

**MINUTES OF CORPORATE SERVICES POLICY AND CHALLENGE GROUP  
MEETING HELD ON 9 JUNE 2016**

Present: Councillors M Headley (Chair), F Chapman, D McVicar and Y Waheed  
SOC T Rogers, CFO P Fuller, ACO Z Evans, Mrs A Ashwood, AC C Ball  
and Mr G Chambers

16-17/CS/1 Apologies

An apology for absence was received from Councillor T Brown.

16-17/CS/2 Election of Vice Chair 2016/17

**RESOLVED:**

That Councillor F Chapman be elected Vice Chair of the Policy and Challenge Group for 2016/17.

16-17/CS/3 Declarations of Disclosable Pecuniary and Other Interests

No declarations were made.

16-17/CS/4 Communications (including minutes of ICT Shared Service Governing Body)

The Group received the Minutes of the ICT Shared Service Governance Board meeting held on 28 April 2016 for information.

ACO Evans reported that Schedule 4 of the shared services agreement was being reviewed and the outcome of this would be reported to a meeting of the Fire and Rescue Authority later in the year. There would be no wholesale review of the operating model for this review, but changes may be made to structure and skill alignment.

16-17/CS/5 Minutes

**RESOLVED:**

That the Minutes of the meeting held on 7 March 2016 be confirmed and signed as a true record.

16-17/CS/6 Terms of Reference

Members were requested to review the Group's terms of reference.

The Chair drew Members' attention to a change in the Group's terms of reference relating to the reporting mechanism from the Policy and Challenge Groups and the Audit and Standards Committee to the Fire and Rescue Authority arising from an internal audit. This set out that "*the Group has no delegated power to take decisions but its Minutes are submitted to the FRA under a covering report from the Group's Chair with any recommendations.*"

**RESOLVED:**

That the Terms of Reference be updated to include a statement that the Group reports to the Fire and Rescue Authority and to amend points 3 and 7 to remove reference to 'approve' accordingly.

## 16-17/CS/7 Corporate Services Performance 2015/16 Year End Report and Programmes to date

ACO Evans introduced the year-end performance report. She reported on the programmes currently in progress within the Group's remit. As requested at a previous meeting, each individual action under the Business Systems Improvement project had its own RAG rating. These were all currently reporting as green.

The Business Process Improvement and VDI Refresh programmes were rated as amber with the Telephony System Replacement (Unified Comms) reporting as red.

The Business Process Improvement process was delayed as the deployment of an upgrade to improve the recording of the sickness absence process in relation to wholetime staff as additional development was required by the supplier. The server problems had been resolved and final testing completed and it was anticipated that this would be deployed the week commencing 6 June 2016.

The delay to Unified Comms was linked to the server problems relating to the VDI refresh. This would recommence in three weeks. It was hoped to compress the programme to minimise the impact on Unified Comms. A revised timetable would be presented to the Group's next meeting.

In response to a question, Mrs A Ashwood, Head of Strategic Support, advised that the integrations with the new HR and payroll system for the Retained Availability Software had been purchased from the supplier and that there would not be any compatibility issues.

ACO Evans confirmed that the Project Charter for the HR and payroll system was in place and had been signed.

ACO Evans reported on the year-end performance indicators. All the finance indicators, with the exception of FNP8 (return on investment) were green, as were the ICT and Fleet and Workshop indicators. A number of the property indicators, relating to utility usage, were amber or red.

Mr G Chambers, Head of Finance and Treasurer, advised that FNP1 (budget requirement of Fire and Rescue Service divided population) was an indicator that was reported for information only. The two indicators for FNP2 (accuracy of net budget forecast) were awaiting finalisation of the Statement of Accounts.

FNP8 was 0.9% under target as when the target was set it was anticipated that the Bank of England base rate would rise above 0.5% during 2015/16.

Mr Chambers reported on the property indicators. All stations had had water meters installed for a number of years so that the data collected was reliable. Water usage at Shefford Fire Station in particular was very high and this would be investigated along with all the other stations that had usage at levels above or below what was estimated through previous benchmarking.

The majority of stations now had smart meters installed for gas and electricity, with all of them fitted by the end of the summer. This would enable an accurate benchmark to be set for future performance years. Electricity usage at Biggleswade, Luton, Shefford and Toddington and gas usage at Ampthill was high and would be investigated.

The Group was advised that the Asset Management Plan for Land and Buildings included a number of measures to reduce utility usage. The Plan was being considered by the Group later in the meeting. The Plan included targets for utility usage that had been set the previous year.

### **RESOLVED:**

1. That the progress made on Corporate Services Programmes and Performance be acknowledged.
2. That a report providing an update on the investigations into utility usage at particular stations where usage was higher than expected be submitted to a future meeting of the Group.

### 16-17/CS/8 New Internal Audit Report Completed to date

ACO Evans submitted new internal audit reports for Key Financial Controls, the IT Shared Service and a follow up audit. Key Financial Controls and the IT Shared Service had been awarded opinions of substantial assurance and there were only a small number of low priority recommendations which would be added to the next monitoring report.

In response to a question, Mr G Chambers, Head of Finance and Treasurer, advised that the development of a centralised asset register for the purposes of preparing the Statement of Accounts had been superseded as the majority of operational assets were checked regularly at the stations and the internal auditors were satisfied with this arrangement.

In relation to the follow up audit, the internal auditors had expressed the opinion that management had demonstrated reasonable progress in implementing the agreed management actions. Seven of the ten management actions had been fully implemented, with one superseded and replaced with a new management action. The remaining actions were in progress with one due to be completed by the end of the current month.

The management action within the remit of this Group was to improve control around the fuel reserve log. In this respect a new action, to conduct a review of fuel reserve control activities, had been added with a revised completion date of March 2017.

#### **RESOLVED:**

That the attached internal audit reports be received and the associated management comments/actions which will be added to the Audit and Governance Action Plan Monitoring report be endorsed.

### 16-17/CS/9 Audit and Governance Action Plan Monitoring Report

ACO Evans submitted a report on progress made to date against current action plans arising from internal and external audit reports and from the Authority's 2014/15 Annual Governance Statement.

There had been no extension requests and all actions were progressing as anticipated.

#### **RESOLVED:**

That the progress made to date against the action plans be acknowledged and that the extensions to completion dates be agreed.

### 16-17/CS/10 Revenue Budget and Capital Programme Monitoring 2016/17 as at 31 May 2016

Mr G Chambers, the Head of Finance and Treasurer, presented the forecast year-end position for 2016/17. There was currently no variance in either the forecast salary and non-salary budgets.

The transformational savings and efficiencies for 2016/17 to 2018/19 were set out as an appendix to the report.

Additional information on the four year budget settlement was awaited from Government. It was noted that a savings and efficiencies plan was a requirement to sign up to a four year settlement and that a report would be submitted to the next full Authority meeting in relation to the budget settlement.

#### **RESOLVED:**

That the forecast outturn and planned savings and efficiencies be received.

## 16-17/CS/11 Treasury Management - Annual Report for 2015/16

Mr G Chambers, Head of Finance and Treasurer, presented the Authority's Annual Report for Treasury Management for 2015/16. The Authority had achieved investment income of £115,694, over the target level of £99,000.

The Authority had £10 million of borrowing and opportunities for debt rescheduling were regularly explored. All prudential indicators were within the targets set.

The current interest rate forecast from the Authority's treasury management advisers predicted an interest rate rise of 0.25% in the first quarter of 2017.

### **RESOLVED:**

That the report be received.

## 16-17/CS/12 Asset Management Policy and Plans, ICT, Land & Buildings and Transport 2016/17 to 2019/20

The Group received updated Asset Management Plans for 2016/17 to 2019/20 in relation to Transport, ICT and Land & Buildings.

### **Transport**

AC C Ball highlighted a number of areas within the Transport Asset Management Plan.

He reported that the Service had introduced the vehicle life policy in 2009 under which the condition of all vehicles scheduled for replacement were discussed by the Service Delivery Asset Group to determine whether a vehicle was still required, if it could be replaced by a smaller, more efficient vehicle or if the life of the vehicle could be extended. This had saved the Service approximately £869,000 since the introduction of the policy.

The carbon footprint of the Service's fleet continued to decrease as a result of the increased performance of the vehicle engines and the reduced mileage that the vehicles were travelling. The mileage covered by the fleet continued to decrease and the total mileage was 447,000 for 2015/16. It was anticipated that the reduction would level off at some point in the near future.

There had been a corresponding decrease in the cost of fuel used by approximately £28,000- £30,000. Red diesel was being used by the Aerial Platform in Bedford, as it was classified as plant, and there were plans to provide red diesel tanks at both Bedford and Luton stations so that both aerial platforms could be fuelled by red diesel, which was 50% less expensive than normal diesel.

AC C Ball advised that the Service was planning to purchase a number of vehicles during 2016/17, including 10 rescue appliances, a van and a fire bike. The anticipated spend on vehicles during the year was £2 million. The rescue pumps purchased were at a discounted cost due to the Service's involvement in a collaborative agreement with Essex, Cambridgeshire and Hertfordshire Fire and Rescue Service and the supplier.

In response to a question, AC C Ball reported that rescue appliances needed to use diesel as they required the power both whilst driving and to run the pumps at incidents.

### **ICT**

Mrs A Ashwood, Head of Strategic Support, drew Members' attention to the list of the Service's hardware and software assets. During 2015/16, the Service had introduced a new series of network printers with access via a security fob. There were now 32 printers rather than 64 and this would result in significant savings while increasing functionality.

Key achievements included the commencement of the VDI rollout, improved links between the north and south of the county and increased take up of technology.

A review of information and cloud readiness would be undertaken in 2016, along with the creation of a user focus group to increase engagement with users.

Members acknowledged that the investment in IT through the development of the Shared Service had resulted in greatly improved performance against more stretching targets.

## **Land and Buildings**

Mr G Chambers, the Head of Finance and Treasurer, introduced the Land and Buildings Asset Management Plan. Within the Plan was a list of all the property owned and occupied by the Fire and Rescue Authority. The age profile of the buildings, most of which were built in the 1950s-1970s, necessitated a proactive programme of maintenance and repair and a number of improvements have been made to properties, most recently at Sandy and Potton stations.

The development of full compliance registers, CAD drawings, replacement of generators and improvements to boilers were among the significant achievements over the last two years of the Plan.

Mr G Chambers referred to the planned programme for 2016/17 which included the redesign of the BA Technical Workshop, the replacement of the generator at Bedford, a kitchen upgrade at Control and security improvements at the Headquarters site.

The Group also noted the benchmarking information provided in the report for the usage of water, gas and electricity and that the installation of smart meters for gas and electricity would give the Service an early indication of any issues in abnormal utility usage.

### **RESOLVED:**

That the updated Asset Management Plans for Transport, Information & Communications Technology and Land & Buildings be endorsed.

### 16-17/CS/13 Corporate Risk Register

SOC T Rogers submitted the Service's Corporate Risk Register in relation to Corporate Services.

He reported that both the inherent likelihood and inherent risk for CRR23 (the Service IT infrastructure is unable to handle secure e-mails from external partners) had been reduced and the risk rating had decreased to a tolerable level as the result of the Service's use of the Criminal Justice secure email system.

The risk rating for CRR29 (poor communications both internal and external to the Service) had been reduced from 9 to 6 following the appointment of a Communications and Engagement Manager and the development of other risk controls.

The risk rating for CRR39 (if we have inadequate data management due to poor implementation, inappropriate specification of requirements or poor quality control measures then we are at risk of using the wrong information throughout the organisation and thus potentially affecting the delivery of our services) had also been reduced from 12 to 9 as risk control measures had been embedded.

SOC T Rogers provided an update on CRR05 (if we are unable to provide adequate asset management and tracking facilities then we may cause serious injuries to our staff due to a lack of safety testing. We may also incur unnecessary significant costs and be in breach of health and safety legislation). A technical specification was being drafted for an asset tracking system to enable the tendering process for a new software solution to begin.

Members were advised of the Service's current business continuity arrangements.

SOC T Rogers reported that a new risk, CRR45, had been added to the agenda relating to the threat to the Service arising from malware. This currently had a risk rating of 16 and was RAG rated red. A number of control measures were in place to mitigate against the threats posed by malware and these would be detailed within the Risk Register report submitted to the Group's next meeting.

**RESOLVED:**

That the review by the Service of the Corporate Risk Register in relation to Corporate Services be approved.

16-17/CS/14 Work Programme 2016/17

The Group considered its updated work programme for 2016/17.

It was noted that a report on the investigations into utility usage at fire stations had been requested under an earlier agenda item and would be added to the work programme at most appropriate future meeting of the Group.

The meeting ended at 11.03 am