



LONDON FIRE BRIGADE

Report title

Review of the London Fire Commissioner Governance Reforms

Report to	Date
Corporate Services Directorate Board	23 July 2019
Operations Directorate Board	21 August 2019
Safety and Assurance Directorate Board	31 July 2019
Commissioner's Board	28 August 2019
London Fire Commissioner	

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Summary

On 1 April 2018, the Policing and Crime Act 2017 abolished the London Fire and Emergency Planning Authority and established the London Fire Commissioner ('the Commissioner') as the fire authority for Greater London.

At that time, a governance framework was established by the London Fire Commissioner, including the implementation of the Mayor's London Fire Commissioner Governance Direction 2018. This report reviews the performance of the framework at the end of its first year in operation; considers recommendations made by an internal audit review of the framework; addresses comments from the Deputy Mayor for Fire and Resilience; and considers views articulated by the representative bodies and Heads of Service.

Recommended decisions

That the London Fire Commissioner:

1. Approves version 2.0 of the Scheme of Governance at Appendix 1, including new Procurement Standing Orders,
2. Agrees that Policy Note 348 be removed and replaced with guidance notes, and
3. Agrees the recommendations and actions set out in the report .

Background

1. In April 2018, governance arrangements were put in place by the Commissioner on recommendation of the Governance and Structures Project, in response to the Policing and Crime Act 2017 (PCA2017) and the abolition of the London Fire and Emergency Planning Authority and the establishment of the London Fire Commissioner as the fire authority for Greater London.

2. These arrangements included the development of a new corporate Scheme of Governance; the establishment of new internal governance structures; the development of a briefing and consultation forum for the Deputy Mayor for Fire and Resilience; and arrangements to govern the changing relationship between the Greater London Authority and the London Fire Commissioner.
3. Complementary to the PCA2017 was the Mayor's [London Fire Commissioner Governance Direction 2018](#) developed by the Mayor in consultation with London Fire Brigade officers, that put in place a range of requirements for the Commissioner to be implemented by the new governance framework. These requirements include:
 - The prior approval of the Mayor when:
 - i. Appointing a statutory Deputy London Fire Commissioner
 - ii. Approving the London Safety Plan
 - Seeking prior approval of the Deputy Mayor for Fire and Resilience when:
 - i. Committing expenditure of over £150k
 - ii. Buying or selling freehold (or leasehold, where for seven years or more) interest in land
 - iii. Appointing staff of Assistant Commissioner rank or above
 - iv. Making an annual budget submission to the Mayor
 - Consulting with the Deputy Mayor for Fire and Resilience:
 - i. Prior to seeking Mayoral approval on any matter under the Direction or legislation
 - ii. On any matter reasonably considered to be novel, contentious or repercussive, irrespective of monetary value
 - Affecting the functions of the Commissioner in a manner that fulfils the political restrictions requirements of a local authority and the requirements of the GLA Group Corporate Governance Framework Agreement
 - The Mayor's approval for the London Safety Plan and other documents required by the National Framework for the Fire and Rescue Service in England, produced by Government and which the Commissioner is required to have due regard to.

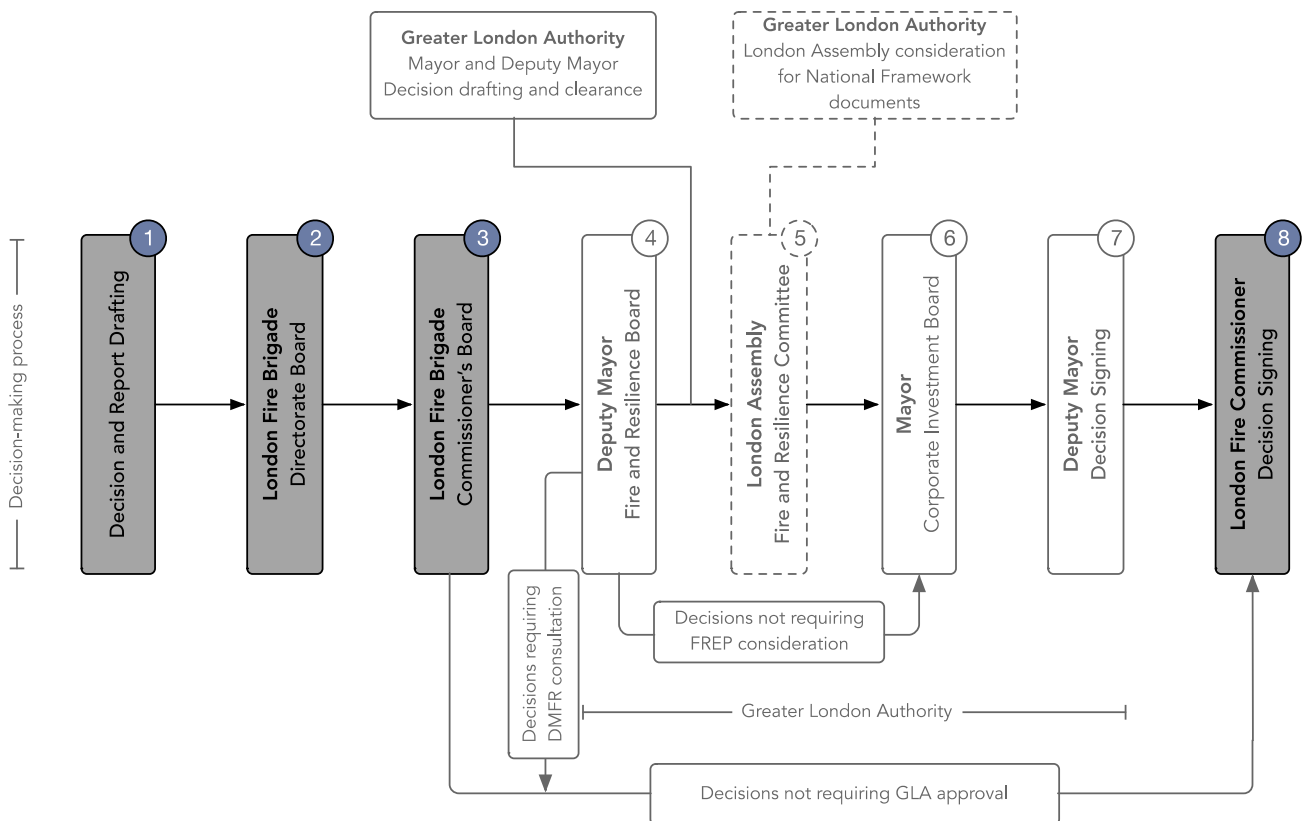
London Fire Commissioner Governance Framework 2018

4. The Commissioner established a governance framework on 1 April 2018 to guide the organisation through the new structures. That framework has established strong directorate-level consideration and scrutiny; it incorporates the consultations, briefings, and approvals required by the Deputy Mayor for Fire and Resilience and the Greater London Authority (GLA); and recognises that there is a discrete point at which decisions are taken by London's fire authority—the London Fire Commissioner.
5. The governance framework is based around principles of consideration, challenge, recommendation, and decision-making at directorate, corporate and political tiers. The framework is focused on delivering inclusive, sufficient and robust scrutiny by peers, refining products and proposals to recommend to the Commissioner. The framework acknowledges the point of 'fire authority decision-making' as the Commissioner, and not a forum established by the Commissioner.
6. The Commissioner has requested an end-of-year review of the new arrangements in order to make any necessary refinements and improvements. From Quarter 3, the trades unions

have made requests regarding the new arrangements, specifically to be included on circulation lists for the Deputy Mayor's Fire and Resilience Board and to have the facility to make representations to that board; the three directorate boards have discussed the performance of the governance framework; the Head Governance has surveyed Heads of Service and Directors and met with department teams; and the Deputy Mayor has discussed the framework at her Fire and Resilience Board; and an advisory audit was performed mid-year, offering positive and constructive feedback, with recommendations for areas of consideration.

- The advisory audit was produced by the Mayor's Office for Policing and Crime (MOPAC), who provide the London Fire Brigade's internal audit function. The outcomes elicited a range of refinements that may be made to the framework, to improve its operation and which are considered in this review.

Illustration 1—Achieving a Decision of the London Fire Commissioner



Achievements in year one

- Year one of operation of the new framework has seen a number of achievements. Directorate Boards have been well attended; well engaged with; and have provided an effective form of challenge and scrutiny of documents before consideration at Commissioner's Board. A 'ways of working' framework has been agreed with the Mayor's Chief of Staff governing the relationship between the Greater London Authority's corporate governance structures and the Brigade's, the membership and purpose of the Deputy Mayor's Fire and Resilience Board, and the inclusive approach with the representative bodies.

9. Funding for a Governance Team has been approved, with agency and permanent staff appointed and being recruited. The team's role has expanded over the year including being tasked to facilitate new Boards and governance arrangements designed to ensure prompt and effective management oversight and delivery of key corporate projects.
10. The Governance Team is a clear and central point of focus for governance and decision-making advice. The Governance Team have engaged the organisation with the new framework with presentations on governance delivered in Commissioner's morning briefing sessions to all staff; at departmental away-days; to management teams; and to management layers across directorates. Decision-making aides, such as process flowcharts, have been distributed and a forward planning application to support the planning and scheduling of decisions and reports has been developed and published on the intranet. A number of training sessions and briefings have been provided to individuals and teams to help them to navigate the system effectively. This support will continue and is being broadened out to be provided by lawyers as part of the overall legal and governance 'offer', and will include input on related public law issues, including the equality duty and any consultation requirements, to ensure robust lawful decision-making.
11. Finally, and most notably, the new governance framework has worked. The Commissioner's decisions have been taken in a considered and controlled fashion. The Deputy Mayor has taken decisions on all relevant matters, with a strong relationship between governance officers in the GLA and the LFB. New statutory features of the governance framework, such as the role of the London Assembly in certain decisions, have been fulfilled successfully.

Feedback about the new framework

12. While the introduction of the new governance scheme is regarded as successful, there is a need to continue to improve the organisation's understanding of a new and complicated, governance environment, within a different type of political scrutiny environment. That understanding needs to be further embedded and to reach beneath the Head of Service tier, and to the project teams and report authors producing governance products.
13. Feedback about the new framework has been largely positive and constructive. Key themes have emerged, that are addressed in this review:
 - Engagement with boards and the framework – A change in the structures and memberships of boards, and the absence of a public meeting of the fire authority, has been a substantial change for the organisation. Ensuring understanding of the new structures is important. This requires a transparent and inclusive approach to the management of those structures; a willingness to give and receive constructive challenge; and regular communications with the organisation to develop a stronger understanding of the framework.
 - Ensuring that appropriate and sufficient information about the performance and governance of the Brigade is available to boards – The governance framework should clearly articulate the expectations both of the Commissioner and the Commissioner's Board with regard to the frequency, content and purpose of that information to deliver what the Health sector refer to as a 'Board to Ward' understanding.

- Delegations – The 2018 arrangements prioritised delegation and the taking of responsibility at the lowest appropriate point. That priority was a key driver behind the establishment of formal directorate boards to support and drive the work of the Commissioner's Board. That intent can be delivered more fully with a refinement to the existing delegations.
- Independent support and conflicts of interest – Ensuring that the Commissioner is properly supported by consistent, unconflicted and authoritative advice is an important feature of the new framework, with the professional and operational head of the Brigade also fulfilling the role of fire authority. This may be supported by providing the Commissioner with access to an independent assurance resource.
- Consistent timeframes and considerations – Having directorate, corporate and political-level considerations is necessary and proportionate. However, minimising unnecessary duplication; making timeframes for decisions predictable and consistent; and ensuring that each tier is adding value to the larger governance and assurance requirement is important. There is a balance between appropriate due diligence and having decisions taken in a timely fashion.

14. In addition to this feedback, the Commissioner's internal audit function provided by the Mayor's Office for Policing and Crime (MOPAC) completed an advisory audit of the new governance arrangements mid-year. It was acknowledged that the arrangements are new and still embedding and made constructive recommendations to assist with that process. There are broad areas of agreement about improvements that may be made, which are addressed throughout this review, including:

- Considering the benefits of establishing an audit committee (this is to be addressed in a separate report and will not form part of this review) and a remuneration committee
- Considering the merits of developing a framework to support the approval of the Annual Governance Statement
- Confirming Terms of Reference for each tier of board
- Considering the need to review the London Fire Commissioner Governance Direction 2018
- Considering how to manage the capacity of the Governance Team should budget growth submissions be unsuccessful
- The need for high-quality report writing and forward planning, including providing advice about approval routes for reports.

Engagement with boards and the framework

15. The membership of and attendance at directorate boards is primarily based on the line management arrangements of the chair of the board in question, with the addition of the

Monitoring Officer, Chief Finance Officer and Head of Paid Service at the Commissioner's Board¹.

16. Since implementation in April 2018, directorate boards have evolved. A frequent consideration has been whether an individual board has the mandate to approve a product for progression to the Commissioner's Board. Whilst certain products will always demand consideration by different directorates, individual boards are mandated to recommend matters for the Commissioner's Board.
17. It is recommended that –
 - i. The approval route for reports should consider how well draft reports have been consulted upon prior to board meetings and the corporate impact of their proposals. The considerations of those corporate impacts should comprehensively include sustainability impacts, equalities impacts, workforce impacts (including staff-side consultations, impacts upon the workforce and any training considerations); legal considerations; and financial considerations. All but legal and finance considerations are 'owned' by the report author.
 - ii. Project teams and report authors should consider submitting early discussion documents to develop understanding and support for proposals.
 - iii. When developing reports and proposals, early engagement with the Legal and Governance Team will help to focus reports; agree the best approval route; and to structure the recommendations to the Commissioner.

Terms of reference

18. The Commissioner's Board is the Brigade's senior corporate board, which brings together the Commissioner, directors and statutory officers. Its purpose is established by its terms of reference (LFC-0119), as below:
 - To review draft reports intended for formal decision by the Commissioner (or exceptionally the Mayor), some of which may require consultation with, or prior approval by, the Deputy Mayor and, where appropriate, to approve such draft reports as ready for publication and formal decision.
 - To review draft reports prior to submission to the Assembly's Fire Resilience and Emergency Planning Committee.
 - To consider policy issues where authoritative confirmation of objectives and parameters is helpful, but which are not yet ready for decision by the relevant decision-maker.
 - To determine matters that relate to the internal management of the Brigade and come within the authority of the Board's members.
 - To receive reports and briefings that are for report only.
19. Addressing Recommendation 2 of the 2018 internal audit of the Brigade's assurance framework, it is recommended that the Commissioner's Board Terms of Reference are amended to include reference to the risk and assurance products described in paragraph 23. The Terms should say:
 - To commission and receive risk and assurance products relating to the governance of the Brigade.

¹ The role of Monitoring Officer is filled by the General Counsel; the Director of Corporate Services is the Chief Finance Officer and Head of Paid Service.

20. It is recommended that the directorate boards have the following terms of reference, in-keeping with the Commissioner's Board:
- To review draft reports intended for formal decision by the Commissioner (or exceptionally the Mayor), some of which may require consultation with, or prior approval by, the Deputy Mayor and, where appropriate, to approve such draft reports for consideration by the Commissioner's Board.
 - To review draft reports prior to the Commissioner's Board and subsequent submission to the Assembly's Fire Resilience and Emergency Planning Committee.
 - To consider policy issues where authoritative confirmation of objectives and parameters is helpful, but which are not yet ready for decision by the relevant decision-maker.
 - To determine matters that relate to the internal management of the directorate and Brigade and come within the authority of the Board's members.
 - To commission and receive risk and assurance products relating to the governance of the directorate
 - To receive reports and briefings that are for report only.

Receiving the right assurance information

21. Agenda planning for boards should be consistent, with the consideration of the necessary information required by the board to monitor, decide and to hold to account as a central feature of that planning.
22. Some boards have a range of standing items such as performance, risk, and reports from joint committees, whereas others are driven by the business of the Brigade.
23. It is recommended to structure the approach with consistent items (some of which are already scheduled as below). The list below reflects discussions with Heads of Service, however the final schedule of regular items and their composition will be agreed and reported back to Commissioner's Board.
- Performance – The final quarterly performance review provided to City Hall should be reviewed by directorate boards, approved by the Commissioner's Board and then by the Deputy Mayor's Fire and Resilience Board at the earliest opportunity. This chronology accommodates the GLA's 25-day time limit from the end of the quarter before performance products are published on the London Datastore.
 - Risk and assurance – The full risk register should be made available to each directorate board and the Commissioner's Board quarterly.
 - People – A People Digest will be presented six-monthly.
 - Budget – The monthly financial monitoring report to the Commissioner's Board should be reviewed by Corporate Services Directorate Board prior to Commissioner's Board and will be made available to the remaining directorate boards for information with Finance officers as appropriate.
 - Projects – The corporate project portfolio should be reported to directorate boards and Commissioner's Board quarterly.

- Forward programme – The forward programme for the board in question, for Commissioner's Board (in the case of the directorate board agendas), and for Commissioner Decisions should be available to each board meeting
- Decisions – Reports that require a Commissioner's or delegated decision
- Discussions – Reports (verbal or written) for discussion by the board to give steers and advice to report authors, managers and project teams.

Corporate planning

24. Currently, other than London Safety Plan (LSP), there is no single co-ordinated corporate planning process that discusses resource allocation; efficiency and productivity objectives; performance priorities; and roles and responsibilities. There is one directorate plan under development.
25. A single corporate plan or similar document or oversight arrangement would provide a reference and monitoring tool to allow the organisation to consider and establish its priorities, progress and performance ambitions together. It would be a valuable resource for boards.
26. It is recommended that an annual 'corporate planning' process is implemented; that the delivery of the plan is reported against quarterly to Commissioner's Board and directorate boards.

The Scheme of Governance

27. The Scheme of Governance articulates the Commissioner's governance framework, including the Commissioner's Code of Corporate Governance; Standing Orders Relating to Business; Procurement Standing Orders (PSOs); Delegations to Officers; Appointment of Statutory and Proper Officers; and Financial Regulations. Version 2.0 at Appendix 1 includes minor revisions to the delegations and revised PSOs.

Delegations

28. A cultural objective of the 2018 arrangements was to ensure that appropriate and empowering delegations, considerations and structures were established. The delegations are a feature of the Commissioner's Scheme of Governance available on the public website and intranet. This is to ensure that decisions are taken at the appropriate level, and that ownership of decisions—even when taken by the Commissioner—is taken from the earliest point. A key action to deliver this was the establishment of formal directorate boards—mandated to play a greater role in the corporate governance of the Brigade—and a new scheme of delegations. Additional delegations introduced by London Fire Commissioner Decisions should be recorded by the Governance Team.

Sub-delegations

29. Currently, each department maintains their own records of sub-delegations made by the Head of Service.
30. It is recommended that sub-delegations should be registered with the Governance Team who will maintain proper records. The introduction of a Hotwire-based application to

receive and store these records will be explored with the Chief Information Officer.

31. Decisions taken under delegated authority (including delegations and sub-delegations) should be recorded and consideration should be given to 'report style' recording of such major decisions.

Procurement Standing Orders

32. The Scheme of Governance includes Procurement Standing Orders. The proposed Scheme of Governance at Appendix 1 includes new PSOs to better align with the business of directorate and corporate-level boards.
33. The revised PSOs have been simplified and streamlined to be more user friendly and effective. Responsibilities have been more clearly defined including those for Lead Client Officers and the Procurement Department.
34. Recent new processes have been embodied within the revised PSOs such as the use of the procurement request form to initiate a procurement above £10k.
35. There is ongoing work between the Legal and Governance Team and Procurement Team to understand the forward programme for procurements; the time constraints for project completions, and the process where decisions are being taken collaboratively.

Independent support and conflicts of interest

36. The London Fire Commissioner is the employer of London Fire Brigade staff as the fire authority for Greater London. The advice and recommendations for decisions are controlled and scrutinised by the governance framework and the London Fire Commissioner Governance Direction 2018.

Senior officer pay and senior staff leaving the organisation

37. Whilst not necessarily within the scope of the governance direction, it is recommended that the Commissioner consults with the Deputy Mayor for Fire and Resilience on pay settlements for the Top Management Group. Unlike other staff groups, the officers representing management in these pay negotiations—and making the consequent recommendations to the Commissioner—are also subject to the outcome.
38. The recommendation outlined at paragraph 37 below ensures that beneficiaries of pay recommendations receive scrutiny of their recommendations prior to a Commissioner's decision. The Commissioner's pay is established by the Mayor; there is no conflict of interest in their taking decisions about senior officer pay.
39. Matters relating to exit payments for staff and senior officer pay settlements should also be subject to consultation with the Deputy Mayor's Fire and Resilience Board. This would be an important accountability and transparency improvement, and an appropriate response to the recommendations of the internal advisory audit, which recommended: "...the Commissioner may consider having a Remuneration Committee (RC) to strengthen the governance arrangements. The RC could help oversee and approve remuneration arrangements for senior management and provide ad-hoc advice on more sensitive transactions such as severance packages which usually attract additional public scrutiny".

Consistent timeframes and considerations

40. A feature of the governance framework now is the existing of more stages, which happen more frequently, and which require consideration by the report author and principal officers about the governance pathway of any given report. Report authors need to consult widely and consider the Mayor's governance direction and what consequent approvals and consultations are required.
41. There have been some concerns expressed historically regarding the overall timescale for decisions to be taken. This could be addressed by revisiting the threshold for Deputy Mayor involvement to reduce the number of instances where that second stage process is required. This would be particularly useful for procurement matters where there are high numbers of procurements for essential equipment. However, the threshold, while low by comparison with a number of other bodies (e.g. local authority officer delegations tend to be higher), was the subject of lengthy debate at the time of drafting the London Fire Commissioner Governance Direction 2018. In practice, individual report clearance timescales can to be negotiated, and it is also essential for the Brigade to ensure that reports are planned well in advance and are robust and fit-for-purpose so as to enable the decisions to proceed without delay.
42. There are improvements that can be made to assist report authors, and there are actions that authors can take to help themselves. Templates can provide more guidance, offering the considerations that authors need to make. GCD will be reviewing and updating all templates in light of this review and will include addressing key repeat themes arising from the GLA which have given rise to queries and therefore delays.. The report template will also be aligned with those of the GLA's Mayoral and Deputy Mayoral decision templates to streamline the process. Discussions with IT regarding the introduction of modern.gov as a case management and version control system will improve efficiencies.
43. It is recommended that PN348 regarding the duties of officers and the Authority's decision-making framework, rules and procedures is removed and replaced by clear guidance and support for staff and that the dedicated Governance intranet page is developed where precedents and guidance can be accessed, alongside communications about key changes being introduced by this report.
44. While continued assistance will be given, there remains to be an onus upon report authors to consider the forward plan regularly, considering the full financial year and all of their anticipated approval and reporting needs. Further, the design of decisions relating to contract awards can be changed to ensure that procurement processes and projects are not delayed at the point of award whilst approvals are sought. The Legal and Governance Team is available to advise on reporting and approval pathways and should be engaged early.

Additional and related Governance updates

Fire, Resilience and Emergency Planning Committee

45. The management of the Brigade's relationship with the London Assembly's Fire, Resilience and Emergency Planning (FREP) Committee and its own management of the Commissioner's executive decision-making functions were originally split between the Strategy and Risk Department and the General Counsel's Department under the new structure. However, the scrutiny function sits more naturally with the Governance Team

which also has the skills sets, processes and relationships relevant to respond to the FREP scrutiny function. Accordingly, it is agreed that the function and any resources be transferred to the GCD. The timing and resources are currently being discussed and a date for transfer is to be agreed.

Capacity

46. The Governance structures play a key part on the effective delivery of the London Safety Plan. It is apparent from this paper that the demands on the team are increasing and this is highly likely to need to additional resource being required to support the arrangements. The team's capacity and growth requirements will feature in the next budget round.

Finance comments

47. The Chief Finance Officer has reviewed the report and has no comments.

Workforce comments

48. Comments and requests by the representative bodies have been received throughout the first of the framework's operation, resulting in improvements and more inclusive practices. All representative bodies were consulted during the design stage of the new framework.

Legal comments

49. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
50. Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
51. The recommendations outlined above are consistent with the GLA Act 1999 and the Directions made by the Mayor. An effective governance process ensures that the LFC makes robust and lawful decisions.

Sustainability implications

52. There are no sustainability implications arising from the report.

Equalities implications

53. The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions. The duty requires us to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

54. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
55. There are no equalities issues arising from the report. However, a strong and effective governance system ensures that decisions are taken in accordance with the law, and that includes compliance with the Equality Act 2010.

List of Appendices

Appendix	Title	Protective Marking
1.	Scheme of Governance version 2	

Consultations

Who	Method
Operations Directorate Board	Pre-report discussion
Corporate Services Directorate Board	Pre-report discussion
Safety and Assurance Directorate Board	Pre-report discussion
Heads of Service	Email and one-to-one discussions
Directors	One-to-one discussions
Commissioner	One-to-one discussion
Deputy Mayor for Fire and Resilience	Board and one-to-one discussion
Internal Audit	Response to advisory review