

AVON FIRE AUTHORITY

MEETING:	Extraordinary Avon Fire Authority
MEETING DATE:	25 April 2023
REPORT OF:	The Clerk
SUBJECT:	Review of Avon Fire Authority's Governance Arrangements

1. SUMMARY

- Vale Consulting Solutions were commissioned to undertake an independent review of Avon Fire Authority's governance arrangements and prepared a detailed report dated March 2023 which outlined 12 recommendations (**Appendix 1**).
- Members were briefed on the findings and recommendations of the Governance Review before their Fire Authority meeting on 29 March 2023.
- A Constitution Working Group was stood-up, comprising Elected Members representing the political parties, which considered the report's recommendations and proposed new Constitutional documents in detail.
- This report to the full Fire Authority outlines the recommendations of the Constitution Working Group, which, if accepted by the Members of the Fire Authority, will change Avon Fire Authority's governance structure, and will necessitate the replacement of the current Avon Fire Authority Constitution with revised individual documents in a 'Constitution repository'.
- The Recommendations of the Governance Review Report will need to be implemented in two phases, with Phase 1 being implemented first to allow a new committee structure to be introduced prior to the arrival of newly appointed Members for the Fire Authority AGM in June 2023, following local government elections in May.

2. RECOMMENDATIONS

The Fire Authority is asked to:

- a) Note the Governance Review Report dated March 2023 (**Appendix 1**).
- b) Approve for implementation all 12 recommendations of the Governance Review Report.
- c) Agree a phased approach for implementing its recommendations:

Phase 1 implement recommendations: 1 (new committee structure), 2 (recruit an AGOC independent member), 3 (new Scheme of Delegation), 5 – in part (re-write parts of the Constitution) and 6 (new procurement process),

Phase 2: implement the remaining recommendations, when practicable, during the new municipal year.

- d) Replace sections of the existing Avon Fire Authority Constitution with re-written key constitutional documents, so the new Committee Structure can be introduced in time for the Fire Authority AGM in June 2023, namely:
- Introduction to the Avon Fire Authority Constitution
 - Fire Authority Terms of Reference
 - Policy and Resources Committee (PRC) Terms of Reference
 - Audit, Governance and Oversight Committee (AGOC) Terms of Reference
 - Scheme of Delegation
 - Addition to Standing Orders to facilitate introduction of Task and Finish Groups
 - Contract Procedure Rules
 - Financial Regulations

3. BACKGROUND

- 3.1 In the Autumn of 2022, the Fire Authority Chair tasked the Clerk with making arrangements to review the Fire Authority's Governance arrangements to ensure that they were as efficient and effective as they could be.
- 3.2 The Clerk sought the assistance of the Local Government Association (LGA) who hosted a governance workshop for Members and Officers at Police & Fire HQ on 2 December 2022. The output of that workshop was the identification of the need for a formal governance review and the areas of focus for that governance review.
- 3.3 Vale Consulting Solutions were instructed to undertake an independent governance review due to their prior knowledge of Avon Fire Authority governance arrangements, expertise in the fire sector and participation in the LGA-led workshop.

4. FINANCIAL IMPLICATIONS

- 4.1 Existing revenue budgets include expenditure for expenses related to Fire Authority and Committee meetings. The simplified governance structure recommended by the Governance Review may reduce this expenditure, but it is not possible to quantify those savings at this stage.

- 4.2 There will be expenditure incurred with external providers for the training and development recommended in the governance review for both Members and Officers to ensure that both understand their governance roles and to ensure that they have the understanding and skills required to exercise their roles effectively. It may also be necessary to engage external support to assist with the implementation of other recommendations that have emerged from the governance review. It is not possible at this stage, however, to quantify the extent of expenditure in question.
- 4.3 The last review of the Members' Allowances Scheme by Bryony Houlden, Chief Executive of South West Councils, in November 2021 considered Members' Allowances alongside their workload at that time. Once the new governance structure recommended in the Governance Review is fully embedded, it would be prudent to commission a further review of Members' Allowances to ensure that those allowances are still appropriate and to consider any changes necessary, for example, the potential for Special Responsibility Allowances to be paid to the new Vice Chair roles for the two Committees.

5. KEY CONSIDERATIONS

- 5.1 The report by Vale Consulting Solutions entitled 'Review of Avon Fire Authority's governance arrangements' is at **Appendix 1**. The report contains 12 separate recommendations (at pages 16-19 of **Appendix 1**).
- 5.2 The Constitution Working Group (CWG) was stood-up comprising 5 Elected Members representing all the political parties; the CWG met on 5 April 2023 and 12 April 2023. Members considered the recommendations of the governance review in detail and then reviewed re-drafted documents to reflect the recommended changes in governance. The CWG unanimously agreed to recommend to the full Fire Authority the adoption of all 12 recommendations in the Governance Review Report. The CWG also agreed to recommend to the Fire Authority the approval of new documents to replace sections of the current Avon Fire Authority Constitution, to reflect the recommendations of the Governance Review.

Phase 1 Recommendations

- 5.3 The CWG agreed that it was sensible to adopt some recommendations of the governance review straight away, to enable new Members to the Fire Authority (nominated after the local elections on 4 May) to join new Committees upon appointment. The recommendations which the CWG invite the Fire Authority to implement now during 'Phase 1' are:

Recommendation 1 – new two-committee structure; a Policy and Resources Committee (PRC) and an Audit Governance and Oversight Committee (AGOC).

Recommendation 2 – appoint initially one independent person onto its Audit, Governance and Oversight Committee, as a non-voting expert advisor. This would entail instructing the Clerk to run a recruitment campaign, possibly in conjunction with other public authorities, and selecting an individual with the relevant expertise and experience.

Recommendation 3 – update the current Fire Authority Scheme of Delegation to rebalance Member-led strategic decision-making and officer-led operational decision-making. A revised draft Fire Authority Terms of Reference is at **Appendix 3** and a draft revised Scheme of Delegation is at **Appendix 6**.

Recommendation 5 – re-write the Fire Authority Constitution to reflect the proposed changes and published in a format that reflects contemporary good practice. This work would be completed in two phases, with the Fire Authority being asked to approve the following re-drafted documents first:

Appendix 2 Draft Introduction to the Avon Fire Authority Constitution

Appendix 3 Draft Fire Authority Terms of Reference

Appendix 4 Draft Policy and Resources Committee (PRC) Terms of Reference

Appendix 5 Draft Audit, Governance and Oversight Committee (AGOC) Terms of Reference

Appendix 6 Draft Scheme of Delegation

Appendix 7 Draft Addition to Standing Orders to facilitate introduction of Task and Finish Groups

Appendix 8 Draft Contract Procedure Rules - highlighted text indicating the main changes and the need to add an 'At a glance' section on page 2.

Appendix 9 Draft Financial Regulations

Recommendation 6 – introduce a new process requiring Members to provide prior approval for significant procurement exercises of £1M and above and cease to involve Members in the operational aspects of procurement. Draft revised Contract Procedure Rules are at **Appendix 8**.

Phase 2 Recommendations

- 5.4 The remaining recommendations of the Governance Review Report are set out below. It is recommended that Officers take the necessary steps to implement those recommendations, where practicable, during the new municipal year; with a review/progress report to be considered by the Fire Authority at the AGM in June 2024:

Recommendation 4 – A Member/Officer Protocol (replacing the current Member/Officer Relations section of the Constitution) should be jointly developed by Members and Officers, to underpin new working arrangements and reinforce the separation between strategic and operational decision making.

Recommendation 5 – remove or re-write the remaining sections of the Constitution to reflect the proposed governance changes and publish on-line in a Constitution repository.

Recommendation 7 – Current practices in relation to signing and sealing of contracts should be modernised, including the introduction of suitable electronic processes for signing and sealing contracts.

Recommendation 8 – The current Member’s Code of Conduct should be updated to fully reflect the LGA Model Councillor Code of Conduct and associated Guidance.

Recommendation 9 – a new Performance Assurance Framework should be developed and introduced to enable Members and Officers to exercise their performance oversight roles in a more integrated and effective way.

Recommendation 10 – The current preparation and presentation of Annual Governance Statements and Statements of Assurance should be reviewed and revised to improve efficiency and ensure the documents are accessible and easily understood by Members and external stakeholders.

Recommendation 11 – The Authority’s training and development programme should be revised to ensure that it provides Members with the knowledge, understanding and skills they need to exercise their governance roles effectively.

Recommendation 12 – A strand of training and development should be introduced to ensure that Officers have the knowledge, understanding and skills necessary to exercise their governance roles effectively – both in terms of their own governance responsibilities and the professional support they provide to Fire Authority Members.

6. RISKS

- 6.1 Corporate Risk 14 on the Corporate Risk Register is *‘To ensure appropriate internal control arrangements are in place to enable the Fire Authority to make an informed judgment and to gain assurance on the effectiveness of the controls in place.’* The current risk score is 20 (amber) and is planned to reduce to a score of 6 (green). One of the planned actions to mitigate or manage the risk was through completion of the governance review to which this report relates.
- 6.2 The governance review has been conducted by external and independent governance experts with a wealth of experience in the fire sector, this provides elected Members with assurance that they have the requisite knowledge of best practice to identify areas for improvement in governance. Should Members decide to follow the recommendations made in the governance review report, this should reduce the overall risk rating.

7. LEGAL/POLICY IMPLICATIONS

- 7.1 The LGA has prepared a 'governance checklist for fire and rescue authorities' based around a set of internationally recognised good governance principles developed by the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA). The checklist is at the following link:

<https://www.local.gov.uk/topics/fire-and-rescue/governance-checklist-fire-and-rescue-authorities>

- 7.2 The primary governance responsibilities of Fire Authority Members are covered by the recommendations of the governance review report and proposed new governance structure, namely:
- a. Determining the strategic policy agenda for their fire and rescue service,
 - b. Setting a budget to fund delivery of the policy agenda
 - c. Undertaking performance oversight and scrutiny to ensure that intended outcomes are being achieved efficiently, effectively and in accordance with statutory requirements.

8. BACKGROUND PAPERS

None.

9. APPENDICES

1. Vale Consulting Solutions report entitled 'Review of Avon Fire Authority's governance arrangements' dated March 2023.
2. Draft Introduction to the Avon Fire Authority Constitution
3. Draft Fire Authority Terms of Reference
4. Draft Policy and Resources Committee (PRC) Terms of Reference
5. Draft Audit, Governance and Oversight Committee (AGOC) Terms of Reference
6. Draft Scheme of Delegation
7. Draft Addition to Standing Orders to facilitate introduction of Task and Finish Groups
8. Draft Contract Procedure Rules
9. Draft Financial Regulations

10. REPORT CONTACT

Mrs Amanda Brown, Clerk and Monitoring Officer, Avon Fire Authority, ext. 347.