

NOTES OF AN INFORMAL CORPORATE SERVICES POLICY AND CHALLENGE GROUP MEETING HELD ON 12 MARCH 2018

Present: Councillors M Headley (Chair) and D McVicar

CFO P Fuller, ACO Z Evans, SOC C Ball, AC D Cook, Mr J Atkinson,
Mr G Chambers and Mr A Dosanjh

17-18/CS/42 Apologies

- 42.1 An apology for absence was received from Councillor Chapman.
- 42.2 The absence of three members of the Group meant that the meeting was not quorate and the Secretary/Monitoring Officer advised that in those circumstances the Group could not make any decisions, including submitting recommendations to the FRA. However, it was possible for the items on the agenda to be discussed informally and for any matters requiring a decision to be forwarded to the FRA for decision.

17-18/CS/43 Declarations of Disclosable Pecuniary and Other Interests

- 43.1 There were no declarations of interest.

17-18/CS/44 Communications

- 44.1 There were no communications.

17-18/CS/45 Minutes

Deferred to the Group's next meeting.

17-18/CS/46 Corporate Services Performance 2017/18 Quarter 3 and programmes to date

- 46.1 ACO Evans submitted the Corporate Services programme, projects to date and performance against Corporate Services performance indicators and associated targets for the third quarter of 2017/18.
- 46.2 The Asset Tracking System was currently deferred pending a further report to the Service's Corporate Management Team.
- 46.3 The Website Procurement and Development project was making good progress and Members would shortly be sent a link to participate in user testing. The work undertaken by AC D Cook and his team on this project was recognised.
- 46.4 The Protection Replacement Management Information System remained on Amber as there were still ICT training issues to resolve. The Prevention part of the Information System project was rated as green.
- 46.5 The non-sickness absence synchronisation module of iTrent was rated red as issues had arisen due to a lack of capacity and the complexity of the integration. This would continue to be monitored. The people/person synchronisation was also rated red but would be completed by the end of the week.

- 46.6 The unified communications project was rated as amber as there had been some slippage arising from configuration issues. The provider had offered an on-site resource to drive through the changes required and the rate of progress had increased as a result.
- 46.7 The community defibrillator project was complete and would be closed down as a reportable project, as would the Desktop Refresh (VDI). A small group of users had not yet been migrated across but this would take place under the new VDI Upgrade project which would continue to be reported to the Group.
- 46.8 It was requested that a link to iTrent be recirculated to Members to enable them to access their P60s.
- 46.9 ACO Evans then reported on the performance indicators as at the end of the third quarter of 2017/18. All ICT and Fleet and Workshops indicators were reporting as green, with the exception of WS1a (Grade A defect response time (within 1 hour)), which had not recovered from poor first quarter performance caused by a vacancy in the workshop. The post had now been successfully recruited to and performance was meeting target levels for the quarter, but as performance was cumulative, it was still reporting as amber and was likely to do so at year end.
- 46.10 Mr G Chambers, the Head of Finance and Treasurer, reported on the indicators, two of which had not achieved target levels. FNP5 (percentage of uncontested invoices paid within 30 days) had missed its target by 1%. The Finance Team regularly liaised with departments to resolve issues with the late authorisation of invoices and/or raising of purchase orders which delayed payment of invoices.
- 46.11 FNP6 (percentage of outstanding debt over 90 days old) was red as a result of underperformance in quarter 1 arising from a vacancy. A table should have been included in the exception report to illustrate that performance against the indicator continued to improve, with performance of 18.6% in quarter 1, 0.73% in quarter 2 and 1.49% in quarter 3. Changes were being proposed to the way this indicator was reported to give a more accurate reflection of quarterly performance.
- 46.12 Members asked that a link be sent to them to enable to access their P60s via iTrent.

17-18/CS/47 Proposed Corporate Services Indicators and Targets for 2018/19

- 47.1 ACO Evans introduced the proposed suite of Corporate Services performance indicators and associated targets for 2018/19 for incorporation into the Service's performance management framework.
- 47.2 She advised that, no significant changes were being proposed to the targets for the ICT performance indicators for 2018/19 to enable continued benchmarking of performance.
- 47.3 The property performance indicators would be based on historical and 2017/18 actual usage data for water, electricity and gas. As such, they would be reported to a future meeting of the Group, after year end.
- 47.4 In relation to the finance indicators, it was proposed that FNP2 (accuracy of net budget forecast) be subdivided into two measures reported at different times during the year, with both reported at year end and that FNP6 (percentage of outstanding debt over 90

days old) be revised to report the outstanding debt over 90 days old at the end of each quarter from the total debt raised in that quarter.

- 47.5 In response to a comment on collaboration, it was noted that the Service Delivery Policy and Challenge Group was the Group which had oversight of the majority of collaborative work the Service undertook with other emergency services.
- 47.6 The Chair requested that the amounts, rather than the percentages, be reported to Members under FNP6, with the target a figure based on the two year average.

17-18/CS/48 New Internal Audit Report Completed to date

- 48.1 ACO Evans introduced the internal audit report of Key Financial Controls which had been completed in January 2018.
- 48.2 The auditors had issued an opinion of substantial assurance. The controls upon which the Service relied on to manage the identified areas were suitably designed, consistently applied and operating effectively.
- 48.3 The Head of Finance and Treasurer reported that the three recommendations in the report had already been completed.

17-18/CS/49 Audit and Governance Action Plan Monitoring Report

- 49.1 ACO Evans introduced her report on progress made to date against current action plans arising from internal and external audit reports. No extensions had been requested and all the actions from previous audits had been completed awaiting follow up audits.

17-18/CS/50 Treasury Management Strategy and Practices

- 50.1 Mr G Chambers, the Head of Finance and Treasurer, submitted his report on the Treasury Management Strategy and Practices and referred to information on ethical investments that had been circulated to Members electronically with the agenda for the meeting.
- 50.2 It was noted that the Service's treasury management advisors, Link Asset Services, were not aware of any local authority that has invested in Ethical Investments.
- 50.3 The Treasury Management Strategy Statement had been updated in accordance with updates to the Code primarily relating to the commercial approach increasingly being taken by local authorities who were investing in property outside of their own areas. Inter-authority lending had also been included as an option following the discussion of this by Members at a previous meeting.
- 50.4 There had been no significant material changes to the Treasury Management Practices.
- 50.5 Changes in the presentation of the prudential indicators had also been made following consultation with the Chair and Link Asset Services.
- 50.6 The Chair requested that if any changes were made, following a meeting referred to between Officers and Link Asset Services, on the Capital Financing Requirement and

the under/over borrowed position going forward, that these be reported back to the Group at its next available meeting.

- 50.7 The Chair confirmed that Members would wish to receive treasury management training on an annual basis and commented that the Treasury Management Scheme of Delegation as set out in Appendix 6 would need to be revised as it currently referred to powers of approval which the Group did not have.

The following officer recommendation was forwarded to the FRA for decision:

That the updated documents be referred to the Fire and Rescue Authority for adoption, subject to references to approval being removed from the Group's section of the Treasury Management Scheme of Delegation in Appendix 6 of the Strategy:

- i. Treasury Management Strategy Statement
- ii. Minimum Revenue Provision Policy and Annual Investment Strategy
- iii. Treasury Management Practices

17-18/CS/51 Asset Management Strategy for 2018/19

- 51.1 The Head of Finance and Treasurer introduced the proposed Asset Management Strategy and advised that no significant changes had been made to the Strategy.
- 51.2 In response to a question from the Chair, the Head of Finance and Treasurer confirmed that the Police and Crime Act 2017 would be referred to in section 3 of the Strategy which listed the legislation under which the Service had statutory obligations to meet.
- 51.3 It was also requested that reference to the post implementation review of all capital projects that were undertaken in section 4(d) of the Strategy be updated to detail that these were reported back to Members in the Asset Management Plans that were submitted to the Group for consideration on an annual basis.

The following officer recommendations were forwarded to the FRA for decision:

1. That the Asset Management Strategy be forwarded to the Fire and Rescue Authority for approval, with the inclusion of the Police and Crime Act 2017 in section 3 and the update to section 4(d) to clarify that post implementation review was undertaken by the Group during its consideration of the individual Asset Management Plans.
2. That the Strategy is reviewed every three years and the individual Asset Management Plans annually.

17-18/CS/52 Corporate Risk Register

- 52.1 AC D Cook submitted an update on the Corporate Risk Register. There were no changes to individual risk ratings. There had been updates to the following risks:
- 52.2 CRR29 (If we do not communicate well, both internal and external to the Service, then we will suffer from poor staff morale, miss the opportunity to promote ourselves and the excellent work that we do and potentially impact upon our ability to deliver a full range of services): the new website frames for both mobile and online versions of the website had been shared with Management at a briefing day and the Service continued to work closely with Zengenti over the content.

- 52.3 CRR04 (If there is a large number of staff absent from the workplace then our ability to deliver services to our communities is severely compromised and our reputation will be adversely affected): the adverse weather plan had been reviewed and the recent snow had not impacted on service delivery.
- 52.4 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): as reported earlier in the meeting, the asset management tracking project had been deferred but market research into cloud-based solutions continued with Officers recently visiting Durham and Darlington Fire and Rescue Service to view its asset management system
- 52.5 CRR15 (If we do not properly manage the work issues that can potentially be caused by collaboration or shared services including: 1. Redundancy 2. Relocation 3. Cost of work for the convergence of procedures 4. Use of inexperienced staff familiar with FRS operations 5. Increase in staff numbers and associated cost then there will be a negative cultural impact upon the service and the projects may fail): the project closure document had been drafted for an anticipated closure of 31 March 2018. Work would continue under this work stream and would be handed over to the Head of Service Delivery as a service delivery function.
- 52.6 The Chair requested that the full Corporate Risk Register, and not an extract of just those risks which had changed or been updated, be submitted to the Group at a future meeting.

17-18/CS/53 Review of Work Programme 2017/18

- 53.1 Members considered the Work Programme for 2017/18.
- 53.2 It was noted that the three Asset Management Plans would not be considered at the same meeting in 2018/19 as they had in previous years.
- 53.3 CFO Fuller referred to the Officer resource involved in supporting the current structure of the Authority and the present number of Member meetings.
- 53.4 ACO Evans suggested that RSM be asked to consider the structure of Member meetings during the audit of Governance.

The meeting ended at 10.53 am