the Policing and Crime Act had recently received royal ascent the external auditors would be reviewing the business case for closer working with the police and any proposed governance model.
- Page 12 – 'fees' – It was confirmed that it was not anticipated that there would be a change to the scale fees.
- Attention was drawn to the revised timetable for the production of the 2017-18 Accounts which would require them to be published by the end of July, instead of the end of September as was currently the case. The Deputy Chief Executive indicated that the Authority was already intending to work to this timetable a year early for the 2016-17 Accounts in order to carry out what was effectively a "dummy run" to identify any issues a year ahead of the statutory deadline requirement for the 2017-18 Accounts.

Questions raised included:

- A Member requested clarification regarding the text regarding 'working with partners' and who was responsible for preparing the business case as the inference was it was the Fire Authority. In response it was clarified that it would be a Police and Crime Commissioner led business case with the Fire Authority having a duty to collaborate. It was this participation the External Auditors would be reviewing. The Police Authority had their own separate external auditors to look at the Police led activity.
- The Chairman made reference to the fraud risk assessment and requested assurance of the measures to counter on-line exposure risk in respect of a potential cyber-attack. The Deputy Chief Executive explained that on a materiality perspective there was not an on-line threat as there were safeguards in terms of fire walls and security systems in place to check what information was coming in and out of the organisation.
- In respect of the changes to the Accounts Template there was a request for more detail on how the template would change. In reply it was indicated that it would better mirror the current Internal Finance Budget statements, with the primary driver being for the Accounts to be easier to read.

It was resolved unanimously to:

Note the External Audit Plan.

148. BDO PLANNING LETTER 2017/18

This letter set out details of the reports and opinions which BDO intended to issue during the course of 2017-18 which were set out as follows:

- Audit Plan – March 2018
- Report on any significant deficiencies in internal controls – July 2018
- Audit Completion Report - July 2018
- Independent Auditor's Report - July 2018 including:
 - Opinion on the Financial Statements
 - Use of resources conclusion
 - Certificate of audit closure
- WGA Assurance statement – July 2018
- Annual Audit Letter August 2018

It was highlighted that BDO's current contract with Cambridgeshire and Peterborough Fire Authority was due to end after the 2017/18 audit and that a replacement auditor would be required to be appointed by 31st December 2017.

It was resolved:

To note BDO's Planning letter for 2017-18.

149. INTERNAL AUDIT PROGRESS REPORT

The Chairman agreed to take this report under his Chairman's discretionary powers as it not been available at the time of the original despatch and had not been listed on the agenda.

The report presented by Suzanne Lane from RSM provided details on the Audit Plan progress and included a table informing the Committee of the Audit assignments that had been completed and the impacts of those findings since the last Overview and Scrutiny Committee. Two additional reports had been finalised since the production of the report, both with positive assurance. As an oral update it was indicated that the following three assignments:

- Risk Management – In Quality Assurance
- Property Maintenance
- Integrated Risk Management Planning Framework

would be reported to the next Committee meeting.

It was resolved:

To note the report.

150. INTERNAL AUDIT STRATEGY 2017-18

The Internal Audit Plan was based on analysing the corporate objectives, risk profiles and assurance framework along with other factors affecting Cambridgeshire and Peterborough Fire Authority for the year ahead, including changes within the sector.

The three emerging risks identified were:

- The Policing and Crime Act 2017 in place from 31 January 2017 introducing a number of measures including giving police and crime

commissioners the option of taking on responsibility for the governance of local fire and rescue services and placing a duty for emergency services to explore collaboration opportunities to improve effectiveness or efficiency. Within Cambridgeshire the impact of this was currently being reviewed to identify the best options, and had been included as part of Internal Audit's Governance review within the 2017/18 Audit Plan.

- Cyber risk had been included in the audit plan for 2016/17 and depending on the outcome of this review, further work might be required within 2017/18.
- There are significant changes in the requirements of Data Protection as a result of the 2016 Major Overhaul of European Union Data Protection laws. A significant amount of work had been completed in this area and while management did not require assurance at the present time, it would be kept under review.

Paragraph 2.3 pages 37-39 set out the levels of assurance given to date.

Paragraph 2.4 titled 'How the plan links to your strategic objectives' set out the following key audit areas with text indicating the rationale for their inclusion or exclusion within the strategy:

- Asset Management System –originally planned for 2016-17 but system implementation had been delayed and was therefore now planned in 2017-18.
- Governance - Transition
- Inspectorate Reviews Advisory
- Data Protection.

As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also included time for tracking the implementation of actions and an audit management allocation. Full details of these were included in the appendices. (Appendix A provided details of the Internal Audit Plan for 2017-18 with Appendix B setting out the Internal Audit Strategy for 2016/17 – 2018/19)

In respect of Section 3 titled 'Your Internal Audit Service' it was highlighted that under the Public Sector Internal Audit Standards (PSIAS) Internal Audit were required to be the subject of an external quality assessment every five years. As highlighted in the detail on page 42 of the agenda, the RSM Risk Assurances Services LLP had received substantial assurance.

The Chairman raised a question regarding how the business case from the Police and Crime Commissioner (P&CC) would be reviewed. In response, it was stated that there would need to be a formal review of the Governing Body and therefore both the Fire Authority and the Police Authority would receive a similar report.

As set out on page 43 of the agenda in approving the internal audit strategy, the Committee was required to confirm assurance in four areas. Having discussed and considered each of the four assurance requirements:

It was unanimously resolved that:

- a) The overview and scrutiny committee was satisfied that sufficient assurances were being received within the annual plan (as set out at appendix A) to monitor the organisation's risk profile effectively.
- b) The strategy for internal audit (as set out at appendix B) covered the organisation's key risks as they are recognised by the overview and scrutiny committee
- c) The areas selected for coverage this coming year were appropriate.
- d) The Overview and Scrutiny Committee is content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit.

151. DRAFT ANNUAL GOVERNANCE STATEMENT 2016/17

Members received the draft Annual Governance Statement (AGS) for 2016-17 for scrutiny and comment. The Statement complemented reports already seen by the Committee during the year. It was produced using the CIPFA / SOLACE framework which provides a structure on how local authorities approach governance with the detail of what was required and the expectations of what needed be followed, listed in paragraphs 5.3 and 5.4 of the officers' report.

Attention was drawn to the top of page 57 with reference to the system of internal control setting out what changes had been made. Page 58 highlighted that following the review of the effectiveness of the governance framework, a plan to address weaknesses and ensure continuous improvement were in place. Page 58 listed the actions to be taken to deal with the governance issues identified.

During discussion:

- one Member asked for details in respect of how the new Fire Inspectorate regime compared with the previous system. Another member queried whether the new inspection regime would add another layer of bureaucracy. In response, the Chief Fire Officer explained that the new regime would be far more resource intensive with a week of evidence based inspection which would take place sometime in the next two years. He cautioned that there would need to a balancing act between the requirements of satisfying the inspectorate, with ensuring a continued high level of service to the public. The challenge would be to ensure that the inspectorate process added value.
- One Member asked whether the officers believed the Fire Service was doing a good job, and if so, why the new inspection regime was needed. In response it was highlighted that nationally the re-organisation of the Fire and Rescue Service and the initiatives undertaken had been successful in driving down the number of fires and accidents in homes. The Government however believed that there needed to be a system beyond self-assurance, in order to

receive independent confirmation that the best and most cost effective service possible was being provided to the public.

It was resolved:

To note the Draft Annual Governance Statement attached at Appendix 1 to the report.

152. OVERVIEW AND SCRUTINY WORK PROGRAMME

It had not been possible to provide a written work programme in time for the meeting, but discussions between the Chief Fire Officer and the Chairman had identified potential areas for the Committee to scrutinise and review. It was suggested that effort was concentrated on three to four areas in detail. The proposals were:

- Aerial Review – this would look at where appliances were required in terms of their location and number in the future. This would be a high cost area.
- Employee Engagement Action Plan
- Approach to Recruitment - in line with the Thomas Review recommendations and particularly the need to improve recruitment from the Black, Asian and other ethnic minority (BAME) communities and improving promotion opportunities for female firefighters.
- Safe and Well Visits – the Service had a successful track record in this area, but needed to target resources going forward.
- Collaboration Work – Interoperability Board – there was already a programme of work which the Committee might wish to review. It was explained that this was an Officer board which had been up and running for six months with all three blue light services represented, which in itself was unique. Its work involved seeking opportunities for collaboration in areas such as operations / sharing vehicles.

After discussion and at the suggestion of the Chairman and with the full support of the other Members of the Committee present,

It was resolved:

- a) That the following areas should be reviewed ranked in descending order:
 - 1) Aerial Review
 - 2) Collaboration Work
 - 3) Approach to Recruitment
 - 4) Employee Engagement
- b) Should there be capacity later in the year, then Safe and Well Visits should be added as a fifth review area, or if not, it should be added to the following year's programme.

CHAIRMAN