

**Minutes of the Meeting of
Shropshire and Wrekin Fire and Rescue Authority
Audit and Performance Management Committee
held at Headquarters, Shrewsbury
on Thursday, 6 September 2012 at 2.00 pm**

Members

Councillors Adams, Carter, Hurst-Knight, Jones (Chair), Kiernan and Mellings (Vice-Chair)

Officers

Chief Fire Officer, Deputy Chief Fire Officer, Assistant Chief Fire Officer (Corporate, Performance and Operations), Head of Finance, Shropshire Rural Performance Group Commander and Executive Support Officer

External Bodies

Mr Patterson (External Audit)

1 Election of Chair

It was proposed by Councillor Mellings and seconded by Councillor Adams

That Councillor Jones be elected Chair of the Audit and Performance Management Committee.

There being no other nominations, Councillor Jones was duly elected Chair to hold office for the ensuing year.

2 Appointment of Vice-Chair

It was proposed by Councillor Jones and seconded by Councillor Kiernan

That Councillor Mellings be appointed Vice-Chair of the Audit and Performance Management Committee.

There being no other nominations, Councillor Mellings was duly appointed Vice-Chair to hold office for the ensuing year.

3 Apologies for Absence

Apologies for absence had been received from Councillor Bould.

4 Disclosable Pecuniary Interests

There were no declarations of Disclosable Pecuniary Interests.

5 Minutes

Members received the minutes of the meeting of the Audit and Performance Management Committee, held on 14 June 2012.

It was proposed by Councillor Mellings, seconded by Councillor Kiernan and

Resolved that the minutes of the meeting of the Audit and Performance Management Committee, held on 14 June 2012, be approved and signed by the Chair as a correct record

6 Public Questions

No public questions, statements or petitions had been received.

7 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.

Councillor Jones asked that page 1 of the constitution be amended to read Jean Jones (Labour) not Jean Jones (Conservative). The Executive Support Officer (ESO) apologised for this error and undertook to correct it.

Councillor Jones proposed, and the Committee agreed that the Committee will meet with Internal and External Audit without Fire Service officers present, immediately after the Committee meeting on 22 November 2012.

Mr Patterson advised the Committee that External Audit will no longer be undertaking the three-yearly review of the effectiveness of Internal Audit. The Committee therefore agreed that the twelfth bullet point on page 3 of the constitution which relates to this should be deleted.

It was proposed by Councillor Kiernan, seconded by Councillor Mellings, and

Resolved that Members:

- a) Note the constitution of the Audit and Performance Management Committee (attached as an appendix to the report); and
- b) Agree that the subject of the next training session should be Performance Management at the meeting on 22 November 2012 and Contract Management at the first meeting in 2013.

8 Statement of Accounts 2011/12

This report presented the completed Statement of Accounts to the Committee, for consideration and approval.

The Head of Finance (HoF) detailed the following four minor amendments to the Statement of Accounts.

- On page 11, the second line should read ‘...Accounts and Audit Regulations 2011’ not ‘Accounts and Regulations 2011’;
- On page 14, the sentence under Certificate of the Treasurer should read ‘I certify that this Statement of Accounts gives a true and fair view of the financial position of the Authority at the reporting date and of its income and expenditure for the year ended 31 March 2012’ not ‘I hereby certify that this Statement of Accounts complies with the requirements of the Accounts and Audit Regulations 2003.’;
- On page 18, the second line should read ‘...pension fund financial statements’ not ‘...pension fund accounting statements’; and
- On page 36, a sentence is to be added at the bottom of the statement which reads ‘These financial statements replace the unaudited financial statements certified by the Treasurer on 28 June 2012.’

Councillor Jones thanked the HoF for the Statement of Accounts 2011/12 information session which had been held immediately prior to the meeting.

It was proposed by Councillor Carter, seconded by Councillor Hurst-Knight, and

Resolved that the Committee approve the Statement of Accounts for 2011/12, subject to incorporating the Annual Governance Statement.

9 External Audit Annual Governance Report 2011/12

Mr Patterson presented External Audit’s report on the audit for the year ended 31 March 2012. A synopsis of the points raised is given below.

Mr Patterson referred to the issue of the value of the Headquarters site, which was detailed on pages 5 and 6 of the report. Mr Patterson commented that the impairment on the value of the site had been reduced. This is not unusual in public sector projects and External Audit does not view it as a value for money issue. External Audit is also satisfied that appropriate arrangements are in place with regard to the valuation of the site.

Councillor Carter commented that he could not agree with the valuation given as the offices have multiple uses and he believes it to be an ‘impaired’ valuation. Mr Patterson responded that he was satisfied with the professionalism of the valuer used and that there was no evidence to support a challenge to the valuation. Councillor Jones commented that public perception of this issue could reflect badly on the Fire Authority. Mr Patterson reassured the Committee that, in External Audit’s opinion, the valuation had been carried out properly.

Mr Patterson referred to the uncorrected errors as detailed on page 9 of the report and in Appendix 2 to the report. There are two uncorrected errors which relate to the classification of creditors and apportionments between the revaluation reserve and capital adjustment accounts. These errors will not be adjusted in 2011/12 but will be reviewed in 2012/13.

Mr Patterson reported that with regard to value for money, the Authority continues to be in a good position and has adequate arrangements in place.

Councillor Hurst-Knight thanked the auditors and the staff involved in the audit for their work. This comment was echoed by Councillor Jones.

It was proposed by Councillor Carter, seconded by Councillor Kiernan, and

Resolved that the Committee formally adopt the Annual Governance Report 2011/12

Following the meeting, the 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 2012, as required by External Audit.

10 Annual Governance Statement 2011/12 and Improvement Plan 2012/13

The purpose of this report was twofold: it set out the draft Annual Governance Statement (AGS) for 2011/12 and AGS Improvement Plan 2012/13 to be included in the Fire Authority's Statement of Accounts; and it also detailed progress on the 2011/2 Improvement Plan.

The Assistant Chief Fire Officer (ACFO) presented this report and highlighted the two outstanding issues on the AGS, relating to Resource Management and Risk Management and Business Continuity Planning, which are to be carried over to the 2012/13 Improvement Plan.

Councillor Mellings asked for an update on the Asset Management System (AMS). The Deputy Chief Fire Officer (DCFO) explained that there has been progress on the AMS but a definite date for its rollout has still not been identified. The position with the AMS is a lot clearer now but there are improvements that still need to be implemented. The Chief Fire Officer (CFO) added that a scenario based review of the AMS had been completed which had shown that whilst the AMS was suitable for current needs there were concerns about how effective it would be in the longer term. The DCFO also explained that an initial review of systems used to manage Shropshire Fire and Rescue Service assets had been undertaken and no risks had been identified in relation to this. Further more detailed work will continue on this issue.

Councillor Adams referred to item 5 on the AGS Improvement Plan 2012/13 and asked for an explanation of what an 'in life support arrangement' was. The ACFO explained that this was another term for a service wrap, i.e. the provision of end to end maintenance for the command and control system which comprises of many separate but integrated sub-systems.

It was proposed by Councillor Kiernan, seconded by Councillor Mellings, and

Resolved that the Committee

- a) Note the progress made on the 2011/12 Improvement Plan;
- b) Agree to close the 2011/12 Improvement Plan, carrying forward any outstanding issues to the 2012/13 Improvement Plan; and
- c) Agree the AGS and 2012/13 Improvement Plan for inclusion in the 2011/12 Statement of Accounts.

11 Code of Corporate Governance 2012/13

This report gave the Committee an opportunity to make comments on the draft Code of Corporate Governance 2012/13, prior to its going forward to the full Fire Authority for consideration and formal adoption.

Councillor Adams referred to paragraph 3 on page 15 of the Code which details customer satisfaction surveys and asked who undertook the analysis of these surveys and identification of issues arising from them. Councillor Jones raised a similar query in relation to page 17 of the Code. The ACFO responded that he would address these queries at item 15a on the agenda.

It was proposed by Councillor Adams, seconded by Councillor Carter, and

Resolved that Members:

- a) Make no comment on the draft Code of Corporate Governance 2011/12, attached as an appendix to the report; and
- b) Agree to forward the draft Code to the Fire Authority for consideration and formal adoption

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

The Committee received the Internal Audit Report on Shropshire Fire and Rescue Service Compliance with the Code of Corporate Governance 2012/13.

Resolved that the Committee note the Internal Audit Report on Shropshire Fire and Rescue Service Compliance with the Code of Corporate Governance

13 Annual Report 2011/12

This report sought Member approval of the Fire Authority Annual Report 2011/12.

The ACFO informed the meeting that this would be the last Annual Report to be published in this format. From next year, the Authority will be required to publish an Annual Statement of Assurance. The format and details of this are still to be confirmed by Government.

Councillor Jones commented that the Annual Report was very informative and asked if the Statement of Assurance was likely to be a briefer document. The ACFO explained that there is still uncertainty about the format / contents of the Statement of Assurance although it is likely that Government will be prescriptive about its contents. There is also concern about the legal standing of the Statement of Assurance. This is currently being looked at by the Chief Fire Officers Association and the Local Government Association and reports on this issue will be brought to the Fire Authority as further information becomes available.

Councillor Carter referred to the response standards detailed on page 24 of the Annual Report and asked about the 13% drop in performance that had occurred with water rescues. The ACFO explained that there will be some response standards on which the Authority will struggle to see improvements. Councillor Carter then asked if the target was realistic on a national and local level; and if it was not then why have it. The ACFO responded that under Public Value, the performance measure had been changed to 'the first fire engine will arrive at an emergency incident within 15 minutes on 85% of occasions'. If there was a spate of incidents in a given area then the prevention strategy would become more targeted, as had happened with the smoke alarm strategy which is now focused outside the 15 minute response area.

The CFO explained that there was an anomaly in relation to this target. The number of Swift Water Rescue trained crew on appliances has increased but the fact that they don their drysuits before getting into the appliance adds 3-4 minutes to the response time. It does however mean that they arrive at incidents equipped to act immediately and this needs to be reflected in the sub-measures that underlie the higher level measures.

Councillor Carter commented that he was pleased to hear this answer as he was concerned about public perception of this issue

It was proposed by Councillor Adams, seconded by Councillor Carter, and

Resolved that the Committee approve the Annual Report 2011/12 for publication on the Service website.

14 Risk Management Group Internal Audit Progress Monitoring Report

This report provided an update on the monitoring of recommendations made by Internal Audit that is undertaken by the Risk Management Group. It specifically covered details about the progress made against outstanding recommendations.

Resolved that the Committee:

- a) Note the progress that has been made against the outstanding recommendations; and
- b) Note that the Risk Management Group will continue to monitor progress against all recommendations, reporting to this Committee on a regular basis.

15 Performance Monitoring

15a Public Value Performance Measures 2012/13 Quarter 1 Performance: April to June 2012

This report presented a summary of the Service's performance for the period April to June 2012.

The ACFO reported that seven out of the eight Public Value Measures were being achieved in this quarter. In response to the questions asked by Councillors Adams and Jones at agenda item 11, the ACFO explained that the Service has established a regime of monthly performance group meetings which allow officers to monitor performance against the public value measures and to react appropriately to emerging issues. Customer satisfaction surveys are issued after incidents and home fire safety risk assessments; as well as at community events and to visitors to Headquarters. The responses to these surveys are monitored together with complaints received by the Service to enable any issues to be identified.

The DCFO referred to the target to reduce the number of fires in the community and gave the example of Brookside, Telford. The focus here has been on secondary fires and the approach of the Service has been adjusted accordingly to address this. Councillor Jones commented that it was good to see that this approach was working.

The CFO commented that the performance monitoring report is a good opportunity for members to ask specific questions and to explore failures and successes in depth.

Councillor Mellings commented that the notes to the table in the appendix were useful and asked that the contents of these be covered in the Performance Monitoring training session which is to take place before the November 2012 meeting of the Committee.

Resolved that the Committee note the report

15b Retained Duty System Performance Monitoring April to June 2012

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

The DCFO explained that Graph 1 on page 2 of the report showed a downward trend in RDS availability for April to June 2012. Overall performance is high but there are four stations that are causing issues. The DCFO detailed the following two amendments to the report.

- Paragraph 2 of section 3 on page 1 of the report should read 'Overall availability of RDS fire engines ... remains high at over 95%' not '97%'
- Section 6 on page 3 of the report should read '... performance over the past 12 months falls significantly below the 95% to 100% achieved by the remaining stations.'

Councillor Jones referred to section 5 of the report and asked for further explanation of the last bullet point which referred to increasing concerns regarding the ability of operational staff to meet the health and safety requirements and expectations of both the organisation and of third parties. The DCFO explained that this was anecdotal information that seems to apply to a minority of personnel. The issue will be addressed through the RDS Training Programme.

The Shropshire Rural Performance Group Commander reported that Ludlow which is detailed on page 7 of the report is now showing improvements in availability.

The Service is able to train 30 RDS staff in a year but has lost 19 RDS staff so far this year hence a structured recruitment programme has been put in place to try to achieve some balance in staffing levels. The programme has yielded over 100 applicants. 48 of these applicants progressed through the recruitment process with 15 meeting all the necessary requirements for recruitment. It is hoped that 10 of these 15 will be on the next RDS training course.

Councillor Hurst-Knight informed the meeting that the Shropshire Association of Local Councils (SALC) produced a weekly leaflet which is distributed to Parish Councils within in Shropshire. SALC have indicated that they would be happy to include information about RDS firefighter recruitment in this leaflet. The Shropshire Rural Performance Group Commander undertook to follow this up with SALC. The Retained Support Officers (RSOs) are currently focusing on business interactions and highlighting the benefits to employers of having RDS firefighters on their staff.

The CFO commented that people expect the fire and rescue service to be available to them when they call and that the Service is reliant on both the public becoming RDS firefighters and on businesses agreeing to release staff to respond to emergency calls. The provision of statistics on call levels / attendance times has helped greatly with this issue.

Resolved that the Committee note the contents of the report

15c Operational Performance Assessment

The Committee received a verbal update on Operational Performance Assessment Peer Review process, as detailed on the agenda for the meeting.

Resolved that the Committee note the update given

The meeting closed at 3.17 pm.

Chair.....

Date.....