



Buckinghamshire & Milton Keynes Fire Authority

Minutes of the Meeting of the OVERVIEW AND AUDIT COMMITTEE of the BUCKINGHAMSHIRE AND MILTON KEYNES FIRE AUTHORITY held on WEDNESDAY 20 JULY 2022 at 10.00 AM.

Present: Councillors Adoh, Bagge, Carroll, Chapple OBE, Darlington, Exon, Hussain, Stuchbury and Waite

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming (Director of Finance and Assets), M Hussey (Principal Accountant), C Bell (Head of Protection, Assurance and Development), A Carter (Head of Technology, Transformation and PMO), K Nellist (Democratic Services Officer) and S Gowanlock (Corporate Planning Manager)

Remotely: S Harlock (Internal Audit Manager, Buckinghamshire Council), A Prestige (Internal Audit, Buckinghamshire Council), A Hussain (Deputy Director of Finance and Assets) and A Stunell (Head of Human Resources)

Apologies: None.

The Vice Chairman, Councillor Hussain, welcomed Members to the Overview and Audit Committee Meeting of the Buckinghamshire & Milton Keynes Fire Authority and advised that although members of the public were allowed to attend and observe in limited numbers, the meeting was being recorded and a copy would be uploaded onto the Authority's YouTube channel.

<https://www.youtube.com/channel/UCWmIXPWAscxpL3vIiv7bh1Q>

The Vice Chairman also welcomed Councillor Adoh who had been nominated by Councillor Rouse to act as a substitute at today's meeting. Councillor Adoh was appointed as a new Member onto the Authority by Buckinghamshire Council on 14 July in place of Councillor Irwin.

OA01 ELECTION OF CHAIRMAN

(Councillor Hussain in the Chair)

It was proposed and seconded that Councillor Carroll be elected Chairman of the Committee for 2022/23.

RESOLVED –

That Councillor Carroll be elected as Chairman of the Committee for 2022/23.
(Councillor Carroll in the Chair)

OA02 APPOINTMENT OF VICE CHAIRMAN

It was proposed and seconded that Councillor Hussain be appointed Vice Chairman of the Committee for 2022/23.

RESOLVED –

That Councillor Hussain be appointed Vice Chairman of the Committee for 2022/23.

OA03 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 16 March 2022, be approved, and signed by the Chairman as a correct record.

OA04 MATTERS ARISING FROM THE PREVIOUS MEETING

None.

OA05 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

OA06 QUESTIONS

A Member asked about an incident that had taken place in Milton Keynes the day before, a large fire that involved houses and a children's nursery. The fire had taken a long time to get under control and the Member wanted to know if there had been the right number of appliances able to respond in a timely way.

The Deputy Chief Fire Officer advised that he was in the process of putting together a full briefing regarding all the incidents that had taken place during yesterday's extremely hot weather, and it would be sent to Members today. There were two simultaneous major incidents declared, plus three other significant fires and two road traffic collisions. Nationally the country was very stretched, but the Service's crews coped magnificently with what they had and did a phenomenal job. The Milton Keynes incident was brought under control quite rapidly from what they were presented with when they arrived. The crews were assisted by our partners at Thames Valley Police, South Central Ambulance Service, Milton Keynes Council and the water company.

Members asked to put on record their thanks for the hard work of all firefighters and staff working yesterday.

OA06 RIPA POLICY (MINUTE OA39 – 090316)

The Director of Legal and Governance advised Members that the Authority was the enforcing authority investigating potential breaches of fire safety legislation and confirmed that in the last reporting period, no covert surveillance under the Regulation Investigatory Powers Act 2000 had been undertaken.

RESOLVED –

To note that there had been no covert surveillance conducted by officers since the last meeting of the Committee.

OA07 INTERNAL AUDIT REPORT - FINAL AUDIT REPORTS

The Internal Audit Manager advised Members that this report was the finalised internal audit report for the Asset Management System processing mapping review. A finding in the 2020/21 Asset Management System audit found some processes were not documented, and this work was undertaken to map those processes. From the work undertaken, there were eight new recommendations to help further improve the control framework.

Work was being progressed to ensure that the approved 2022/23 plan was being delivered, and regular discussions were being held with the Director of Finance and Assets to monitor progress.

A Member asked how the Service calculated what equipment needed to be replaced and also how it was budgeted for.

The Director of Finance and Assets advised that there was a rolling replacement programme, and equipment was replaced in accordance with manufacturers recommendations around lifecycle replacement. The equipment budget was fairly consistent year on year, and also with collaboration, equipment was able to be purchased more efficiently.

RESOLVED –

That Members note the final audit reports for FY 2021/22

OA08

INTERNAL AUDIT REPORT – 2021/22 ANNUAL AUDIT REPORT

The Internal Audit Manager advised Members that this was the Annual Audit Report which outlined the internal audit work undertaken for the year ending 31 March 2022. This report provided an opinion on the adequacy and effectiveness of the control environment, detailing any incidences of significant control failings or weakness. The Account and Audit Regulations required the Authority to maintain an adequate and effective internal audit service in accordance with proper internal audit practices. The Chartered Institute of Public Finance and Accountancy (CIPFA) Public Sector Internal Audit Standards (PSIAS), set out proper practice for Internal audit, which required the Chief Internal Auditor (CIA) to provide a written report to those charged with governance, to support the Annual Governance Statement (AGS) which included an opinion on the overall adequacy and effectiveness of the Authority's control environment. The effectiveness of the control environment was achieved through a risk based plan of work which was agreed with senior management and approved by this Committee.

The Chief Internal Auditor's opinion for the year 2021/22 based on the audit work undertaken, combined with experience and knowledge of the previous year's performance and the current climate in which the Authority was operating, was 'reasonable'. The Authority had continued to demonstrate a robust and effective internal control and risk management environment.

A Member asked if the lessons learned had been brought together for the Blue Light Hub, and if the Authority were to undertake a similar project in the future, would it have confidence sharing the risk with other services etc.

The Director of Finance and Assets advised that there would be a comprehensive report coming to a future Committee meeting looking at all the lessons learned. The report would be a backward looking evaluation as to what happened and would help any future projects.

RESOLVED –

That Members note the progress on the Annual Internal Audit Plan

ANNUAL GOVERNANCE STATEMENT 2021/22

The Director of Legal and Governance advised Members that the purpose of this report was to gain approval for the Annual Governance Statement 2021/22 to be signed off by the Chairman of the Authority and the Chief Executive, for adoption of the Statement of Accounts. It was in the format to reflect the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Management (SOLACE) guidance. Although CIPFA had not, as in the previous two years, issued specific guidance that Annual Governance Statements should reflect the impact of Covid-19, the draft Annual Governance Statement for 21/22 still reflected the continued impact of Covid-19 on the Authority, as the Service's Pandemic Recovery Group did not cease operation until 1 April 2022.

The Director of Legal and Governance advised Members that there was an addition to Appendix B – Significant Governance Issues to be addressed in 2022/23 which was in response to a standard enquiry made by the external auditors on how the Authority monitors fraud and money laundering. Having reviewed the current policies, it was noted that they had not been reviewed since 2018. A proposed form of wording was circulated to Members in advance of the meeting. The proposal was to add another issue to be addressed in 2022/23:

3.	Issue	Action Plan	Lead Officer	Target Date
	Counter-Fraud and Corruption and Anti Money Laundering Policies	Both policies were last reviewed in 2018. It would be good practice for these to be reviewed by officers and Members of the Overview and Audit Committee during the financial year 2022-23.	Director of Finance and Assets	31 March 2023

RESOLVED –

1. That the Annual Governance Statement 2021/22 be approved.
2. That the progress on the implementation of recommendations of the previous Annual Governance Statement (Appendix A to the Annual Governance Statement) be noted.
3. That the priorities for 2022/23 (Appendix B to the Annual Governance Statement) be agreed, subject to the amendment above.

CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the report reflected any changes and updates made to the Corporate Risk Register since the last meeting.

The risk register had been regularly reviewed by officers and also by Lead Members where individual risks fell within their areas of reference. Following feedback from Lead Members, a risk trend indicator had been added to Appendix 1, and although the risk scores and RAG statuses had not changed, there was upward pressure on two of the risks.

With regard to the staff availability risk, there were some positive developments, particularly regarding the current recruitment campaign to increase the number of firefighters. There were 31 candidates approaching the final stages of the recruitment process for wholetime firefighters, and 58 transferee applications in response to an advertisement for competent wholetime and on call firefighters. However, the risk remained at red rag status due to continuing risk of loss of existing operational staff to other fire and rescue services, in particular, London Fire Brigade, who were still actively recruiting. The Service was also experiencing difficulties in filling some specialist support roles, such as vehicle technicians for workshops. Also, due to the current position in relation to the national firefighter pay negotiations. On the 18 July, the Fire Brigade Union's (FBU) Executive Council voted unanimously to reject the employers' 2% pay offer following consultation with its members. In doing so, they signalled their intention to develop their case for a higher settlement, including preparations for strike action.

The Chief Fire Officer advised Members that a 2% offer was tabled by the employers to the Fire Brigade Union (FBU) but was rejected unanimously. In the last thirteen years, firefighters have had an increase of 13.5%, an average of 1% per year. The issue with firefighter pay had been building for a number of years. Firefighters, back office, and control staff were falling behind other public sector workers. Unless a renewed offer, of a substantial nature was tabled, the Chief Fire Officer expected there would be industrial action from the FBU this year. The root cause of the firefighter strike was lack of investment and the ability of Fire Authorities to pay. This Authority would be capped at 2% in terms of precept rises, and the ability to pay anything above that would mean a reduction in service. The Chief Fire Officer felt that firefighter's pay needed to be underwritten by the government now and in the future. There was the same issue with Control staff in terms of recruitment, and the majority of the underspend within the budget was mainly attributed to not being able to recruit back office staff, mainly due to pay.

The Chief Fire Officer advised Members that this Service had reduced its workforce by 35% in the decade of austerity but had not reduced the number of fire engines, and this workforce had stepped up every time to cover those shortfalls. The Service's response to multiple simultaneous incidents the previous day, was a prime example of this. Staff turning in for duty, cancelling arrangements, getting alternative childcare to respond to the issues, demonstrated their commitment to their communities.

It was agreed that the Chief Fire Officer should draft a cross party letter to the government regarding the need to fund a proper pay rise for fire staff (firefighters, control and back office staff).

The Corporate Planning Manager advised Members that the financial risk score and RAG status could potentially be raised due to the significant inflationary pressures in relation to fuel and energy costs and the potential for a higher than budgeted outcome to the annual staff pay settlement. The budget set in February 2022 included provision for a 2% settlement. The incremental cost of every additional 1% was around £200k per annum. There was also continuing uncertainty over the future of some central government grant funding.

The Director of Finance and Assets advised Members that as already discussed, the Service has had massive workforce cuts over the last numbers of years, but last year, the Authority started to reverse that trend. Members approved the £5 increase in council tax, and that allowed twenty whole-time staff to be added to the establishment. The inflation pressures were now threatening that. Even if the Authority was to get the option of a £5 increase again, £5 was around 7% so would still be under the inflationary increase.

The Director of Finance and Assets advised Members that as part of his national role, he was surveying all fire and rescue services to ask what their inflationary pressures were, and this would be put to the government. It was agreed that the outcomes from this survey would be shared with the Committee Members once it was completed.

In answer to a question, the Director of Finance and Assets, advised Members that, inflation, energy prices peaks and troughs should become clearer over the next few months. When there was a fuel crisis, the government prioritised emergency services and he would ask the same question regarding gas and electric supplies.

A Member asked whether, given that the Authority has one of the lowest precepts in the country, this was an advantage or disadvantage.

The Director of Finance and Assets advised that it was a different playing field across different services. Not only were there different precepts, but different council tax bases. It worked in the Authority's favour last year as the £5 increase was only offered to those authorities in the lowest quartile.

The Corporate Planning Manager advised Members that regarding the information and security risk, officers remained particularly vigilant and the Service's email security ranking against the Southeast Government Warning Advisory and Reporting Point (SEGWARP) criteria had improved due to additional measures applied by the ICT team. This was important as it was one of the major routes hackers used to gain access to systems using methods such as phishing. Regarding other risks, the position was more stable. The Covid-19 resurgence risk had been rising up the news agenda, with increases in infection rates nationally, but this does not appear to be presenting quite the same level of risk to life as with the earlier strains of the virus. There was nothing to add regarding the McCloud Sargeant pensions risk, but it continued to be monitored.

A Member asked whether, that although the Authority had a Climate Change Strategy, the impact of climate change was properly reflected on the Corporate Risk Register.

The Corporate Planning Manager advised Members that what they saw on the Corporate Risk Register, was the very top of the risk pyramid, and below that, the Directorate level registers covered a number of different risks, and climate change was on the Prevention, Response and Resilience Register focussing on the potential for service failure and the failure to protect people from risks associated with climate change; however it was agreed that the issue would be revisited in the next iteration of the Corporate Risk Register.

RESOLVED –

1. That the status on identified corporate risks at Annex C be reviewed and approved.
2. That comments be provided to officers for consideration and attention in future updates / reports.

OA11

TREASURY MANAGEMENT PERFORMANCE 2021/22

The Principal Accountant presented the Treasury Management Performance report for the financial year 2021/22. The accrued interest earned was £42k, which was £12k higher than the budget set for the same period. In terms of investments, as at 31 March 2022, the Authority had £16.6m invested in various counterparties including, banks, building societies, money market funds and current accounts. An action from the last meeting was to include credit ratings for each counterparty and these were included within this report.

The Principal Accountant advised Members that in May 2022, the Authority paid a PWLB loan due to be repaid following the maturity of the loan. The value of the loan was £620k and did not impact the revenue budget. The Bank of England's Monetary Policy Committee (MPC) had increased the base rate three times since the last meeting. From 0.75% in March, to 1% in May and most recently 1.25% in June. The next review date was 4 August 2022, and the treasury advisors were projecting the base rate to increase to 1.50%.

The Principal Accountant advised Members that when setting the budget for 2022/23, a prudent approach was taken by keeping it at £30k as there were five investments made prior to the first of the five base rate increases in December 2021 and a further two investments made between December 2021 and June 2022 which were all below the current base rate of 1.25%. These investments would be maturing over the next six months. For 2023/24 budget setting, a provisional increase in the investment budget by £70k had been added, this would bring the budget to £100k. This would be monitored during 2022/23 to ensure the figure was achievable during 2023/24.

RESOLVED –

That the Treasury Management Performance 2021/22 report be noted.

OA12

HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) IMPROVEMENT PLAN UPDATE: MAY 2022

The Head of Technology, Transformation and PMO advised Members that the second HMCIFRS inspection took place in mid-2021. Following the inspection

findings, an action plan was created to track progress and supporting evidence against the recommendations and areas for improvement. The Service was making progress against the action plan, two more items had started and were on track and one new item had moved to on hold/delayed since the last period. The Head of Technology, Transformation and PMO advised Members that the key focus was around the two cause of concerns which related to Prevention and Equality Diversity and Inclusion (EDI). The Prevention Improvement Plan feeds the HMICFRS plan and was being presented today and showed the progress that was being made. At the Authority meeting on the 15 June, the EDI objectives year 2 update was presented. This showed the achievements in year 2 and the objectives for the coming year. Some highlights to capture were the Service achieved the Ministry of Defence Employer Recognition Scheme Silver Award and now had recently achieved the Gold Award; supporting with Fire and Wellness referrals from sponsor households who had applied to house Ukrainian families seeking refuge; and officers continued to work on the responses from the employee Culture Survey which had a great take up of 75%.

The focus for the next quarter was to build evidence and complete actions in preparation for a mini reinspection in late Autumn.

A Member stated it was great to see the plan, and that there was evidence of progress in the recommendations and areas of improvement, but to what extent could assurance be given that the plan, when delivered, would confirm in the mini inspection that the Service had made progress. It was all good, but would it deliver a change of rating from HMICFRS.

The Head of Technology, Transformation and PMO advised that when liaising with the HMICFRS Service Liaison Lead, officers continued to share what the Service was doing, and also ask for feedback as to whether the Service was heading in the right direction. The assurance received was that the Service was heading in the right direction.

The Chief Fire Officer advised Members that he and the Chairman had recently met Matt Parr (HMICFRS Inspector for London and South Central Region), and his feedback was the Service was making good progress.

RESOLVED –

That the Committee note the updated HMICFRS - BFRS improvement plan: May 2022

OA13

PREVENTION IMPROVEMENT PLAN – UPDATE ONE

The Head of Technology, Transformation and PMO advised Members that this report presented the first Prevention Improvement Plan update, since the evaluation report and improvement plan was presented to Members in November 2021. In summary, work to address the HMICFRS Prevention cause of concern was prioritised over other areas within the Prevention Improvement Plan, although the highlight report and dashboard demonstrate that work was also progressing in most other areas.

The highlight report demonstrated that seven recommendations had been completed, although significant recruitment initiatives to fill vacancies within the team had affected progress against some of the delivery periods originally identified.

A revised Prevention Strategy had been drafted and initial consultation within core teams completed. The strategy would now progress through consultation processes for final approval. A new station planning process had been introduced which utilised the local risk information provided for service delivery areas in benchmarking reports and local area profiles. External board attendance had been reviewed ensuring all external boards, where the Service was listed as a statutory agency, were attended, along with those strategic boards relevant to the Service's sphere of influence, and Station level communication of prevention activity had improved. The use of prevention notice boards and regular meetings had been introduced to provide support and focus on delivery against key prevention objectives.

In terms of risks, the primary objective over the last period had been to ensure capacity in the prevention team to deliver the Service's objectives. There had been significant recruitment activity, which was progressing well. There was now only one vacancy, and the team were receiving the appropriate training to deliver their roles effectively.

A Member felt that having local risk assessments on Prevention was progress, so staff were aware of the challenges around the station in terms of the operating model. When stations and crews were moved around, was it integrated with the local risk assessments was there any need for cross training or back filling to make it work.

The Head of Technology, Transformation and PMO advised the benefit was that risks had been documented. Previously it was based on a site specific risk assessment of the area, but now it was documented, anyone at the station could read the pack. Also, as crews attended incidents, they were presented with risk information on a data terminal in the appliance, which gave them real time, latest information.

RESOLVED –

The Committee note the Prevention Improvement Plan highlight report May 2022, attached as Appendix 1

OA14

FORWARD PLAN

The Chairman brought the Forward Plan for future Overview and Audit Committee meetings to the attention of Members.

RESOLVED –

That the Forward Plan be noted.

OA15

EXCLUSION OF PRESS AND PUBLIC

To consider excluding the public and press representatives from the meeting by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as the Appendix contains information relating to the financial or business affairs of a person (including the Authority); and on these grounds it is considered the need to keep information exempt outweighs the public interest in disclosing the information.

OA16

EXEMPT MINUTES

Members received an update from the Director of Finance and Assets in respect of a matter arising from the exempt minutes.

RESOLVED –

That the Exempt Minutes of the meeting of the Overview and Audit Committee held on Wednesday 16 March 2022, be approved, and signed by the Chairman as a correct record.

OA17

DATE OF NEXT MEETING

The Committee noted that the date of the next Overview and Audit Committee meeting would be held on Wednesday 9 November 2022 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 12.00 PM.