



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 8 NOVEMBER 2023 at 10.00 AM.

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

Officers: M Osborne (Interim Chief Fire Officer), G Britten (Director of Legal and Governance), M Hemming, (Director of Finance and Assets), S Tuffley (Interim Deputy Chief Fire Officer), M Hussey (Principal Accountant), K Nellist (Democratic Services Officer), S Gowanlock (Corporate Planning Manager), S Connolly (Station Commander Resilience and Business Continuity), J Cook (Community Safety and Safeguarding Manager), C Newman (Data Intelligence Team Manager), S Harlock (Internal Audit, Buckinghamshire Council), M Jensen (Internal Audit, Buckinghamshire Council), A Brittain (External Audit E&Y) and F Keates (External Audit E&Y)

Remotely: D Buchanan (Head of Protection, Assurance and Development), A Hussain (Deputy Director of Finance and Assets)

Apologies: Councillors Carr (joined online) and Fuller

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/UCWmIXPWAscxl3vliv7bh1Q>

OA18 MINUTES

RESOLVED –

That the Minutes of the meeting of the Overview and Audit Committee held on Wednesday 19 July 2023, be approved, and signed by the Chairman as a correct record.

OA19 MATTERS ARISING FROM THE PREVIOUS MINUTES

OA08 – Statement of Accounts - Information on investments relating to the LGPS pension fund would be sent to Members. The Deputy

Director of Finance and Assets advised he has circulated the information to members by email.

OA20 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

OA21 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.

OA22 COMMITTEE MATTERS

RESOLVED -

1.A Grievance Panel (consisting of 5 members proportionate to membership of the Overview and Audit Committee, 3:1:1) chaired by the Overview and Audit Committee Chairman be appointed to discharge the employer's functions to hear and determine any grievance brought by or against the Chief Executive/Chief Fire Officer, Deputy Chief Fire Officer, the Monitoring Officer or the Chief Finance Officer.

2.A Grievance Appeal Panel (consisting of the 4 members not appointed to the Grievance Panel, proportionate to membership of the Overview and Audit Committee, 2:1:1) chaired by the Overview and Audit Committee Vice Chairman be appointed to hear and determine any grievance appeal resulting from any determination made by the Grievance Panel.

OA23 INTERNAL AUDIT REPORTS

(a) UPDATE ON PROGRESS OF AUDIT RECOMMENDATIONS

The Internal Audit Manager advised that the purpose of this report was to update Members on the implementation of the audit actions that were agreed on the completion of each audit review. The pie chart showed the status of the audit actions that had been raised since 2017/18. Currently there were only 4 actions overdue and 4 in progress and not yet due. Internal audit continued to liaise with the responsible officers to ensure actions were completed and that they were satisfied with the approach on the response by action owners.

Director of Legal
and Governance

A Member asked if there were any additional actions following the HMICFRS report.

The Director of Finance and Assets advised that there would not be any actions added to this audit report. There would be a separate HMICFRS Action Plan which would address the causes for concern that were raised in the report and that would come regularly to this Committee.

A Member asked if when the HMICFRS Action Plan was sent to Members, a link could be added to the causes of concern in the report.

The Director of Finance and Assets advised that a link would be added on the cover report in the background papers section to the causes of concern. The HMICFRS Action Plan would be presented at the next meeting of the Committee.

RESOLVED –

That Members note the progress against Internal Audit recommendations.

(b) FINAL AUDIT REPORTS

The Internal Audit Manager advised that the purpose of this report was to update Members on the audit and assurance reviews that had been undertaken since the last meeting, and the 2024 audit plan activity. The first report was the Improvement Plan Assurance Review.

The Internal Audit Manager advised that the purpose of this review was recognising the large number of improvement plans the Service had in place and understanding any efficiencies that could be made, any rationalisation, and any opportunities to make progress reports smoother.

The Internal Audit Manager advised they had examined 43 documents as part of the review, noting improvement plans, strategies or action plans. They had been split into three categories, one being improvement action plans and the second one being principles, commitments or objectives. The next step was creating a visual map of these plans. With regard to the alignment and purpose of these plans, it was noted that there was clear evidence of solid project planning in the Service, and this was evidenced through the improvement plans in the action lists. Internal Audit did, however, note that there were different terms that were currently being used, potentially leading to some confusion as to what was an improvement plan, versus what was a strategy.

Head of
Technology,
Transformation
and PMO

The Internal Audit Manager clarified to Members the difference in the reviews that had been undertaken. Normally an audit report would be presented, but this was an assurance review. When further audits were undertaken, officers took on board some of the recommendations and improvements in the actual framework had been embedded.

The Director of Finance and Assets advised Members the reason this work was undertaken this year, was that it was a good opportunity to improve, and streamline some of the governance. For example, rather than having separate strategies, officers were looking at incorporating some of the strategies into the new Community Risk Management Plan, which would come to the Authority in February .

The Internal Audit Manager advised that the Corporate Improvement Plans Assurance Review had been finalised and based on the work undertaken, the Internal Audit Team identified seven areas of improvement. The Partnership Working audit had also been finalised and the overall opinion for this audit was Reasonable due to the two medium and one low priority findings that has been raised.

RESOLVED –

That Members note the final audit reports for FY 2023/24

(c) UPDATE ON THE 2023/24 ANNUAL AUDIT PLAN

The Internal Audit Manager advised Members 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 2023/24 plan, and regular discussions had been held with the Director of Finance and Assets to monitor progress. The fieldwork for the Corporate Improvement Plans Assurance review was completed in quarter two and a number of recommendations were made that the Service were taking forward. The Partnership Working audit was completed in quarter two, and three findings had been raised. The Medium Term Financial Planning Assurance review was currently in progress, fieldwork commenced in October. Contract Management and Critical Supplier Management audits were scheduled for December. The Core Financial Controls audit was currently being scoped and the fieldwork would commence in November.

RESOLVED -

That Members note the progress on the Annual Internal Audit Plan

OA24 FINANCIAL INSTRUCTIONS

The Director of Finance and Assets advised Members that this report presented an update to the Financial Instructions. Financial

Instructions were part of the core financial control framework. This was the main document that was used internally to ensure everything was run in line with best practice and legislation. It was good practice to update these relatively frequently and this presents a list of minor updates, summarised in the Executive Summary.

A Member asked for further explanation of the limits applied to each level of authorisation.

The Director of Finance and Assets advised that this reflected when an individual raised a purchase order or requisition, it would then go to a second person for approval, depending on the amount of the purchase order would determine who it went to. Most cost centre managers could authorise up to £5k or £10k. Anything above £150k would go to the Director of Finance and Assets for approval.

RESOLVED –

That the updated Financial Instructions be noted.

OA25 AUDIT RESULTS REPORT 2021/22

The External Audit Manager advised that there were two reports, the Audit Results Report, which was the report written for those charged with governance, this had previously been presented to the Committee and had been updated. The second report was the Auditors Annual Report, which was the public facing report that summarised the work undertaken during the course of the year.

The External Audit Manager advised that the audit work in respect of the Authority's opinion was substantially complete, subject to a review of the final statements, receipt of the signed management representation letter which would be completed at the meeting today. The External Audit Manager was pleased to be able to say that External Audit therefore planned to issue an unqualified finance statement and a value for money conclusion of the 2022 financial statements.

There were two main updates since the report was last presented to the Committee which related to the property valuations and the pension work which had resulted in differences, which were set out in Section 4 of the report and had now been resolved.

A Member asked if the pensions valuations would be sent to people receiving their pensions.

The Director of Finance and Assets advised Members that the Local Government Pension Scheme (LGPS) was a defined benefit scheme, so regardless of the value of the fund, people already know what the value of their benefits were going to be and to reassure Members, at

the latest valuation, the Service was more or less 100% funded for its share of the LGPS fund.

RESOLVED –

That the content of the report be noted.

OA26 LETTER OF MANAGEMENT REPRESENTATION 2021/22

The Principal Accountant advised Members that in front of them was a revised version of the Letter of Management Representation for 2021-22, which included an amendment to the wording in Section A 5, B4 and C2 and an appendix had also been added which related to Section A5. The Letter of Management Representation was a legislative requirement and a self-explanatory paper. Information contained within this letter contributed towards the auditors being able to form their final opinion as to whether the financial statements give a true and fair view of the Authority's financial position. This letter would be signed off by the Director of Finance and Assets and the Chairman of the Overview and Audit Committee, following today's meeting.

RESOLVED –

That the Updated Letter of Representation be approved for signature by the Chief Finance Officer and the Chairman of the Overview and Audit Committee.

OA27 ADOPTION OF THE AUDITED STATEMENT OF ACCOUNTS – YEAR ENDED 31 MARCH 2022

The Principal Accountant presented to Members the Statement of Accounts for the year ended 31 March 2022. An updated page 59 of the Statement of Accounts with minor changes to three rows total values had been given to Members at the meeting.

The Accounts outline the financial activities for the year ended 31 March 2022. It showed the financial detail of the services the Authority had provided, together with explanatory notes. The resources consumed and the financial position at the end of the year compared with the previous year. When putting together the accounts the Authority had followed the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Local Authority accounting in the UK 2021/22: Based on the International Financial Reporting Standards (IFRS), the Code.

The accounts were drawn up in accordance with accounting policies which were set out in detail within the Statement of Accounting Policies section.

The responsibility for the proper administration of the Authority's financial affairs was vested with the Director of Finance and Assets

who was required by law to confirm that the Authority's system of internal controls could be relied upon to produce an accurate Statement of Accounts.

The Principal Accountant advised Members that the Accounts contained four main sections. Each of the four main statements was supported by disclosure notes providing additional detail to figures presented. The four main statements were the Movement in Reserves Statement; the Comprehensive Income and Expenditure Statement; the Balance Sheet and the Cash Flow Statement.

The accounts also contained information regarding the Firefighters' Pension Fund Account. Along with a narrative statement which provided information about the Authority, including key facts about the Authority's financial performance in 2021/22 and Corporate Risks. The auditor's report would be added to this statement before publication.

The Principal Accountant took Members through the balance sheet of the accounts and briefly explained key movements compared to the previous financial year.

A Member asked about the outstanding obligations, and was the Authority in a strong position when preparing a balanced budget.

The Director of Finance and Assets advised Members that the outstanding finance lease related to housing the Authority has at Gerrards Cross, which enabled firefighters to be really effective in their day crewing by being around the corner from the Station. It was factored into the annual budget and a set amount was paid each year. In terms of the accounts overall, as highlighted, the reserves figure was a strong figure and the Director of Finance and Assets was required to comment on the adequacy of reserves when he made that statement and give Members that reassurance each year, and Members would see the statement again when the budget was set in February.

RESOLVED –

1. That the matters raised by the external auditors be considered.
2. That the updated Statement of Accounts for the financial year ended 31 March 2022 be approved for signing by the Chairman of the Overview and Audit Committee.

OA28 TREASURY MANAGEMENT PERFORMANCE 2023/24 – APRIL TO SEPTEMBER 2023

The Principal Accountant advised Members that this was the Treasury Management Performance report for financial year 2023/24 April to September. The accrued interest earned was £414k,

which was £239k higher than the budget set for the same period and also £64k higher than the budget set for the financial year of £350k.

In terms of investments, as at 30 September 2023, the Authority had £21.1m invested in various counterparties including, banks, buildings societies, money market funds and current accounts. By March 2024 this would reduce to approximately £15m. As Members would see from the investment chart, deals were maturing on a frequent basis to ensure the Authority was able to meet its short term expenditure requirements.

With regard to borrowing, as mentioned at a previous meeting, officers took the decision to make an early repayment of a loan for £627k that was due to be repaid in 2056 at a discount of £45k. This reduced the overall borrowing to £5.55m. This loan repayment did not impact on the revenue budget. The next loan matures in March 24 for £1m and funds had been set aside to repay this.

With regard to budgets and interest, the Authority had managed to achieve the full year budget target set at the Authority in February 2023 of £350k. By taking the confirmed investment deals as at 30 September 2023 and no future investments for the remainder of the financial year, the Authority would achieve £765k. This was an overachievement of £415k.

The Principal Accountant advised that the Monetary Policy Committee (MPC) had voted to increase the interest base rate at 14 out of the last 16 MPC meetings, with no increase at the two most recent meeting in September. The interest base rate currently stands at 5.25%. The Authority would benefit from these rates, and as Members could see from the benchmarking table, The Authority had been able to outperform the rates in September.

A Member asked when the loan that would mature in 2056 was taken out and what was it for.

The Director of Finance and Assets advised that it would probably have been a 50 year term deal, taken out to finance the Capital Programme. Previously the Capital Programme was funded through borrowing, now the Authority was in a position to fund it through revenue and capital receipts.

A Member asked about interest rates going up and inflation, what governance was around managing inflationary costs.

The Director of Finance and Assets advised that as part of the Medium Term Financial Plan officers keep a constant watch on inflation as it does impact the cost of everything the Authority purchases. The positive impact was that the grant funding received from government was also linked to the Consumer Price Index (CPI).

RESOLVED –

That the Treasury Management Performance 2023/24 -April to September 2023 report be noted.

OA29 CORPORATE RISK MANAGEMENT

The Corporate Planning Manager advised Members that the report reflected changes and updates made to the Corporate Risk Register since it was last scrutinised at the last meeting. Since then, the risk register had been regularly reviewed 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 also contained the detailed evaluations and status reports for the individual corporate risks.

The Corporate Planning Manager advised Members that the RAG status and risk score for the Workforce Availability risk had reduced down from red 16 to amber 12. This was done to reflect ongoing progress with Wholetime firefighter recruitment. As Members would be aware, for the first time the Authority had not only reached, but exceeded the target number of 300, with the Wholetime firefighter headcount now standing at 314.

Regarding other risks, the impact of recent legislative and regulatory change on the information management and security risk, the introduction of the Data Protection and Digital information (No. 2) Bill intended to reduce compliance costs relative to preceding legislation. In relation to the processing of claims related to the McCloud / Sargeant pensions risk, the Authority and the pension administrator will work through the prospective cases and process them in a timely manner in line with the regulations.

Regarding the Climate Change risk, Members would have seen that the Service was now focusing on preparations for the winter period, particularly for dealing with flood risks, whilst training for summer wildfire risks continues in the background.

Finally, Members would have seen some positive developments in relation to the national HMICFRS Values and Culture recommendations and the associated corporate risk such as the achievement of the Talent Inclusion and Diversity Evaluation (TIDE) Silver Standard for this year, the White Ribbon accreditation and also the launch of our staff 'Speak Up' campaign.

A Member asked how Members assist in championing recruitment for on call firefighters.

The Interim Chief Fire Officer advised that Members could assist by when the Service holds 'have a go events' to encourage people from their own constituencies to come along. The Service does run lots of

campaigns and social media, but any assistance from Members would be welcome.

RESOLVED –

1. That the status of 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.

OA30 2022/23 COMPLIMENTS, CONCERNS AND COMPLAINTS

The Station Commander Resilience and Business Community advised Members that the Compliments, Concerns and Complaints report was brought to the Committee on an annual basis to assure the communities within Buckinghamshire and Milton Keynes that the Service treat expressions of dissatisfaction seriously and that any learning from the investigations undertaken were fed back into the organisation.

This report reflects the previous three years of data and Members would note that there had been a slight increase in the number of complaints in 2022/23 (increase of 4) from the previous year. However, the number of compliments received had declined over the past three years from 25 in 2020/21 to 13 in 2022/23. As reported, the customer satisfaction forms to both domestic and non-domestic users of the Service following an incident were not sent for the whole year. However, Members would see from the information, that the satisfaction rates across the three-year comparison remained high.

An independent social research practice, Opinion Research Services, collate the responses and provide an annual report of their findings to the Service. The report was presented to the Performance Monitoring Board, to aid officers in identifying improvements.

A Member asked about domestic incidents over the past three years and the total level of satisfaction was consistently extremely high, but then it talks about the number of respondents going from 207 to 144 to 23, a 90% reduction, why was this.

The Interim Deputy Chief Fire Officer advised Members the background to it was that the administration capacity in Service last year, over the reportable period, was struggling because there were a number of vacancies within the team, and also the refocus of efforts on improving and increasing the prevention activity. The number of home fire safety visits increased significantly and that had an administrative burden as well. That was why there were less letters sent out to respondents. Since then, officers had met with Opinion Research Services to see what options there were going

forward and for them to potentially provide more of a service to the Authority with them sending out the survey.

RESOLVED –

That the report be noted.

OA31 2022-23 ANNUAL PERFORMANCE MONITORING

The Data Intelligence Team Manager presented the Annual Performance Monitoring Report. This report was an overview of the response to incidents between April 2022 and March 2023. While it may seem some time ago, this report does include the significant heatwave experienced in July and August 2022. Members should also note that most of the figures detailed within this report were also provided on a quarterly bases via the Key Performance Monitoring Report, in which a higher level of detail and commentary was provided for specific performance indicators.

A Member asked about incident response times previously at 7% and this year went up to 10% was that a trend or just an anomaly.

The Data Intelligence Team Manager advised it was a bit of both. Incidents during the heatwave were not generally near where a station was based, but more rural which takes longer to get there. Also, as mentioned previously, the problem with recruiting on call firefighters, that were in the areas where there were higher response times.

The Interim Chief Fire Officer added that on some of the longer attendance times, and one of the issues experienced was motorway responses, as it could be the wrong carriageway or it could be a longer journey to the next junction, and that does have an impact on distances travelled, as there are a lot of motorways within the county.

RESOLVED –

That the outturn performance against the outcome measures specified in the Corporate Plan 2030-25 be noted.

OA32 PREVENTION IMPROVEMENT PLAN – JULY/AUGUST 2023

The Community Safety and Safeguarding Manager advised Members that the Prevention Improvement Plan highlight report summarises the progress made against the measures required to secure long-term improvements to prevention delivery.

The Prevention Improvement Plan originally contained 60 recommendations, 33 of those were now complete. The mid-term review of the plan was completed and that acknowledged that the outstanding recommendations still remained valid and appropriate

to be continued with minor changes to the actions associated with them. The work that had been going on to secure the ongoing improvement had also had to factor in some issues with processing referrals, that had required a redirect of some administrative capacity. This had been helped by the appointment of a new substantive Administrative Support Manager. Officers were also working on a redesign of the referral system. Once this system was delivered, it would address eight of the outstanding recommendations on the improvement plan.

RESOLVED –

That the Prevention Improvement Plan highlight report (July – August 2023) summarising the progress made against the measures required to secure long-term improvements to Prevention delivery in Buckinghamshire Fire & Rescue Service (BFRS) is noted.

OA33 FORWARD PLAN

RESOLVED –

That the Forward Plan be noted.

OA34 DATE OF NEXT MEETING

The Committee noted that the date of the next Overview and Audit Committee meeting would be held on Wednesday 13 March 2024 at 10.00am.

THE CHAIRMAN CLOSED THE MEETING AT 11.15 AM