

**ESSEX POLICE, FIRE AND CRIME COMMISSIONER FIRE & RESCUE AUTHORITY**

Essex County Fire & Rescue Service

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| Meeting | **Strategic Board** | Agenda Item |  |
| Meeting Date | 7 March 2019 | Report Number |  |
| Report Author: | Pippa Brent-Isherwood (Chief Executive for the Police, Fire and Crime Commissioner)  Jo Turton (Chief Fire Officer / Chief Executive) | | |
| Presented By | Pippa Brent-Isherwood (Chief Executive for the Police, Fire and Crime Commissioner)  Jo Turton (Chief Fire Officer / Chief Executive) | | |
| Subject | **Response to Internal Audit Report – Transitional Governance** | | |
| Type of Report: | Decision in principle | | |

# Recommendations

That the Strategic Board:

1. Agrees in principle the governance structure attached at Appendix 1, pending formal approval by the Police, Fire and Crime Commissioner;
2. Agrees in principle the updated Terms of Reference for the Strategic Board attached at Appendix 2, pending formal approval by the Police, Fire and Crime Commissioner;
3. Agrees in principle the updated Terms of Reference for the Performance and Resources Board attached at Appendix 3, pending formal approval by the Police, Fire and Crime Commissioner, and
4. Notes the ongoing work being undertaken to respond further to the findings of the Transitional Governance audit.

# BACKGROUND

At its meeting on 18 September 2018, the Strategic Board considered the review of transitional governance arrangements undertaken by the authority’s internal auditor, RSM, as part of the Police, Fire and Crime Commissioner Fire and Rescue Authority’s internal audit plan for 2017/18 following the implementation of joint governance of police and fire and rescue services in Essex in October 2017.

While acknowledging that arrangements were, at that time, at an early stage, the auditors found:

* That, “…while changes had been made to align governance arrangements and there had been progress towards this, there could be improved clarity of responsibility and accountability between the various boards and committees….”
* Some strategic issues had erroneously been referred to the Performance and Resources Board, partly due to a lack of clarity regarding the Terms of Reference of the Strategic Board compared with the Performance and Resources Board, and partly due to the fact that the Performance and Resources Board meets more frequently (monthly) than the Strategic Board (quarterly), resulting in issues inappropriately being referred to the P&R Board where it was considered that time was of the essence. It was felt that this was also partly due to the fact that, at present, the membership of the two boards is exactly the same, and as such the significance of referring the matter to the correct board is not always fully appreciated by all staff.
* Likewise, “Both SLT and the Change Board have similar responsibilities with regard to overseeing projects and change” and that, once again, the entire membership is currently duplicated across these two boards.
* A lack of a “line of escalation between the Change Board and the SLT.”
* Some low-level concerns regarding the completeness and accuracy of minutes and actions logs arising from the meetings of the two governance boards.

The management actions agreed in response to the audit were that:

1. The governance structure, membership and terms of reference for all governance boards will be reviewed and updated as necessary;
2. The PFCCFRA Constitution (including the Scheme of Delegation) will be reviewed and updated accordingly, and
3. A Board Support Officer will be recruited to support all the governance boards and ensure the completeness and accuracy of minutes and action logs.

**CONSIDERATION**

While the report was a very early reflection of the governance arrangements instigated, it highlighted the need for greater clarity of purpose of the respective boards, as well as clearer linkages and escalation routes between service-led boards and the PFCC’s governance boards. In response to this – as well as to reflect the changes in the service structure being implemented at SLT level - a governance structure chart (attached at Appendix 1) has been developed to clarify the linkages and reporting lines between the various boards. The Terms of Reference of the Strategic Board and the Performance and Resources Board (attached at Appendices 3 and 4) have also been reviewed and updated in order to clarify the matters within their remits. As part of the review of the Terms of Reference, the membership of the Strategic Board and Performance and Resources Board has also been varied slightly, in order to draw a clearer distinction between the two.

# NEXT STEPS

Following approval of the governance structure attached at Appendix 1, the Terms of Reference for ECFRS’s Senior Leadership Team (SLT) will be reviewed. The Terms of Reference of each of its sub-boards will then be reviewed / developed by the responsible Directors when they take up post in April 2019. Once the Terms of Reference of the respective boards are agreed, their Forward Plans will be reviewed and amended as necessary to ensure that they are in alignment with these. Alongside this, an extended forward planner is being developed for the Essex County Fire and Rescue Service to ensure that recommendations and decisions take the appropriate route through the service’s and the authority’s governance structures and that the necessary milestones are met to ensure that reports are presented to the correct board in a timely manner. It is anticipated that this work will be completed by the end of May 2019.

All of the above is part of, and will inform, an overarching review of the Police, Fire and Crime Commissioner Fire and Rescue Authority’s Constitution, the outcomes of which will be reported to the Strategic Board and the Police, Fire and Crime Panel later in 2019.

Finally, to support communication and awareness raising generally between the Essex County Fire and Rescue Service and the office supporting the Police, Fire and Crime Commissioner, some staff in the OPFCC already have access to the ECFRS intranet, and consideration is being given to broadening this out further.

# Benefits and Risk Implications

The benefits of the proposals are set out in the body of the report.

The internal audit of the transitional governance arrangements identified a “risk that decisions could be made at an inappropriate level or issues may not be escalated”, as well as risks of duplication and of boards not fulfilling their core functions, due to the Terms of Reference of individual boards, their links to other boards and / or the routes for particular types of decisions not being clear. The internal audit report also concluded that, “Without a clear statement of the purpose of the SB [Strategic Board], and well-defined relationships between different boards, there is a risk that decisions made at other boards do not receive the appropriate scrutiny from the PFCC, which would undermine the accountability of the PFCC.” It is considered that the recommendations set out in this report, along with the additional work either already underway or planned, sufficiently mitigate these risks.

# Financial Implications

There are no financial implications arising directly from this report.

# Equality and Diversity Implications

There are no equality and diversity implications arising directly from this report.

# Workforce Engagement

Presuming that the recommendations oultined above are agreed, the service’s SLT will be briefed on the changes, and will brief their own management teams accordingly, in order to ensure that the changes introduced are embedded in practice.

As a staff development opportunity, the proposed Terms of Reference of each of the two key governance boards now permit that an “open chair” will be available for colleagues attending as observers to the meeting, to support their personal development, at the discretion of the Chair.

# Legal Implications

There are no legal implications arising directly from this report.

The principal legislation affecting the governance of the fire and rescue service is set out in the Fire and Rescue Services Act 2004, as amended by the Policing and Crime Act 2017, and the Police, Fire and Crime Commissioner for Essex (Fire and Rescue Authority) Order 2017, through which the creation of the Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCCFRA) for Essex, as a new corporation sole, replaced the former Essex Fire Authority. The governance structure depicted at Appendix 1 is designed to support the PFCC in discharging his statutory duty to hold the Chief Fire Officer to account for the for the exercise of functions which are delegated to them as well as the exercise of functions of persons under the direction and control of the Chief Fire Officer.

**HEALTH & SAFETY IMPLICATIONS**

There are no Health and Safety implications arising from this report.