



PFCC
POLICE, FIRE AND CRIME
COMMISSIONER FOR ESSEX

**Essex Police, Fire and Crime Commissioner Fire and Rescue
Authority**

Decision Report

Report reference number: 093/2019 107/19
Government security classification: Not protectively marked
Title of report: Response to Internal Audit Report – Transitional Governance
Area of county / stakeholders affected: Whole of Essex
Report by: Pippa Brent-Isherwood (Chief Executive and Monitoring Officer to the Police, Fire and Crime Commissioner) Jo Turton (Chief Fire Officer / Chief Executive)
Date of report: 4 June 2019
Enquiries to: Pippa Brent-Isherwood (Chief Executive and Monitoring Officer to the Police, Fire and Crime Commissioner) Jo Turton (Chief Fire Officer / Chief Executive)

1. Purpose of the report

The purpose of this report is to respond to the findings and recommendations of the Authority's internal auditor with regard to the transitional governance arrangements put in place following the implementation of joint governance of policing and fire and rescue services in Essex.

2. Recommendations

That the Police, Fire and Crime Commissioner:

- 1) Agrees the governance structure attached at Appendix 1;
- 2) Agrees the updated Terms of Reference for the Strategic Board attached at Appendix 2;

- 3) Agrees the updated Terms of Reference for the Performance and Resources Board attached at Appendix 3, and
- 4) Notes the ongoing work being undertaken to respond further to the findings of the Transitional Governance audit.

3. Benefits of the proposal

The benefits of the proposals are set out in the body of the report below. The updated governance framework is intended to support the PFCC in discharging their 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.

4. Background and proposal

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, 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 Performance and Resources 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 would be reviewed and updated as necessary;
- 2) The PFCCFRA Constitution (including the Scheme of Delegation) would be reviewed and updated accordingly, and
- 3) A Board Support Officer would be recruited to support all the governance boards and ensure the completeness and accuracy of minutes and action logs.

In order to deliver against these commitments – as well as to reflect the recent SLT restructure - 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 2 and 3) 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.

Now that the new Service Leadership Team (SLT) for the fire and rescue service is in place, the Terms of Reference for the SLT meeting and each of its sub-boards are also being reviewed / developed by the responsible Directors. Once the Terms of Reference of the respective boards are agreed, their Forward Plans will be reviewed and amended as necessary to ensure 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.

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. Work on this is underway and the outcomes will be reported to the Strategic Board and the Police, Fire and Crime Panel before being formally approved by the Commissioner later in 2019.

With regard to the final Internal Audit recommendation, this post was recruited to but has since become vacant again. The Police, Fire and Crime Commissioner's office is therefore reviewing how this function and support are best delivered going forward. In the meantime, it is planned to cover this role temporarily until permanent arrangements can be put in place.

5. Alternative options considered and rejected

As the Authority has formally accepted the findings and recommendations of the internal audit, along with the management actions outlined above, the option to continue with the current arrangements is not available.

The updated documents attached for approval could be varied, however to do so would be against the decision in principle made by the Strategic Board at its meeting on 7 March 2019.

6. Strategic priorities

The governance framework described in this report makes a key contribution to the priority set out in the Fire and Rescue Plan to "Be transparent, open and accessible".

7. Operational implications

There are no operational implications arising directly from this report.

All representative bodies have had sight of the documents recommended for approval and none have expressed any concerns or reservations relating to the proposals.

8. Financial implications

There are no financial implications arising directly from this report.

9. 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.

10. Staffing implications

Presuming that the recommendations outlined above are agreed, members of the service's SLT 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.

11. Equality and Diversity implications

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

12. Risks

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, will sufficiently mitigate these risks.

13. Governance Boards

The recommendations were approved in principle at the Strategic Board meeting on 7 March 2019. The findings of the internal audit were previously discussed at the Strategic Board meeting on 18 September 2018.

14. Background papers

Audit Report – Transitional Governance– Report to the Strategic Board (18 September 2018)

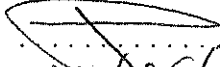
Response to Internal Audit Report – Transitional Governance – Report to the Strategic Board (7 March 2019)

Decision Process

Step 1A - Chief Fire Officer Comments

(The Chief Fire Officer is asked in their capacity as the Head of Paid Service to comment on the proposal.)

... I agree with the recommendations ...
.....
.....

Sign: 
Date: 14/06/19

Step 1B – Consultation with representative bodies


(The Chief Fire Officer is to set out the consultation that has been undertaken with the representative bodies)

The documents for approval have been shared with the representative bodies and no comments have been received

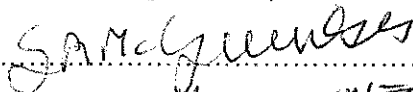
Step 2 - Statutory Officer Review

The report will be reviewed by the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority's ("the Commissioner's") Monitoring Officer and Chief Finance Officer prior to review and sign off by the Commissioner or their Deputy.

Monitoring Officer

Sign: 
Print: P. SEWELL-BREWSTER
Date: 4 June 2019

Chief Finance Officer

Sign: 
Print: CHENW McQUINN
Date: 17 JUNE 2019

Step 3 - Publication

Is the report for publication? YES/NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'none' if applicable)

... N/A ...

If the report is not for publication, the Monitoring Officer will decide if and how the public can be informed of the decision.

Step 4 - Redaction

If the report is for publication, is redaction required:

- 1 Of Decision Sheet YES/NO
- 2 Of Appendix YES/NO

If 'YES', please provide details of required redaction:

.....
N/A

Date redaction carried out:

If redaction is required, the Chief Finance Officer or the Monitoring Officer are to sign off that redaction has been completed.


Sign:

Print:

Date signed:

Step 5 - Decision by the Police, Fire and Crime Commissioner or Deputy Police, Fire and Crime Commissioner

I agree the recommendations to this report:

Sign:  (PFCC / DPFCC)

Print: R.C. HEST

Date signed: 27/6/19

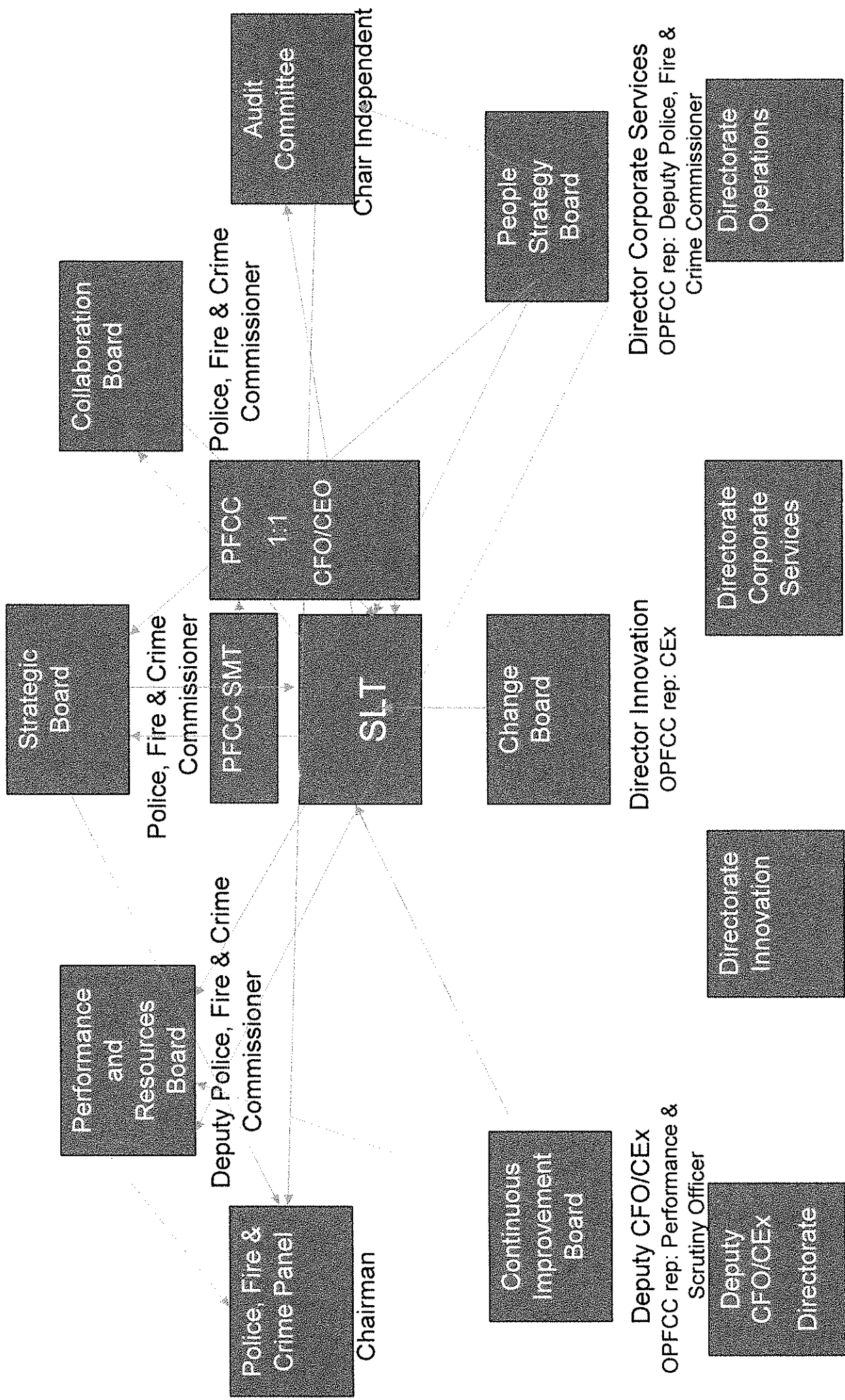
I do not agree the recommendations to this report because:

.....
.....

Sign: (PFCC / DPFCC)

Print:

Date signed:



Strategic Board

Collaboration Board

Police, Fire & Crime Commissioner

PFCC SMT

PFCC 1:1 CFO/CEO

SLT

Change Board

People Strategy Board

Audit Committee

Chair Independent

Director Innovation
OPFCC rep: CEX

Director Corporate Services
OPFCC rep: Deputy Police, Fire & Crime Commissioner

Performance and Resources Board

Deputy Police, Fire & Crime Commissioner

Police, Fire & Crime Panel

Chairman

Continuous Improvement Board

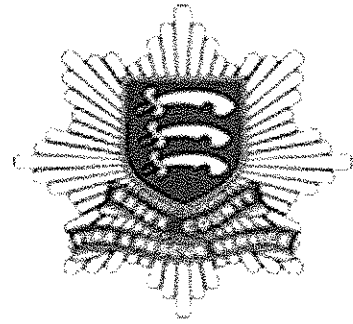
Deputy CFO/CEX
OPFCC rep: Performance & Scrutiny Officer

Deputy CFO/CEX Directorate

Directorate Innovation

Directorate Corporate Services

Directorate Operations



Fire and Rescue Strategic Board

Terms of Reference

1 Introduction

- 1.1 The Board has been established to enable the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority ("the Commissioner") to:
- a) Provide governance and oversight of delivery of the Fire and Rescue Plan and Integrated Risk Management Plan ('IRMP').
 - b) Support alignment of the activities of the Essex County Fire and Rescue Service ('ECFRS') with the Essex Vision, Essex Emergency Services Collaboration Vision and other public sector transformation and collaboration programmes across greater Essex.
 - c) Recommend to the Commissioner any collaboration agreements considered to be in the interests of the efficiency or effectiveness of one or more fire and rescue services, taking into account the existing collaboration agreements and other arrangements for co-operation to which the parties under consideration are committed; the desirability of the parties under consideration taking a consistent approach in making such agreements and other arrangements, and the opportunities available to the parties under consideration to make such agreements and other arrangements.
 - d) Be the primary advisor to the Commissioner on the IRMP.
 - e) Provide strategic oversight of the Medium Term Financial Plan and recommend to the Commissioner the use of ECFRS's reserves.
 - f) Recommend to the Commissioner the annual budget for ECFRS and the annual Council Tax precept relating to ECFRS to be recommended to the Essex Police, Fire and Crime Panel.
 - g) Approve in principle and provide strategic oversight of the key policies and strategies governing the work of ECFRS, including agreeing the Fire and Rescue Plan to be recommended to the Essex Police, Fire and Crime Panel and agreeing in principle the IRMP, prior to formal approval by the Commissioner.

- h) Provide strategic oversight of the capital programme, receiving reports from the Assets Sub-Group as required.
- i) Approve in principle, as appropriate, the progression of project bid proposals recommended to the Commissioner.
- j) Agree in principle the annual Strategic Assessment of Risk (subject to formal approval by the Commissioner) and advise on the management of strategic risks facing ECFRS.
- k) Agree the annual Statement of Assurance to be recommended to the Essex Police, Fire and Crime Panel.
- l) Oversee the development and implementation of the Continuous Improvement Plan, taking account of recommendations arising from HMICFRS inspections, peer reviews and other external reviews and reports (both local and national).
- m) Provide strategic oversight of operation of and benefits delivered by, and receive an annual report from, EFA (Trading) Ltd.
- n) Receive additional reports from ECFRS's Senior Leadership Team ('SLT') and its sub-boards as appropriate.
- o) Commission additional reports via the Chief Fire Officer / Chief Executive as appropriate.

1.2 The Strategic Board has no executive powers, other than those specifically delegated in these Terms of Reference.

1.3 The Terms of Reference of this Board will be reviewed on an annual basis.

2 Areas of Focus

2.1 The focus of the Strategic Board will include those programmes and portfolios that together deliver the long term vision of the Commissioner including:

- a) Fire and Rescue Plan
- b) IRMP
- c) Continuous Improvement Plan
- d) Change programmes
- e) Prevention, protection and response strategies
- f) People Strategy
- g) Estates Strategy
- h) IT / Technology Strategy and information management
- i) Fleet and equipment
- j) Strategic Finance – MTFP and capital programme
- k) EFA (Trading) Ltd

2.2 The operational management of ECFRS is out of scope of the Strategic Board. The responsibility of this sits with the SLT, which is chaired by the Chief Fire Officer / Chief Executive.

3 Membership

3.1 The membership of the Strategic Board is as follows:

- a) Police, Fire and Crime Commissioner
- b) Chief Fire Officer / Chief Executive
- c) Deputy Chief Fire Officer
- d) Chief Executive for the Police, Fire and Crime Commissioner
- e) Head of Performance and Scrutiny (Fire and Rescue) for the Police, Fire and Crime Commissioner
- f) ECFRS's S151 Officer
- g) Director of Corporate Services
- h) Director of Innovation, Risk and Future Development

3.2 Additional members may be invited by the Commissioner to support agenda discussions.

3.3 This meeting is chaired by the Commissioner, or in their absence, their Deputy.

4 Frequency and notice of meetings

4.1 The Board will meet at least four times a year. The calendar of meetings shall be agreed at the start of each year.

4.2 Further meetings outside of the normal cycle of the Board can be convened at the request of the Chair or any of its members, subject to agreement by the Chair.

4.3 Unless otherwise agreed, formal notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, will be forwarded to each member of the Board, any other person required to attend and all other appropriate persons determined by the Chair, no later than five working days before the date of the meeting.

4.4 Any meetings held outside the normal cycle of meetings should be convened with a minimum notice of five working days. Extraordinary or urgent meetings may be held with less notice but should be for exceptional matters only, subject to the Chair's agreement and quorum requirements. In this case the agenda and any supporting papers will be sent Board members and to other attendees at the same time as the meeting notice is sent out.

4.5 Oral reports will not be accepted for substantive agenda items except in very exceptional cases, at the discretion of the Chair

5 Attendance at meetings and quorum

5.1 Members of the Board are expected to attend all meetings wherever possible. Where this is not possible, a named substitute may be sent on their behalf, who must be appropriately briefed to represent the standing member.

5.2 A minimum of four members of the Board, including the Commissioner or their Deputy, must be present for the meeting to be deemed quorate. The meetings will be held in private with the matters discussed being placed in the public domain.

5.3 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.

6 Minutes and papers

6.1 The Secretary will record the names of those present at the meeting, and write minutes, including the key points and decisions in principle of all meetings, along with any actions stemming from discussion that need to be taken before the next meeting.

The draft minutes of all meetings and decisions taken in principle will be circulated within 7 working days of the meeting, and the minutes will be presented to the Commissioner, or the Chair of the meeting, for approval within 15 working days.

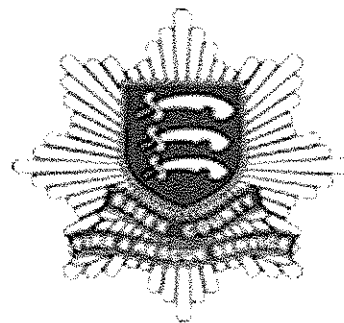
6.2 Papers for the Board will be shared and discussed in advance of each meeting with each of the Representative Bodies.

6.3 The minutes of the Board and unrestricted papers will be placed in the public domain as soon as practical after these have been approved and signed by the Chair, with exclusion to any matter deemed private and confidential.

6.4 The secretariat of the meeting will be provided by the Police, Fire and Crime Commissioner's office.

7 Decision-making (Commissioner or Deputy)

7.1 Although the Board has no decision-making powers, where a decision is required, the Commissioner or their Deputy (where authorised to do so under the Scheme of Delegation) may decide to take a decision on the item once discussion has concluded.



Fire and Rescue Performance and Resources Board

Terms of Reference

1 Introduction

- 1.1 The Board has been established to enable the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority ("the Commissioner") to review Essex County Fire and Rescue Service's ('ECFRS's') performance, ensure that budgeted resources (both human and financial) are closely aligned with fire and rescue priorities and to ensure that resources are effectively and efficiently being utilised.
- 1.2 The Board will enable the Commissioner to maintain effective oversight of the totality of ECFRS and to hold the Chief Fire Officer / Chief Executive to account for the delivery of fire and rescue services and the delivery against the priorities in the Fire and Rescue Plan.
- 1.3 The Terms of Reference of the Board will be reviewed on an annual basis.
- 1.4 The Board will :
 - a) Scrutinise, support and challenge the overall performance of ECFRS including against the priorities agreed within the Fire and Rescue Plan and Integrated Risk Management Plan ('IRMP').
 - b) Support the Commissioner in holding the Chief Fire Officer / Chief Executive to account 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 / Chief Executive.
 - c) Advise the Commissioner on actions to be taken to maintain an efficient, effective and economic fire and rescue service for Essex.
 - d) Identify and consider different themes / "deep dives" for scrutiny, challenge and support.
 - e) Provide governance and oversight of the delivery of the Medium Term Financial Plan. Monitor actual revenue spend against budget, and the forecast outturn advising corrective action where appropriate in order to further advance the priorities of the service.

- f) Agree and oversee implementation of ECFRS's Treasury Management Strategy.
- g) Monitor actual and forecast capital expenditure and resourcing of against the approved capital programme, advising the Strategic Board on progress achieved.
- h) Monitor the use of ECFRS's reserves.
- i) Monitor the progress made in delivering planned transformation and efficiency savings.
- j) Provide governance and oversight of key workforce transformation initiatives, including recruitment and retention initiatives, on-call development and mixed crewing.
- k) Monitor workforce composition and demographics and champion initiatives to increase workforce diversity.
- l) Monitor customer and employee satisfaction survey results and the actions to be taken in response.
- m) Monitor and take steps to improve compliance with key people management processes, such as operational training and annual performance appraisals.
- n) Monitor complaints and compliments made to ECFRS, and the learning arising from these, on a quarterly basis.
- o) Review papers to be submitted to the Essex Police, Fire and Crime Panel and the Joint Audit Committee, other than those approved by the Strategic Board.
- p) Identify areas of commissioning that would assist in delivering the Fire and Rescue Plan.
- q) Receive additional reports from ECFRS's Senior Leadership Team ('SLT') and its sub-boards as appropriate.
- r) Commission additional reports via the Chief Fire Officer / Chief Executive as appropriate.

1.5 The Performance and Resources Board has no executive powers, other than those specifically delegated in these Terms of Reference.

1.6 Operational management of ECFRS is outside the scope of the Performance and Resources Board. This sits with the SLT, chaired by the Chief Fire Officer / Chief Executive.

2 Membership

2.1 The membership of the Performance and Resources Board is as follows:

- a) Police, Fire and Crime Commissioner
- b) Deputy Police, Fire and Crime Commissioner
- c) Chief Fire Officer / Chief Executive or Deputy Chief Fire Officer
- d) Director of Corporate Services
- e) Chief Executive for the Police, Fire and Crime Commissioner

- f) ECFRS's S151 Officer
- g) Head of Performance and Scrutiny (Fire and Rescue) for the Police, Fire and Crime Commissioner

2.2 Additional members may be invited by the Commissioner to support agenda discussions.

2.3 This meeting will be chaired by the Commissioner or the Deputy Commissioner.

3 Frequency and notice of meetings

3.1 The Board will meet monthly. The calendar of meetings shall be agreed at the start of each year.

3.2 Further meetings outside of the normal cycle of the Board can be convened at the request of the Chair or any of its members, subject to agreement by the Chair.

3.3 Unless otherwise agreed, formal notice of each meeting confirming the venue, time and date together with the agenda of items to be discussed, will be forwarded to each member of the Board, any other person required to attend and all other appropriate persons determined by the Chair, no later than five working days before the date of the meeting.

3.4 Any meetings held outside the normal cycle of meetings should be convened with a minimum notice of five working days. Extraordinary or urgent meetings may be held with less notice but should be for exceptional matters only, subject to the Chair's agreement and quorum requirements. In this case the agenda and any supporting papers will be sent Board members and to other attendees at the same time as the meeting notice is sent out.

3.5 Oral reports will not be accepted for substantive agenda items except in very exceptional cases, at the discretion of the Chair.

4 Attendance at meetings and quorum

4.1 Members of the Board are expected to attend all meetings, wherever possible. Where this is not possible, a named substitute may be sent on their behalf, who must be appropriately briefed to represent the standing member.

4.2 A minimum of four members of the Board, including the Commissioner or their Deputy, must be present for the meeting to be deemed quorate. The minutes of the Board and unrestricted papers will be placed in the public domain as soon as practical after these have been approved and signed by the Chair, with exclusion to any matter deemed private and confidential.

4.3 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.

5 Minutes and papers

5.1 The Secretary will record the names of those present at the meeting, and write minutes, including the key points and decisions in principle of all meetings, along with any actions stemming from discussion that need to be taken before the next meeting.

The draft minutes of all meetings and decisions taken in principle will be circulated within 7 working days of the meeting, and the minutes will be presented to the Commissioner, or the Chair of the meeting, for approval within 15 working days.

5.2 The minutes of the Board and unrestricted papers will be placed in the public domain as soon as practical after these have been approved and signed by the Chair, with exclusion to any matter deemed private and confidential.

5.3 The secretariat of the meeting will be provided by the Police, Fire and Crime Commissioner's office.

6 Decision-making (Commissioner or Deputy)

Although the board has no decision-making powers, where a decision is required, the Commissioner or their Deputy (where authorised to do so under the Scheme of Delegation) may decide to take a decision on the item once discussion has concluded.