

**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**6 MARCH 2017**

**PRESENT:** Independent Co-opted Members Mr D Chapman (Chairperson), Mr M Allingham, Mr J Doyle, Mr A Smith, Mrs M Thomlinson and Mr C Vertigans.

Councillor Briggs attended as an observer.

Director of Emergency Response, Director of Human Resources, Service Support (Group Manager), Finance Manager, Corporate Planning & Performance Manager, Committee Manager and Ms J Rae (External Audit – KPMG) and Mrs B Boyes (Internal Audit - MIAA) were also present.

An apology for absence was submitted from Mrs P Jackson.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.00 a.m.

*(The Chairperson welcomed Councillor Briggs and all others present who were observing the meeting.)*

**PROCEDURAL**

**5378 DECLARATIONS OF INTEREST** – There were no declarations.

**5379 MINUTES – Resolved** – That, subject to the following amendments:

<u>Item</u>	<u>Amendment</u>
Minute 5346 (Internal Audit Update)	In 3 <sup>rd</sup> line of first bullet point substitute “Tactical” for “Technical”.
At end of minutes	Substitute “12.07 p.m.” for “12.07a.m.”

the minutes of the meeting of the Committee held on 30 January 2017 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA**

**5380 Service Performance and Risk report – 2<sup>nd</sup> Quarter Period July-September 2016** – The Corporate Planning & Performance Manager referred to Minute 5348 in which Members had requested clarification regarding the number of fatalities from fires during the reporting period and stated that there had been only 3 fatalities as the Coroner had subsequently determined that the fourth fatality was not as a result of a fire. This was reflected in the progress report elsewhere on the Agenda for this meeting.

A Member referred to the discussion at the previous meeting regarding the Peer Group Review by Staffordshire Fire and Rescue Service and stated that Members’ queries regarding the issues raised by that review had not yet been answered or reported to the Fire Authority and suggested that in the interests of transparency this matter should be further addressed. The Corporate Planning & Performance Manager undertook to feedback the Member’s concerns to the Director of Public Safety.

**Resolved** – That the report be received.

**GOVERNANCE**

**5381 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY** – The Committee Manager presented a report by the Monitoring Officer/Secretary summarising the consideration given by the Authority at its meeting on 13 February 2017 to the draft minutes

of the meeting of the Committee held on 30 January 2017 and also providing feedback on other items considered by the Fire Authority at its meeting on 13 February 2017.

A Member referred to Minute 5362 of the Authority regarding the scrutiny review of Members' Allowances and the decision of the Authority to discuss the governance of the Authority at a Member Day on 24 February 2017. The Committee Manager stated that an update report on HFA Governance would be considered at the next meeting of the Authority. The Chairperson referred to Minute 5336 (Scrutiny Programme 2017/18 Onwards – Potential Scrutiny Topics – Discussion) and the suggestion by a Member of the Authority that Sickness Absence monitoring might be an issue that the Committee could consider, and stated that there was a separate report on Absence Management elsewhere on the Agenda for this meeting. The Chairperson referred to Minute 5337 (Scrutiny Work Programme 2016/17 – Members' Allowances) and stated that in line with the report further discussion will be required on the role of the Vice Chairperson of the Authority.

**Resolved** – That the report be noted.

**5382 PAY POLICY STATEMENT 2017-18** - The Director of Human Resources submitted a report providing a proposed Pay Policy Statement for Humberside Fire Authority for 2017/18, as required by the Localism Act 2011, for consideration and recommendation to the Fire Authority. The Act introduced senior staff pay transparency into local authorities with a requirement that authorities prepare a Pay Policy Statement for each financial year. A statement for the Authority was first produced for 2012/13 and approved by the Authority on 17 April 2012 (Minute 3839 refers). The Authority agreed at that time that the Pay Policy Statement should be reviewed annually by officers and that any proposed amendments would be brought before the full Authority for consideration. The proposed statement for 2017/18 attached at Appendix 1 to the report reflected the current structure of the Corporate Management Team (CMT) posts.

A Member referred to paragraph 26 of Appendix 1 and stated that he was strongly against the re-employment of employees in receipt of a pension, redundancy/early retirement payments. The Director of Human Resources informed Members that the government was currently undertaking a consultation on re-engagement of former Senior Officers and that a report would be submitted to the next meeting of the Authority. The Director of Emergency response explained that there were operational benefits in re-engaging staff if they have the required skills. A Member referred to paragraph 14 of the report regarding payment of the National Living Wage and queried whether the Authority checked that its contractors paid the wage. The Director of Human Resources undertook to check what arrangements were in place to test contractors' policies regarding payment of the National Living Wage.

**Resolved** – That it be a recommendation to the Fire Authority that the Pay Policy Statement for 2017/18 attached at Appendix 1 to the report now submitted be approved.

**5383 TREASURY MANAGEMENT AND CAPITAL EXPENDITURE PRUDENTIAL INDICATORS, TREASURY MANAGEMENT POLICY STATEMENT 2017/18 AND MINIMUM REVENUE PROVISION (MRP) FOR 2017/18** - The Finance Manager submitted a report setting out the Prudential Indicators for Treasury Management and Capital and the Treasury Management Policy Statement proposed for adoption for the financial year 2017/18. The Authority's Constitution required that the Policy Statement is approved by the full Fire Authority and that responsibility cannot be delegated. The report also outlined the recommended policy to be adopted in respect of creating the Minimum Revenue Provision (MRP) for 2017/18, in line with the statutory requirements set out in The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. In the light of the Icelandic situation in 2008, CIPFA had amended the CIPFA Treasury Management in the Public Services Code of Practice (the Code), Cross-Sectoral Guidance Notes and Guidance Notes and the template for the revised Treasury Management Policy Statement. The Fire Authority had formally adopted the revised Code on 15 February 2010. An updated version of the Code was published in November 2011 and the strategy statement had been prepared in accordance with the requirements of the new Code.

A Member sought clarification around capital slippage from 2016/17. The Finance Manager explained that any slippage from the 2016/17 capital programme would be added to the 2017/18 capital programme as part of the outturn process. A Member queried the upper limit of 12 months for the maturity of investments. The Finance Manager explained that the Section 151 Officer's view is that security of investment is the primary factor influencing the upper limit for the maturity of investments given the current macroeconomic uncertainties.

**Resolved** – (a) That Members take assurance from the Prudential Indicators for Treasury Management and Capital Expenditure at paragraphs 12 and 13, the MRP calculated for 2017/18 at paragraphs 15-19 and Appendices 1, 2 and 3 of the report now submitted as the basis for the Authority's Treasury Management activities in 2017/18, and

(b) that the Authority considers changing the upper limit for the maturity of investments from 12 to 24 months.

### **INTERNAL AUDIT (MIAA)**

**5384 Internal Audit Update** – Mrs B Boyes (Internal Audit - MIAA) submitted a report providing a progress update on the delivery of the internal audit plan for 2016/17 as approved by the Authority on 18 March 2016. The Internal Audit Control Schedule attached at Appendix 1 to the report provided a strategic overview and profiled timeline for agreed internal audit reviews and showed that the review of Business Continuity was complete (copy attached at Appendix 2 to the report). The review was designed to provide assurance around:

- the design and operation of arrangements to counteract interruptions to business activities and protect critical business processes from the effects of major failures or disasters; and
- the identification of critical corporate business processes and recovery plans and timescales, testing arrangements and learning outcomes.

The review identified the need for current arrangements to be updated and enhanced in respect of 3 areas as set out in the report.

The Combined Financial Systems review was also complete (copy attached at Appendix 3 to the report) with review areas being Accounts Payable, Treasury Management and Capital Programme. Issues raised were in respect of Treasury Management provider assurance, timely posting of bank transactions, verification of supplier bank account changes and explanatory narrative around variance to capital programme delivery. Work on Counter Fraud was also complete and at draft report stage which reviewed the organisation's arrangements for the mitigation and identification/investigation of fraud, bribery and corruption against national guidance and recommended practice. The draft report provided positive assurance around the organisation's arrangements but with particular comments made around declarations (including secondary employment), organisational awareness, monitoring and accountability and risk assessment processes. The finalised report will be presented to the next meeting of the GAS Committee. The review of Service Improvement was in progress to review the effectiveness and embedding of project and governance arrangements around value for money schemes and service improvement and evaluating arrangements for monitoring and assessing outcomes from projects and schemes set to deliver financial savings. Specific focus was on the outcome monitoring of the Transactional Administration Review with alignment of Internal Audit activity to the Service's internal Post Implementation Review (PIR) through facilitating a user survey whilst critically assessing the method of the PIR and its conclusions. The Workforce review was underway through the design and application of a customized maturity matrix. The report stated that all assignments will be completed by the end of the financial year to allow for overall conclusions (reported through the Internal Audit Annual Report) to be reflected in the Authority's Annual Governance Statement.

With regard to Appendix 2 to the report the Chairperson stated that with regard to scrutiny the GAS Committee might be able to offer some assistance downstream in respect to Business Continuity. With regard to Appendix 3 to the report a Member referred to page 73

and expressed concern that the Authority had still not received an Auditor's opinion on 2015/16 that Kingston upon Hull City Council, as the third party provider of services in respect to the day to day management of treasury management activities, that the control environment and associated risk management practices are sufficiently robust to facilitate the required level of service. The Finance Manager stated that the Authority will endeavour to chase up the Council for the requested Auditor's opinion.

**Resolved** – That the Committee notes the progress and outcomes against the 2016/17 Internal Audit Plan and issues arising and that Members take assurance from the report.

**5385 Internal Audit Plan 2017/18** – Mrs Boyes (MIAA) submitted a report, further to Minute 5346, describing how MIAA, will deliver internal audit services in 2017/18. The attached proposed plan was presented in the context of the original (and delivered) 3 year strategy following which 2017/18 will be the fourth year of a five year horizon (Appendix A to the report refers). Subject to any observations from this Committee the plan will be presented to the Fire Authority for approval.

A Member referred to the likelihood of increased collaboration and queried whether that raised any areas that might be looked at by Internal Audit. Mrs Boyes stated that the Authority could add to or change the work planned throughout the year. The Chairperson suggested that it might be useful for Committee Members to have a half-day session with MIAA regarding audit activity. Mrs Boyes confirmed that she could arrange that and also stated that she was currently refreshing the Committee's Development Plan which was initially formed through a facilitated workshop organised by Internal Audit (MIAA).

**Resolved** – (a) That the Committee supports the proposed Internal Audit Plan 2017/18 prior to its submission to the Fire Authority for approval, and

(b) that it be noted that Mrs Boyes will arrange a half-day event on audit activity for Committee Members.

*(Ms J Rae, (KPMG) declared a non-pecuniary interest in the following item (Minute 5386) as KPMG are the Authority's current External Auditors and left the meeting for the consideration of that item.)*

**5386 EXTERNAL AUDIT APPOINTMENT** – The Finance Manager presented a report by the Executive Director Service Support/Section 151 Officer and Monitoring Officer/Secretary which recommended that the Authority opt-into the Public Sector Audit Appointments (PSAA) process for the appointment of external auditors after the current arrangement ends on 31 March 2018. The report had previously been submitted to the meeting of the Fire Authority on 13 February 2017 (Minute 5368 refers). The report set out the progress that PSAA had made in developing their arrangements, the Authorities that had so far opted-in and also the timetable through to contract award. The Appendices to the report gave further details on the PSAA approach to the appointment process. The report concluded that a significant number of authorities had now opted-into the PSAA arrangements, and that the PSAA approach appears robust and should deliver competitive pricing as a result of the economies of scale from the procurement process outlined. PSAA were confident that 80%+ of all authorities in England will participate. In light of this as previously agreed, Humberside Fire Authority had notified PSAA of its formal intention to join the PSAA arrangement before the 9 March 2017 deadline.

**Resolved** – That the report be noted.

### **PERFORMANCE, RISK AND PROGRAMME MANAGEMENT**

**5387 ABSENCE MANAGEMENT – PROGRESS REPORT** – The Director of Human Resources submitted a report, further to Minute 5347, on the performance and progress of the management of sickness absence. The report had previously been submitted to the meeting of the Fire Authority on 13 February 2017 (Minute 5371 refers). The report detailed data for the current financial year up to 31 December 2016, as well as progress against target, and also described detailed plans for the professional management of absence in the short term, whilst

the HR Directorate structure is being filled. The report also gave an update on progress relating to improved awareness of mental health, reducing stigma and earlier intervention and support for staff suffering mental distress. This was in the context of mental health difficulties being the highest reason for absence across the Service. At the meeting of the Authority on 21 October 2016 it was agreed that a regular report would be brought before Members with an update on the management of absence to include detailed data on absence levels by staff group, as well as development and dissemination of fair and appropriate mechanisms for the same. Table 1 at paragraph to the report outlined the current picture with regard to actual absence and performance against target as at 31 December 2016 and showed that all staff groups had exceeded the year to date target. The data attached in Appendix 1 to the report described the sickness absence data by staff group, reason for absence and the split between long-term and short-term absence. The staff group who work in Control had, once again, been excluded due to the low numbers of staff, which might have revealed identity and breached data protection legislation.

With regard to areas for focus the report stated that the data in Table 1 once again clearly showed that all staff groups were above target year to date. It was clear from the data in Appendix 1 to the report that there continued to be a significant issue relating to Mental Health/Anxiety/Depression, which remained the highest reason for absence for the Service as a whole, and for whole time and support staff. However, for retained staff, the main reason for absence continued to be Musculo-skeletal Knee and Cardiovascular Other, which, arguably, could be connected to the increasing age profile of this group of staff. The picture painted by the data had remained constant for the entire year to date. The split between long term and short term absence was once again a concern, with 79% of absence being long term in nature. This had been an on-going picture in the data and reflected a position of serious ill health difficulties for some staff members and a lack of effective intervention to either support staff back to work or to end their employment due to capability, where all other avenues had been exhausted. This was detailed by staff group in Table 2 at paragraph 13 of the report.

The report reminded Members of the plans which were in place to launch sickness absence "clinics", which would provide an environment for managers to gain advice on a regular basis relating to sickness absence issues in their areas, with a case conference approach to discussing individual issues. This would be used as a management development tool, as well as an opportunity to improve the management of current and potential cases, and would be rolled out as a key work stream following the appointment of the HR Service Partner posts which were part of the Service Redesign Programme process and the development of the HR Directorate going forward. However, the current capacity and skill levels within the HR team were not conducive to achieving the support required by the Service to effectively manage sickness absence in the interim. A decision had been taken, therefore, to commission an external organisation to undertake the absence management work stream for a 3 month period beginning at the end of February 2017. Capsticks Human Resource Advisory team had agreed to do the work on the Authority's behalf, which will include the complete management of sickness absence for all cases in the Service during that period, as well as a review of the roll out and efficacy of the Sickness Absence Policy and a training needs analysis of management capability in that area. An added benefit of free advice from their legal team in relation to any resulting employment cases was included in the agreement. It was planned that this work will leave a legacy for the Service of up to date case work for absence management cases, as well as a detailed plan for any required amendments to policy and management training in the future, which will then be supported and delivered by the HR Service Partners as part of the sickness absence clinic process. The detailed work plan was attached at Appendix 2 to the report, although the costs had since been amended following a renegotiation of price.

With regard to other workstreams the report indicated that the Occupational Health team had co-ordinated a piece of work with MIND and staff from across the Service and a "Blue Light Pledge" had been approved, which was signed by the Chief Fire Officer & Chief Executive at Clough Road Fire Station, Kingston upon Hull on 2 February 2017, which was

“Time to Talk” day. The event was also attended by the Chairperson of the Fire Authority. The Pledge set out the Authority’s approach and priorities with regard to raising awareness of mental health issues, as well as the development of different support strategies and training for managers and staff on recognising the signs of mental distress and offering support and direction for earlier intervention before problems become entrenched. “Blue Light Champions” will be recruited from around the Service and provided with appropriate training to support staff and offer appropriate signposting for help where required, as well as raising awareness and reducing stigma, enabling staff to ask for help earlier and access support. Included in the work was a plan to hold an internal mental health awareness conference in May 2017 to coincide with the national Mental Health Awareness week The Director of Human Resources stated that this event will be held at KC Stadium, Kingston upon Hull on 8 May 2017 and that Members were welcome to attend.

Members asked questions seeking clarification of various aspects of the report which were answered by the Director of Human Resources.

**Resolved** - That Members note the content of the report now submitted.

**5388 SERVICE PERFORMANCE AND RISK REPORT – 3RD QUARTER PERIOD 1 APRIL–31 DECEMBER 2016** - The Corporate Planning & Performance Manager submitted a report providing information relating to the Service’s Performance and Risk Framework as highlighted in the following table:

<b>Strategic Risks</b>	
Reduction in external financial support	No change in risk.
Emergency Services Mobile Communications Programme (ESMCP)	No change in risk.
East Coast and Hertfordshire Control Room Project	Increase in risk due to software may not meet expected requirements, this in turn has pushed the project end date back to September 2017
Incident Command System software supplier support and maintenance agreement.	No change in risk.
<b>Prevention Performance</b>	
Accidental Dwelling Fires	6.1% above 3 year average.
Other Accidental Fires (exc. Vehicles)	0.8% below 3 year average.
Deliberate Primary Fires	34.4% above 3 year average.
Deliberate Secondary Fires	42.7% above 3 year average.
Number of Automatic Fire Alarms	19.9% above 3 year average.
Fatalities	3 fatalities (aspirational target 0)
Injuries	28 injuries (aspirational target 0)
<b>Response Performance</b>	
First engine response	8.76% better than target
Second engine response	13.18% better than target
<b>Projects Update</b>	
Key projects are reported in this section	<ul style="list-style-type: none"> <li>• A new project board has been set up for ARK</li> <li>• Timescale has been revised for ECHRC</li> <li>• Timescale has been revised for ESMCP</li> </ul>

Further detailed information was contained within the body of the report.

A Member referred to the targets set for SPI 2 and SPI 2.1 in respect to the attendance of fire appliances at incidents and queried why the target was not an aspirational target of 100%. The Director of Emergency response explained why that target would be unattainable for operational reasons. A Member suggested that the Authority might do more to reinforce

the 'well done' message to employees, possibly using articles in Siren. The Director of Emergency response stated that regular meetings were held with the 31 Station Managers to discuss performance and congratulatory messages where appropriate were passed on at those meetings.

**Resolved** – That Members note the content of the report and take assurance as to the Service's proactive approach to performance and risk management.

**5389 HEALTH, SAFETY AND ENVIRONMENTAL QUARTERLY REPORT – 3RD QUARTER 2016-17 – OCTOBER - DECEMBER 2016** - The Service Support (Group Manager) presented a report by the Director of Service Support providing information with regard to Health, Safety and Environmental outcomes for the 3rd Quarter Period October - December 2016. A summary of statistical data was attached in Appendix 1 to the report. During the reporting period there were 19 incidents recorded (Fig 1 & 2 in the report) that resulted in some form of personal injury compared to 25 for the same period last year (Fig 2 being the more accurate). As was usual, due to the makeup of the workforce, the highest number of accidents were incurred by Wholetime and Control staff (11).

The general performance was positive with the total number of reported accidents (Fig 2) for the quarter decreasing by over 20% compared to the same quarter for last year. All activity areas except one showed a reduction or an unchanged level. The exception was Special Service which had shown an increase. 3 of the 4 reported injuries were sustained at medical response incidents. None of the reported injuries for the quarter had been major. The 3 main contributing areas of activity with 6, 5 and 5 injuries reported respectively were set out in Fig 3 to the report. Interpretation of the person making the initial report determined the cause of injury and the wide range encapsulated by other kind of injury means it could be used as a default cause. The H, S & E team were striving to improve the accuracy of the initial data captured through a programme of education to end users of the software. Also, initial reports will be quality assured by a team member from now on to ensure all relevant fields are completed correctly. During the quarter there had been no RIDDOR events (Fig 4) which along with the quarterly comparison reduction was encouraging in that none of the reported accidents were of a significant nature. Near miss reports (Fig 5) had decreased for the quarter (10 as opposed to 19 for the same quarter last year). However, in the short term they had increased by 150% from the previous quarter total of 4. This confirmed the H, S & E team's training for all personnel to recognise the risk that sits behind a near miss and the need to report such events is being positively received. The long term goal is to ensure near miss events do not develop into an accident and accident figures are reduced to a lower level than near miss reports. Recent changes made to the reporting software categorisation is also a factor improving performance in this area. The H, S & E team were currently undertaking research in several areas reflecting the Services positive approach to Health and Safety as set out in the report. Sickness absence data was no longer included in the report.

**Resolved** – That the Committee notes the report and takes assurance as to the Service's proactive approach to Health, Safety and Environmental outcomes.

**5390 INSPECTION OF MEMBER REGISTERS** – The Committee Manager stated that the Member Registers of Interests and Declarations of Gifts and Hospitality could be made available for inspection by any Member of the Committee as part of their monitoring role.

**5391 INSPECTION OF OFFICER REGISTERS** – The Committee Manager stated that the Officer Registers of Interests and Declarations of Gifts and Hospitality could be made available for inspection by any Member of the Committee as part of their monitoring role.

**5392 ANY OTHER BUSINESS** – The following matters were briefly discussed:

- Service Redesign Programme Review Outcomes – Control Room – A Member referred to a report that had been submitted to the Authority on 13 February 2017 and sought further information of the changes that had been approved. The

Director of Emergency Response briefly outlined the outcomes of the review and the changes approved.

- Absence Management Monitoring – The Chairperson referred to Minute 5381 and suggested that given the timescale in the light of the appointment of temporary consultants this matter might be held over until the 3<sup>rd</sup> quarter of 2017/18.
- Annual Governance Statement – The Chairperson stated that he had met with officers and Mrs Boyes to discuss the Annual Governance Statement (AGS) and had made some suggestions for incorporation in the draft AGS that had been supplied to him.
- Feedback on the Performance of the GAS Committee – The Chairperson reported that the Committee had not received any formal feedback from the Fire Authority as to its performance.
- Customer Service Excellence Award – The Chairperson expressed his congratulations on the Service retaining its award.

*Meeting closed at 12.15pm.*