



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 15 MARCH 2023 at 10.00 AM.

Present: Councillors Bagge, Carroll (Chairman), Chapple OBE, Exon, Hussain, Stuchbury and Waite

Officers: J Thelwell (Chief Fire Officer), M Osborne (Deputy Chief Fire Officer), M Hemming (Director of Finance and Assets), M Hussey (Principal Accountant), A Carter (Head of Technology, Transformation and PMO), K Nellist (Democratic Services Officer), S Gowanlock (Corporate Planning Manager), S Harlock (Internal Audit Manager, Buckinghamshire Council), A Prestige (Internal Audit), J Cook (Community Safety and Safeguarding Manager), A Stunell (Head of Human Resources), F Mansfield (HR Advisory and Development Manager), S Tuffley (Head of Prevention, Response and Resilience), A Stunell (Head of Human Resources), A Brittain (External Audit Manager EY) and F Keates (External Audit EY).

Remotely: G Britten (Director of Legal and Governance), C Bell (Head of Protection, Assurance and Development), A Hussain (Deputy Director of Finance and Assets) and Councillor Simon Rouse (Chairman)

Apologies: Councillors Adoh and Mahendran

The Chairman, 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>

OA38 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 9 November 2022, be approved, and signed by the Chairman as a correct record.

OA39 EXEMPT MINUTES

RESOLVED –

That the Exempt Minutes of the meeting of the Overview and Audit Committee held on Wednesday 9 November 2022, be approved, and signed by the Chairman as a correct record.

OA40 MATTERS ARISING FROM THE PREVIOUS MINUTES

The Director of Finance and Assets confirmed that all the actions from the previous meeting had been addressed, with the exception of OA26 which was a longer term aspiration, which was to bring an update on the benefits achieved in terms of social value, sustainability around procurement to a future meeting of the Committee, which would come later in the year.

OA41 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

OA42 RIPA POLICY (MINUTE OA39 – 090316)

The Director of Finance and Assets 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.

OA43 INTERNAL AUDIT REPORTS: (a) INTERNAL AUDIT STRATEGY AND ANNUAL INTERNAL AUDIT PLAN 2023/24

The Internal Audit Manager advised Members that this report set out the Internal Audit Strategy and the proposed internal Audit Plan for 2023/24 for the approval of the Committee. There were no material changes to the strategy, however, Internal Audit continued to maintain a small provision of contingency days to enable the Director of Finance and Assets to work with Internal Audit teams to direct them to any emerging risk areas to be considered in the year.

The Buckinghamshire Council Business Assurance Team was responsible for implementing the Authority's Internal Audit Strategy. The Accounts and Audit Regulations 2015 required the Authority to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The Authority must undertake an effective internal audit to evaluate effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards of guidance. Proper internal audit practices were defined in the Public Sector Internal Audit Standards 2017. A key part of the strategy was ensuring the right skills mix and resources exist to deliver an effective service. For the 2023/24 Internal Audit Plan, Internal Audit aim to provide continuity in the resources it allocates for the audit assignments. The Audit Manager would oversee the programme of work, ensure work was delivered on time and to the correct quality, and would present the quarterly plans and progress reports to the Committee.

RESOLVED –

That Members note the Internal Audit Strategy and approve the Annual Internal Audit Plan.

0A44 INTERNAL AUDIT REPORTS: (b) FINAL AUDIT REPORTS

The Internal Audit Manager advised that the purpose of this report was to update Members on the progress of the annual Internal Audit Plan since the last meeting. Work had progressed according to the approved 2022/23 plan, and regular discussions had been held with the Director of Finance and Assets to monitor progress. Since the last meeting, four audits had been finalised.

For the 2022/23 Core Financial Controls audit, Internal Audit looked at the financial control framework, creditors, debtors, payroll, general ledger, grant income, capital, banking and reconciliations, VAT and treasury management. There were three low priority actions raised around purchasing card spending limits, an update to the financial instructions and a second officer check of the payroll processing valuation task. The overall conclusion on the system of internal control being maintained was substantial.

For the Risk Management and Business Continuity Planning audit, the overall conclusion on the system of internal control being maintained was reasonable. There were no findings raised relating to the risk management aspect, however, seven findings were raised for the business continuity element of the audit, which included two high, four medium and one low priority finding. The key findings related to testing of the plans, reviewing the plans, training and lessons learned.

With regard to the Pension Fund Administration audit. West Yorkshire Pension Fund were responsible for administering the firefighter's pension. The audit reviewed eight key risk areas and the overall opinion for this report was substantial, with only one low priority finding raised which related to performance monitoring. It was noted on page 77, Risk Management Fraud Risks 'substantial' should be green and not yellow.

The HR Payroll Process Review involved an element of discovery work and the processes were mapped focusing on various controls and system access. There were two recommendations raised to streamline the process because both teams sat in different departments. All the follow up actions had been fully implemented.

A Member asked about 'Match and Gap – compares the attributes of an individual an applicant with the requirements of a vacancy' and was advised that it was around making sure the attributes of applicants and people recruited match any skills gaps or staff gaps.

RESOLVED –

That Members note the final audit reports for FY 2022/23.

OA45 INTERNAL AUDIT REPORTS: (c) UPDATE ON PROGRESS OF AUDIT MANAGEMENT ACTIONS

The Internal Audit Manager advised Members that the purpose of this report was to update on progress of the implementation of audit actions. In total there were 96 audit actions, 79 had been implemented (82%), 5 were in progress (5%) and 12 were past their due date (13%). Internal audit continued to actively monitor implementation of all outstanding audit actions throughout the year.

RESOLVED –

That the progress on implementation of recommendations be noted.

OA46 AUDIT RESULTS REPORT 2021/22

The External Audit Manager advised Members that this report summarised the findings from the 2021/22 audit. Members would note from the report, that EY were not in a position to finalise the 2021/22 audit. In line with the governance process, the signing of the accounts and the completion of the audit would be deferred to the next meeting due to be held in July. There were a couple of points to highlight in the report. The original planning report set out the planning materiality for the audit and was updated based on actual results. This resulted in a slightly higher materiality based on a slightly higher outturn for the Authority in terms of the 2022 accounts. External Audit had updated the overall materiality assessment to £920k, this resulted in an updated performance materiality at 75% or overall materiality of £690k, and an updated threshold for reporting misstatements of £46k.

The audit work in respect of the Authority's opinion was substantially complete. The following items relating to the completion of the audit procedures were outstanding. Property and plant and equipment valuations were waiting for final signed valuation reports from the Authority's valuer; conclusion on Great Holm Fire Station and Gerrards Cross house valuations, and final conclusions on land values used in the valuation of land and buildings. With regard to IAS19 pension liability, External Audit were waiting on a response from the auditor of the Buckinghamshire Pension Fund (Grant Thornton).

There were two elements to the audit opinion, the opinion on the financial statements, whether they were a true and fair reflection of the Authority's financial position and also the value for money conclusion. Work had been completed on the value for money conclusion, and there were no matters to report on this as the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness on its use of resources.

The External Audit Manager advised that External Audit were also asked to review the Annual Governance Statement for consistency

and there were no matters to report, and they were also asked to report to the National Audit Office on the whole of government accounts return and they did not anticipate any issues in relation to this.

A Member asked regarding the situation of Great Holm Fire Station and was advised by the Director of Finance and Assets that this information was commercially sensitive as the sale had not yet been completed.

RESOLVED –

That the content of the report be noted.

OA47 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that this was the regular report on the status of corporate risks presented to every meeting of this Committee. The report reflected any changes and updates made to the Corporate Risk Register since the last meeting on 9 November 2022. The risk register had been subject to regular review by officers at the Performance Monitoring and Strategic Management Boards and also by Lead Members where individual risks fall within their areas of reference.

Appendix 3 contained the detailed evaluations and updates on the status of the individual corporate risks. With regard to the risk map there had been some changes since the last report in November. Most notably, the inclusion of a specific industrial relations risk following the outcome of the Fire Brigades Union's (FBU) ballot for strike action. At the point at which the papers went to press for this meeting, the outcome of the FBU's subsequent ballot in relation to the Employers' revised pay offer of 7% and 5% for 22/23 & 23/24 respectively was unknown. It was therefore agreed that this risk would remain on the register with its initial risk score and RAG status until the outcome of the ballot was known. As Members would be aware, FBU Members voted overwhelmingly in favour of accepting the revised offer (96% voted to accept on an 84% turnout) thus ending the dispute and risk of industrial action over this issue. The risk would be reassessed and would likely be reverted to the relevant directorate risk register for background monitoring.

As Members would see from the staff availability risk, there were other factors that could disrupt operations, including ongoing industrial action in other sectors. For example, in the education sector which can affect attendance of staff with childcare responsibilities. This risk had been kept at red RAG status as although steady progress with recruitment towards the target of 300 wholetime firefighters was being made, retention remained a challenge and also recruitment and retention of staff in specialist functions such as ICT and Vehicle Workshops.

The Deputy Chief Fire Officer advised Members that officers

continued to work hard with staff retention and recruitment. Recruitment was open for both transferees and wholetime firefighters. Officers had attended the Milton Keynes Apprenticeship Fair, the Buckinghamshire Skills Show and an Armed Forces event. Officers had also recently visited two local Mosques to talk about recruitment.

The Corporate Planning Manager advised Members that with regard to financial sustainability, the risk score and RAG status had been reduced in light of the more positive position arising from decisions in relation to the Council Tax Precept and Government Grant provisions. This risk had been reduced to amber given the ongoing uncertainties in relation to things like fuel and energy prices and also the USAR grant provision.

The Information security risk status was unchanged since November, and Members would see the Covid risk score and RAG status had reduced at the last review in February following the decision to withdraw specific Covid related absence and mitigation measures with residual controls absorbed into business as usual processes and procedures. As with the industrial relations risk, it was proposed to de-escalate this risk to the HR Directorate Risk Register for ongoing background monitoring.

The McCloud / Sargeant pensions risk remained unchanged as there had been no significant developments since last reporting.

Finally, in relation to Climate Change, Members would see what had been achieved in the short term, in particular the re-purposing and adaption of existing 4x4 vehicles in relation wildfire risks. Longer term requirements would be considered as part of the development of the 2025/30 Community Risk Management Plan.

A Member asked about the Urban Search and Rescue risk.

The Chief Fire Officer advised Members that the current position was that the Authority had been informed informally that it was likely the Authority was going to lose the Urban Search and Rescue grant, but it had still not received written notice from the Home Office.

The Chairman, as Lead Member for Service Delivery, Protection and Collaboration, advised that it was right Members scrutinised the financial risk, as this was about the financial grant for the Service, it was not about the Urban Search and Rescue team. It was important to recognise it was not a formal communication, the risk was being managed and officers were in active dialogue with both Ministers and Civil Servants.

A Member asked that both the fire and rescue service and the Police be thanked for how they carried out their duties at an incident in High Wycombe the previous day.

RESOLVED –

1. That the status on identified corporate risks at Annex C be

Corporate
Planning
Manager

Chief Fire
Officer

Chief Fire
Officer

reviewed and approved.

2. That comments be provided to officers for consideration and attention in future updates / reports.

OA48 UPDATED CODE OF CONDUCT (V4.0)

The HR Advisory and Development Manager advised Members that as part of the review process for procedures, the Code of Conduct was updated and had gone out for formal consultation through September to October 2022. If approved, this document would be presented to the Executive Committee on 22 March 2023 for recommendation for adoption as the Service's Code of Conduct for the following three years.

The HR Advisory and Development Manager advised members that feedback received through the consultation process, as highlighted in Appendix 2, had been considered and incorporated into the updated Code where appropriate. Apart from accepted minor amendments, changes were shown as either additional text underlined, or deleted text struck through.

Further to the normal consultation process and being mindful that external scrutiny would be appreciated due to the allegations surrounding London Fire Brigade, and other fire and rescue services, further amendments had been made to the document. The implementation of the Code of Conduct and Whistleblowing Procedure form part of a wider culture review.

The Head of Human Resources advised Members that the objective of the culture review was for all employees to be aware of the procedures and feel able to come forward with any discrimination or inappropriate behaviour, or concerns they had experienced or they had witnessed. All employees were assured they would be listened to and action taken. Allegations would be dealt with robustly and employees were aware of expected behaviours. The main piece of work was around a 'Speak Up' campaign to ensure employees understand the procedure and what it covered. Also for employees to understand the Grievance Policy and how to report issues and concerns there.

RESOLVED –

1. That the Code of Conduct, as detailed in Appendix one, be approved for presentation at the Executive Committee for adoption.
2. That the consultation feedback, as detailed in Appendix two, be noted.

OA49 UPDATED WHISTLEBLOWING PROCEDURE (V10)

The HR Advisory and Development Manager advised Members that as part of the review process for procedures, the Whistleblowing Procedure was updated, and went out for formal consultation

between September - October 2022. The procedure had been reviewed in line with normal practice. No feedback was received during the consultation process on the proposed amendments to the document. However, further to the normal consultation process and being mindful that external scrutiny would be appreciated due to the allegations surrounding London Fire Brigade and other fire and rescue services, further amendments had been made to the document.

The Chief Fire Officer advised Members that it was important that people came forward if they had concerns and these concerns would be treated confidentially and taken seriously. If Members looked at the number of issues across the whole fire and rescue service in terms of sector, there was evidence where people had been treated appallingly and had not been able to raise issues with their line managers, senior managers, union representatives, or with whistleblowing policies and procedures and would just leave the organisation. It was important that the Authority and Service understand and encourage people if they have concerns to come forward.

RESOLVED –

That the updated Whistleblowing Procedure as detailed in Appendix one, noting the proposed additional wording in the updated documents, be approved for publication.

OA50 HER MAJESTY'S INSPECTORATE OF CONSTABULARY AND FIRE AND RESCUE SERVICES (HMICFRS) – BUCKINGHAMSHIRE FIRE AND RESCUE SERVICE (BFRS) IMPROVEMENT PLAN UPDATE: SEPTEMBER 2022

The Head of Technology, Transformation and PMO advised Members that this report was to provide an update on the HMICFRS Improvement Plan. The first part was the Action Plan. The Service was making progress against the Action Plan with one change since the last report following the sign off of the Prevention Strategy. The Prevention Improvement Plan which feeds into this plan was being presented today and showed further detail of the progress being made.

The second area covered in the report was the revisit debrief. Following the previous inspection, HMICFRS came back for a revisit. The revisit was to review progress against the cause of concerns, and this took place the week commencing 2 January. The revisit highlighted the progress made on the two areas and the HMICFRS team were looking forward to seeing further progress in May. The revisit letter can be found at Appendix 2.

The third area covered was the Round 3 Inspection. This would commence in mid-April. The inspection covered ten weeks and over fifty interactions with staff including interviews, desktop reviews,

workshops and would allow HMRCFRS the opportunity to interact with about 25% of staff. There were a number of changes to the inspection, including an additional grade of 'adequate', that would include five grades in total and the removal of the pillar judgements.

RESOLVED –

That the Committee note the updated HMICFRS - BFRS Improvement Plan: March 2023

OA51 PREVENTION IMPROVEMENT PLAN NOVEMBER/DECEMBER 2022

The Community Safety and Safeguarding Manager advised Members that this report gave an update on the Prevention Improvement Plan which was put in place in November 2021, combining elements from the HMICFRS Inspection Plan and a Prevention Evaluation over the period 2020-2021, and the areas required to meet the Prevention Fire Standard and associated National Operational Guidance. All of these came together to formulate 60 recommendations and this report was the update for the November/December 2022 period. It was pleasing to note that 21 of the recommendations had been completed, and the Service was on track for the mid-term review.

Within the report there were some highlights to note, particularly around recruitment. The Prevention headcount was at full capacity for the first time since October 2021 and whilst onboarding and the probationary period takes time, the impact of increased staff on delivery capacity was beginning to show. Since the approval of the Prevention Strategy in October 2021, the preparedness and improvement audits which were ongoing at present, showed that it had been well received and understood by key users. There was also continued improvement of the management oversight of the referral process. There were mechanisms in place to ensure the referral processes had the appropriate level of scrutiny and oversight.

A Member asked about firefighters being able to identify mental capacity when they were visiting members of the public.

The Community Safety and Safeguarding Manager advised that there was a strong overlap between prevention activity and safeguarding activity. The mental capacity side was more around safeguarding. The Service equips staff to highlight where capacity is questionable and may impact on that person's safety and wellbeing and that would come through the safeguarding process. Safeguarding training highlighted the risk and the need for staff to be aware of their colleague's wellbeing when dealing with incidents and there was also the welfare team and trauma support. For staff who were in regular contact, such as the Prevention Delivery team, there were daily debriefings where they can share with colleagues.

RESOLVED –

That the Committee note the Prevention Improvement Plan highlight report (November - December 2022) summarising the progress

made against the measures required to secure long-term improvements to prevention delivery in Buckinghamshire Fire and Rescue Service.

OA52 TREASURY MANAGEMENT PERFORMANCE 2022/23 – QUARTER 3

The Principal Accountant advised Members that the accrued interest earned for this period was £201k, which was £179k higher than the budget set for the same period. In terms of investments, as at 31 December 2022, the Authority had £17.6m invested in various counterparties including, banks, buildings societies, Money Market Funds and current accounts. By March 2023 this would reduce to approximately £15m. Looking at the investment chart, there were deals maturing frequently to ensure the Authority was able to meet its short-term expenditure requirements.

In terms of borrowing, a maturing PWLB loan was repaid during 2022/23 for £620k. This loan repayment did not impact the revenue budget. The next loan of £1m was due to mature in March 2024. Funds had been set aside to repay this when due.

The Principal Accountant advised Members that the Bank of England's Monetary Policy Committee (MPC) had increased the base rate on ten consecutive occasions since December 2021. As at 2 February 2023 it was now 4%. The next review date was 23 March 2023. Treasury advisors were projecting the base rate to increase again and could potentially hit 4.5% in the next 3 to 6 months.

The Authority had been able benefit from these rates increasing, when reinvesting surplus funds and therefore generating additional income for the Service. The Authority had achieved the £30k budget set for 2022/23 and was projecting to achieve in the region of £300k, which was more than being paid out in loan interest - £281k.

For 2023/24 the investment budget had increased by £320k bringing the new income target via investments to £350k. The Treasury Strategy for 2023/24 had been approved at the recent Authority meeting. Officers would continue to monitor the cashflow position on a regular basis to ensure the Authority could meet the short-term expenditure requirements and maintain adequate liquidity.

RESOLVED –

That the Treasury Management Performance 2022/23 – Quarter 3 report be noted.

OA53 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

THE CHAIRMAN CLOSED THE MEETING AT 11.30 AM