

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
Held in the Oak Room, Headquarters, Shrewsbury
On Thursday, 11 April 2019 at 2.00 pm**

**Present
Members**

Councillors Adams, Hosken, Mellings (Vice-Chair) and Sahota (Chair)

Officers

Rod Hammerton	Chief Fire Officer	CFO
James Walton	Treasurer	
Joanne Coadey	Head of Finance	HoF
Ged Edwards	Planning, Performance and Communications Manager	PPCM
Simon Hardiman	Head of Operations and Risk	HOR
Neil Griffiths	Group Manager	GM
Lynn Ince	Executive Support Officer	ESO

External Bodies

Mr Jones	Grant Thornton, External Audit
Mr Rowley	Grant Thornton, External Audit
Ms Pilawski	Audit Services, Shropshire Council

1 Apologies for Absence

Councillors Milner and Price. Councillor Pinter did not attend the meeting.
Deputy Chief Fire Officer Andy Johnson
Assistant Chief Fire Officer Dave Myers

2 Disclosable Pecuniary Interests

None

3 Public Questions

None

4 Minutes

Resolved that the Committee agree the minutes of the Audit and Performance Management Committee meeting, held on 6 December 2018, and that the Chair sign them as a correct record.

5 Committee Terms of Reference

This report asked Members to consider the Terms of Reference of the Audit and Performance Management Committee, following the annual review conducted by officers.

Resolved that the Committee having reviewed its Terms of Reference, as set out at the Appendix to the report, do not recommend any necessary amendments to the Fire Authority for approval.

6 Review of Member Role Descriptions

This report asked Members to review the Role Descriptions for the Chair and Vice-Chair of the Audit and Performance Management Committee and for the Member Champion for Risk Management and Audit.

Resolved that the Committee agreed, without amendment, the Role Descriptions for the Chair and Vice-Chair of the Audit and Performance Management Committee and for the Member Champion for Risk Management and Audit, as set out in the appendices to the report.

7 Code of Corporate Governance 2018/19

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2018/19 prior to its going forward to the full Fire Authority for consideration and formal adoption.

The PPCM presented this report and advised that only minor amendments had been made to the Code of Corporate Governance for 2018/19. These include, for example, amendments to reflect changes in partnership working and closer working with Hereford & Worcester Fire and Rescue Service.

The Code has been reviewed by Internal Audit to ensure that it complies with CIPFA and SOLACE guidance. Internal Audit have graded the Code as good and have highlighted a couple of minor issues that need amendment. The Code of Corporate Governance will be taken to the Fire Authority meeting in June for formal adoption.

Resolved that the Committee

- a) Make comment on the draft Code of Corporate Governance 2018/19, attached at the Appendix to the report; and
- b) Forward the draft Code, without amendment, to the Fire Authority for consideration and formal adoption.

8 External Audit

8a The Audit Plan

This paper set out an overview of the planned scope and timing of the external audit, as required by International Standard on Auditing (UK & Ireland) 260.

Mr Jones presented this report and highlighted various issues to the Committee. This included

- The reduction in audit fees for the year
- The key factors that will impact on the audit as set out on page 4 of the report
- As set out page 6 of the report, there are two significant risks that have been identified: valuation of land of buildings and valuation of the pension fund net liabilities which relate to the 'big numbers' in the accounts.
- The issue of materiality as explained on page 8 of the report
- There are currently no significant risks identified in relation to Value for Money (page 9 of report) due to the Authority's good track record in this area.

Referring to the issue of 'going concern', as set out on page 7 of the report, Members asked if this was a risk for the Authority. Mr Jones explained that this was not considered a significant risk for the Authority but the Audit Team will have an eye on this when considering the final accounts.

The Committee asked if the movement of the HR/payroll system had been good, smooth and efficient. Mr Rowley replied that no issues had been identified at present but there will be further testing of the systems before the final accounts are produced.

Resolved that the Committee note the report.

8b Informing the Audit Risk Assessment

This report contributed towards the effective two-way communication between external auditors and the Audit and Performance Management Committee, as those 'charged with governance'. The report covered some important areas of the auditor risk assessment, where external audit are required to make enquiries of the Committee under auditing standards.

Mr Jones presented this report and explained that it covers the five areas of control that the Audit Team consider as part of the auditor risk assessment. The report sets out a series of questions and management responses for the Committee to consider.

Resolved that the Committee note the report.

9 Statement of Accounts 2018/19 Review of Accounting Policies

This report presented the accounting policies to be used in the production of the Fire Authority's Statement of Accounts 2018/19, for consideration and approval.

The HoF presented this report and informed the Committee that the only changes to the Statement of Accounting Policies are related to dates. New accounting standards have been introduced but these are not considered material for this authority.

Resolved that the Committee approve the accounting policies, prior to the presentation of the Statement of Accounts 2018/19 in July 2019.

10 Annual Governance Statement Improvement Plan 2018/19

This report summarised the progress made to date against the improvements contained in the Annual Governance Statement (AGS) Improvement Plan 2018/19.

The PPCM presented this report and talked through each of the improvement areas in the plan, highlighting the following issues:

- **Shift Changes**
The HHRA advised that the Collective Agreement has been viewed by the Fire Brigades Union Executive Council who are predominantly in agreement with it but have raised a couple of points for clarification. These have been addressed and the Equality Impact Assessment has been refreshed and will be submitted to the FBU. It is hoped that the Collective Agreement will then be signed within the next couple of months.

The HOR advised that work on the Fire Control Collective Agreement is ongoing. The points raised in relation to the Wholetime Collective Agreement have been picked up and will be incorporated.
- The Retained Sustainability Project is a long term project and will be carried forward into next year's Improvement Plan.
- Officers are looking to improve the functionality of the MDTs and this will go forward to next year's Improvement Plan.
- A report on the Standard Test and Reporting System (STARs) will be taken to Service Transformation Board, after which a more detailed update will be provided.

- The focus of the Systems / Infrastructure area of review has been the transfer of the HR / Payroll system. This has been very successful apart from some minor function issues which have been addressed. The focus going forward will be on electronic payments
- Staff consultation is being undertaken on the Telford Central project so that the design team can work up proposals. An updated Project Plan will be taken to the Board meeting in May.
- The chassis for the Incident Command vehicle is being built but progress has been affected by delays in production. It is now expected that delivery will be between May and June. There are no extra costs associated with the late delivery.

Members asked what the life expectancy of the vehicle was given that it was being specially built. The CFO responded that it is between 10 -15 years but possible more up to 20 years.

Members asked what issues were anticipated for inclusion in the 2019/20 Improvement Plan. The PPCM explained that officers are just about to start this work for 2019/20.

The Committee queried why the start date for the Telford Central project was 12 months away when work had started on the project in early 2019/20. The PPCM explained that there has been some slippage on the project which has been related to getting experts in place as well as procurement processes and legal issues. Architects and a Technical Manager have now been appointed and indications are that the 'spade in ground' stage will be reached in May next year. The CFO added that the Service is only just getting into the project itself. Decisions such as will it be a design and build project still need to be resolved but there is nothing currently standing in the way of the project.

Resolved that the Committee note the progress made against each of the improvements contained in the Annual Governance Statement Improvement Plan 2018/19.

11 Corporate Risk Management Summary

This report updated Members on the status of risks on the Corporate Risk Register.

Members noted that there were several references in Appendix B to the Alliance Board considering and agreeing recommendations. They queried if this has happened and how the decisions made would be reported back to this Authority. The CFO explained that the decisions will come to the Fire Authority if they involve substantial capital expenditure but any such decisions are a long way off at present.

Members then referred to the governance changes and the associated challenge to long-term planning which has led to the formation of the Strategic Alliance to bridge the gap and enable decisions to be made. This issue is still having impacts for the Fire Authority, for example with regard to succession planning, and it is still a 'known unknown'. Currently forecasting is being undertaken to provide options for the future rather than to make decisions.

Resolved that the Committee note the contents of the report

12 Performance Monitoring

12a Summary of Annual Performance against Service Targets

This report summarised performance against the Service Targets over the last year, the learning that has come from trying to meet them and the plans for continuing to do so. The report also included national comparator graphs for benchmarking where possible.

The CFO presented this report and explained that the 5 year reduction on service targets is continuing but there are diminishing returns on performance. The CFO also explained that there was a caveat on benchmarking and used the analogy of 'comparing apples with apples'. The following points were raised in the discussion of the report.

- **Response**
There has been only a 3% failure to meet the self-imposed Response targets rather than a failure in the service. Members commented that the Service needs to look at this target over the 5 years and see what lessons can be learnt in relation to it.
- **Accidental Primary Fires (APFs)**
There has been a failure to meet the APFs target this year. It is difficult to predict performance for next year but this year's failure has prompted the Service investigate its performance further. 'Primary fires' are defined as any fires that involve the loss of property including cars etc. There has been a fluctuation in vehicle fires and currently no particular prevention activities are undertaken in relation to this. The Service does undertake work on abandoned vehicles, where rates of fires can be affected by changes in scrap values.
- **Accidental Dwelling Fires (ADFs)**
This is a very challenging target which was set by the previous CFO (John Redmond). Officers think that the target is achievable if work continues as it is, especially following the change in ADF strategy. The Service's overall ambition of significant reductions in ADFs in built up areas has been achieved.

Members queried what was happening with the Wellington area where the levels of ADFs have remained consistent. The CFO explained that this area is considered to be slightly lower risk anyway but resourcing for the area will need to be looked at going forward.

Members asked why comparisons were being made between this Service and for example, Northumberland and Cumbria. The CFO explained that this is because those Services look very similar to this Service.

As shown on page 11 of the report, there has been a reduction in the number of ADFs but a levelling out in numbers nationally, is starting to be seen. This has raised the possibility that a new 'norm' may have been reached for ADFs which the Service will need to maintain.

Members asked if there had been any risk to life caused by the Service not reaching this target. The CFO explained that it could, on a mass scale, correlate to a risk to life but the levels of fire deaths and serious injuries for this Service are incredibly low. A plateau effect is being seen but it is not yet clear if this is a residual outcome of the Service's work to reduce ADFs as fires are happening where the Service is targeting.

Members asked if the Service's risk information is up to date. The GM confirmed that it is and that this information is strengthened by the skills of the Fire Control operators in gaining extra information from the caller, as well as the knowledge of local firefighters.

- **Deliberate fires**
There have been quite a lot of successful prosecutions of arsonists with work in this area being led by the Fire Crime Officer.
- **Firefighter Injuries**
Performance against this target is measured as a corporate indicator as if there were major issues in this area there would be more health and safety involvement to address the causes.
- **Fires confined to room of origin**
This is the highest level strategic indicator of the Service's performance. Each incident is reviewed in depth in relation to this indicator and this has revealed some anomalies which are being investigated further.

Response Standards Presentation

The Head of Operations and Risk (HOR) gave a presentation on the following 2018/19 Service Target:

The first fire engine will arrive at an emergency incident with at least 4 firefighters within 15 minutes on 89% of occasions.

Members asked why the figure for England has remained static. The HOR explained that this is because the figure includes the metropolitan brigades.

Members asked if the increase in rural areas was in certain areas of the county. The HOR explained that it is evenly spread across the county.

The HOR explained that work will be undertaken on the data sets to provide an understanding of the incident types and the Service's response for example automatic fire alarms.

The CFO commented that work was needed 'to sort the wheat from the chaff'. Performance against this indicator is also affected by ratios. There is a doughnut effect where there are marginally more fires but the effect of taking the middle out makes figures worse.

Resolved that the Committee note the report.

12b Wholetime and On Call (Retained Duty System) Performance Monitoring October to December 2018

This report provided information regarding the ongoing performance and management in terms of the availability of Wholetime and On Call (Retained Duty System) appliances in Shropshire.

The Group Manager presented this report and particularly highlighted the Station Specific Performance section of the report which set out the recent issues at Prees and the action that has been taken in response to those issues. Members commented that it was unusual to see Prees on the list of stations with reduced performance but this showed the effect of changes in the community and highlighted potential issues for other communities going forward.

Members asked whether there had been any newspaper coverage related to the On Call recruitment campaign. The GM explained that the Service is in touch with local media and recruitment is incorporated into coverage of other issues such as the recent Service exercise at Ironbridge Power Station. The Service will also be on BBC Radio Shropshire tomorrow (12 April) to discuss On Call recruitment. Some response is being seen from media coverage but there are still some areas which are struggling.

The CFO added that whilst this Service has performed well in on call recruitment and does undertake innovative practices, it cannot rest on its laurels as it is starting to see effects that already being experienced by other fire and rescue services.

Resolved that the Committee note the contents of the report.

12c Service Targets 2019/20

This report presented the proposed Service Targets for 2019/20.

The CFO presented this report and explained that the target setting had continued to follow the 5% year-on-year reduction from 2015 to 2020 in order to enable a full five year picture to be obtained. The CFO also reminded the Committee that the Integrated Risk Management Plan had now been extended to 2021 instead of 2020 so there will be a gap year within the targets.

Resolved that the Committee note the Service targets for 2019/20.

13 Exclusion of Press and Public

Resolved that the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972.

14 Corporate Risk Management Summary (Paragraph 4)

The Committee received Appendix C to Report 11 – Corporate Risk Management Summary, which contained exempt information.

Resolved that the Committee note the exempt appendix to report 8.

The meeting closed at 3.35 pm

Chair

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