

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 27 September 2013 at 2.00 pm**

Members

Councillors Adams (from 2.10 pm) Bennett, Mrs Bould, Dr Jones (Chair) and Mellings (Vice-Chair)

Officers

Chief Fire Officer, Assistant Chief Fire Officer (Corporate Services), Assistant Chief Fire Officer (Service Delivery), Head of Finance, Planning and Performance Manager, Resources Manager, Shropshire Rural Performance Group Commander (for item 13c) and Corporate Support Manager

External Bodies

Mr Patterson (Grant Thornton, External Audit)

Mrs Hall and Mr Chadderton (Audit Services, Shropshire Council) for items 1 to 12

The Chair welcomed Mr Patterson from External Audit and Mrs Hall and Mr Chadderton from Internal Audit, who were attending the meeting to present reports.

The Chair advised that it had been necessary to postpone the meeting of the Committee, scheduled to take place on 5 September, as there had been insufficient Members to make up a quorum. She apologised to officers for the additional work, which this had created, and emphasised to Members the importance of attending meetings on the scheduled dates.

1 Apologies for Absence

Apologies for absence have been received from Councillors Hurst-Knight and Kiernan.

2 Disclosable Pecuniary Interests

The Chair reminded Members that they must not participate in the discussion or voting on any matter, in which they had a Disclosable Pecuniary Interest, and that they should leave the room prior to the commencement of the debate.

No Disclosable Pecuniary Interests were declared.

3 Minutes

It was proposed by Councillor Mellings, seconded by Councillor Mrs Bould and, on a vote with one abstention from Councillor Bennett, who had not been present at the meeting,

Resolved that Members agree the minutes of the Audit and Performance Management Committee meeting, held on 6 June 2013, and that they be signed by the Chair as a correct record

4 Public Questions

No questions, statements or petitions had been received from members of the public.

5 Committee Constitution and Training

This report brought the latest version of the Committee's constitution to the notice of its Members. It also brought Members up-to-date on training issues and asked them to consider what should be the subject of the next training session.

The Corporate Support Manager reported that the Fire Authority had recently subscribed to the CIPFA Better Governance Forum, which enabled Authority Members and officers to access all materials on the Forum website, including Audit Committee Update bulletins. As the bulletins were copyright, they could not be circulated with the rest of the Committee papers but they could be used as the basis for development sessions, held in private. She undertook to provide Members with details to access the Forum website.

The Chair asked the Committee for its views on training. Councillor Mellings stated that the bulletins covered some interesting areas and that it would be very helpful for the Committee to consider them in an informal group after each meeting. Councillor Bennett, as a newcomer to the Committee, felt that, for the assurance of the Fire Authority, a note should be made of the training, which he had received elsewhere. The Corporate Support Manager suggested that officers carry out a gap analysis of the training needs of new Members and offer training accordingly. This would also be offered as a refresher to other Members.

Councillor Adams arrived at this point (2.10 pm).

A discussion took place about co-ordinating training with the constituent authorities. The Assistant Chief Fire Officer (Corporate Services) advised that, although this had been attempted in the past and had proved problematic, she would look into it again.

Councillor Mellings said that value for money was one of the themes, which the Committee had not covered and which would be useful to consider in depth. Members agreed that this should be the subject of the next training session.

The Chair asked if any training would be necessary in order to scrutinise the company, which had recently been set up by the Fire Authority. The Corporate Support Manager responded that a clear separation should be maintained between the two bodies. As the Company would be bringing reports to the Committee, she suggested that it would be at that stage that the Committee would need to consider whether it required any training to interpret those reports. Councillor Bennett felt that the best approach would be to look at how the company was doing in a broad sense and enable it to build up its own performance indicators.

It was proposed by Councillor Bennett, seconded by Councillor Mellings and, on a vote with all in favour,

Resolved that the Committee:

- a) Note the constitution of the Audit and Performance Management Committee (attached as an appendix to the report);
- b) Agree that value for money should be the subject of the next training session; and
- c) Agree to use Better Governance Forum bulletins as a basis for further development sessions to be held after Committee meetings

6 Statement of Accounts 2012/13

This report presented to the Committee the completed Statement of Accounts for 2012/13 for consideration and approval. As the Statement was in excess of 70 pages a hard copy had not been included with the meeting papers but could be accessed on the Fire Authority's website.

The Head of Finance advised that there was an error in the report on page 1 of Appendix B: the figure, given under the heading 'Pension Liability', should have read -20,630, not, -20.63.

Councillor Mellings asked whether there were any ongoing implications regarding overspends and underspends, shown at page 4 of the Statement of Accounts. The Head of Finance replied that the major underspends were £300k in respect of the retained service and £827k relating to pay and prices. The former was a one-off issue, which was being monitored; and the latter would be reviewed and a report taken to the Strategy and Resources Committee in November, recommending adjustment to the pay and prices budget.

Referring to Appendix B to the report, Councillor Mellings commented that there had been significant movements in investments held. The Head of Finance advised that these had occurred, because there were significant cash balances from the previous year, which had been moved into reserves. Councillor Bennett stated that he was comforted that the Fire Authority had a reasonable level of reserves in view of the volatility of pressures, which the Authority was now facing.

Councillor Mellings asked whether, in addition to inflation proofing, officers were also looking for savings in the budget.

The Head of Finance replied that officers would be modelling various assumptions, particularly relating to pay and prices, as this formed the largest element of the budget.

It was proposed by Councillor Mellings, seconded by Councillor Bennett and, on a vote with all in favour,

Resolved that the Committee:

- a) Approve the Statement of Accounts 2012/13 (subject to final auditor amendment), subject to the incorporation of the Annual Governance Statement; and
- b) Delegate final amendments following completion of the audit to the Head of Finance, in consultation with the Chair of the Committee

7 External Audit Annual Governance Report 2012/13

Mr Patterson from Grant Thornton, External Audit presented the Audit Findings Report on the audit for the year ended 31 March 2013. He advised that External Audit had given an unqualified opinion on the Statement of Accounts and unqualified value for money conclusion. The only outstanding matters were the signing of the Letter of Representation and inclusion of the final Annual Governance Statement, once agreed by the Committee, in the Statement of Accounts.

He pointed out that the Committee would need to make a decision on management's treatment and recognition of one non-trivial misstatement, set out at page 12 of his report, which related to the depreciation policy for Shrewsbury and Telford Central fire stations. Depreciation of these premises would not be included in the 2012/13 Statement of Accounts, because of the knock-on effect that this would have throughout the accounts. A depreciation sum of £131k would, however, go through to next year's accounts, which would result in a green, rather than the current amber, assessment at page 14 of his report.

Finally, referring to the value for money conclusion, Mr Patterson stated that the Fire Authority continued to be a well-managed Authority, which had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Chair thanked Mr Patterson and officers of the Authority for all of their hard work.

It was proposed by Councillor Bennett, seconded by Councillor Mellings and, on a vote with all in favour,

Resolved that the Committee:

- a) Approve management's proposed treatment and recognition of the one non-trivial misstatement and the associated disclosure within the Letter of Representation; and
- b) Formally adopt the Annual Governance Report 2012/13

Committee Clerk's Note

Following the meeting, the Committee Chair, Chief Fire Officer and Treasurer (in accordance with the authority delegated to them by the Fire Authority at its meeting on 13 February 2012) signed the Letter of Representation for the year ended 31 March 2013, as required by External Audit.

8 Annual Governance Statement 2012/13 and Improvement Plan 2013/14

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2012/13 and AGS Improvement Plan 2013/14 to be included in the Fire Authority's Statement of Accounts; and it also detailed progress on the 2012/13 Improvement Plan.

Councillor Mellings commented that it would be useful for the Committee to receive information regarding the outcomes and financial implications of projects within the Service Transformation Programme to give Members a better understanding. The Planning and Performance Manager undertook to provide this information.

It was proposed by Councillor Mellings, seconded by Councillor Bennett and, on a vote with all in favour,

Resolved that the Committee:

- a) Note the progress made on the 2012/13 Improvement Plan;
- b) Agree to close the 2012/13 Improvement Plan, carrying forward any outstanding issues to the 2013/14 Improvement Plan; and
- c) Agree the Annual Governance Statement and 2013/14 Improvement Plan for inclusion in the 2012/13 Statement of Accounts

9 Code of Corporate Governance 2013/14

This report gave the Committee an opportunity to make comment on the draft Code of Corporate Governance 2013/14, prior to its going forward to the full Fire Authority for consideration and formal adoption.

The Chair pointed out that there was an error in the final paragraph in bold italics on page 4: the word 'will' had been omitted in the final sentence.

Subject to the above amendment, it was proposed by Councillor Bennett, seconded by Councillor Adams and, on a vote with all in favour,

Resolved that the Committee forward the draft Code without further amendment to the Fire Authority for consideration and formal adoption

10 Internal Audit Report on Compliance with the Code of Corporate Governance 2012/13

Mrs Hall from Audit Services, Shropshire Council presented this report, which set out the findings from her review of corporate governance within the Fire Authority. She said that there were no recommendations arising from the audit and that the assurance opinion was 'good'.

It was proposed by Councillor Bennett, seconded by Councillor Mellings and, on a vote with all in favour,

Resolved that the Committee note the report

11 Risk Management Group Internal Audit Progress Monitoring Report

This report provided an update on the monitoring of recommendations made by Internal Audit, which was undertaken by the Risk Management Group.

Referring to the table on page 3 of the report, Councillor Mellings said that he appreciated that a number of recommendations remained live for some time. He wondered, however, what the age profile was of the 29 and 35 recommendations, which were still outstanding. The Programme and Performance Manager replied that they were all two years or less.

It was proposed by Councillor Bennett, seconded by Councillor Mrs Bould and, on a vote with all in favour,

Resolved that the Committee note:

- a) The progress that had been made against the outstanding recommendations; and
- b) That the Risk Management Group would continue to monitor progress against all recommendations, reporting to the Committee on a regular basis

12 Public Value Review Update

This report provided a summary of progress against the agreed outcomes, as set out within the Fire Authority's Public Value review undertaken in 2010.

The Assistant Chief Fire Officer (Corporate Services) emphasised the significant savings of £297k, which had been made through cessation of permanent crewing of the aerial ladder platform.

Councillor Adams asked about overspend in the building budget. The Resources Manager replied that it had occurred, because of late billing on previous works and the cost of repairing the types of defects at various premises. Going forward the intention was to smooth out such spending through the creation of a specific reserve.

Referring to the changes made in crewing of the aerial ladder platform, Councillor Mellings asked whether there was any update on how this was working, as it had been implemented in the previous financial year.

The Chief Fire Officer responded that some evaluation had been carried out, which indicated that the change did not appear to be having any impact on the Service's activity. This was not unexpected, as it was not used frequently. A slight variation in the process had been made to improve its use but a formal assessment would be carried out in due course.

It was noted that the issue of the rescue tender would be considered in the New Year, as part of the 2020 / Integrated Risk Management Planning process.

It was proposed by Councillor Bennett, seconded by Councillor Mellings and, on a vote with all in favour,

Resolved that the Committee note progress to date

At this point (2.55 pm) Mrs Hall and Mr Chadderton from Audit Services, Shropshire Council left the meeting.

13 Performance Monitoring

13a Customer Satisfaction and Value for Money Reporting

This report advised of proposed changes in the collection and reporting of customer satisfaction data and asked the Committee to consider whether it should receive reports on value for money annually, following Integrated Risk Management Planning public and business consultation.

Councillor Bennett asked whether questionnaires would be sent out electronically in future, as this was a more efficient way of working. He also asked whether officers were expecting to see responses to questionnaires, indicating a lower level of quality, given that over the next four to five years the organisation would only be able to afford to provide a certain level of service. If that were the case, where would the line be drawn, below which quality would not drop.

The Resources Manager responded that it might not be appropriate in certain circumstances, because of the sensitivities involved, to issue a questionnaire electronically. The Service currently issued an 'after the incident' booklet, in which a link could be included for the public to respond, if they wished. As far a level of service was concerned, this was a significant decision to be made by the Fire Authority in February 2014, following the 2020 consultation. Officers would provide information on the impact on quality of service but Members would have to find a balance, when making their decisions.

A discussion took place about access to electronic questionnaires, particularly within hard-to-reach groups. Officers recognised that this was an issue and were exploring other means of communicating with these groups. The aim was, however, to capture the largest amount of data with the minimum of resource.

It was proposed by Councillor Mellings, seconded by Councillor Bennett and, on a vote with all in favour,

Resolved that the Committee agree:

- a) The proposed changes in the reporting of customer satisfaction data; and
- b) That the Committee should receive reports on value for money annually, following Integrated risk Management Planning public and business consultation.

13b Public Value Performance Measures 2013/14 Quarter 1 Performance April to June 2013

This report presented a summary of the Service's performance for first quarter of 2013/14 (April to June), as recorded against the Public Value performance measures, set out in 2013/14 Service Plan.

Referring to measure 1b: 'the first fire engine will arrive with a minimum competent crew on 100% of occasions', the Assistant Chief Fire Officer (Corporate Services) reported that the Service had achieved 98.4%, as opposed to the target of 100%. Operational staff were required to have medicals every three years but this had not occurred because of administrative difficulties with the Service's occupation health providers. Since July, however, measures had been put in place, which appeared to have addressed the problem.

Councillor Mellings asked what was being done to drive down the figures for measure 3a: 'fire related deaths and serious injuries in the community will be maintained to not more than 33 during 2012/13'. The Chief Fire Officer reported that officers were targeting specific, high-risk groups. Work was ongoing with housing associations, with whom members of staff had been embedded, and the Service was working closely with the Women's Institute, arson and fire crime reduction teams and the Police.

It was proposed by Councillor Bennett, seconded by Councillor Mrs Bould and, on a vote with all in favour,

Resolved that the Committee note the report's contents regarding the first quarter's performance (April to June 2013)

13c Retained Duty System Performance Monitoring April to June 2012

This report provided information regarding the ongoing performance and management of the Retained Duty System in Shropshire.

A discussion took place about the difficulty in recruiting retained duty system staff in certain areas. Members noted that, even when staff had been recruited, there were a number of hurdles, which they needed to negotiate, before becoming fully competent. Although full support was given, some recruits did fail.

The Shropshire Rural Performance Group Commander advised that officers continued to explore a variety of means of recruiting to improve the situation.

It was proposed by Councillor Bennett, seconded by Councillor Mellings and, on a vote with all in favour,

Resolved that the Committee note the contents of the report

The meeting closed at 3.25 pm.

Chair.....

Date.....