

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

31 OCTOBER 2016

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

Councillor Sharpe attended as an observer.

Monitoring Officer/Secretary, Director of Service Support, Director of Emergency Response, Director of Public Safety, Director of Human Resources, Senior Finance Officer, Corporate Planning and Performance Manager, Committee Manager and Ms J Rae (External Audit – KPMG) and Mrs B Boyes (Internal Audit - MIAA) were also present.

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 Sharpe who was observing the meeting and Mrs M Heppell, the newly appointed Director of Human Resources.)

PROCEDURAL

5269 DECLARATIONS OF INTEREST – There were no declarations.

5270 MINUTES – Resolved – That the minutes of the meeting of the Committee held on 12 September 2016 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

5271 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA – There were no matters.

GOVERNANCE

5272 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY – The Monitoring Officer/Secretary submitted a report summarising the consideration given by the Authority at its meeting on 23 September 2016 to the draft minutes of the meeting of the Committee held on 12 September 2016 and also providing feedback on other items considered by the Fire Authority at its meeting on 23 September 2016. The Monitoring Officer/Secretary referred to the update in respect to the Authority's decision with regard to Response to Fires at Sea (HFA Minute 5247 refers) and informed the Committee that the matter had been considered further by the Authority at its meeting on 21 October 2016 (Minute 5263 refers) when it had been agreed: "(a) That Members endorse, with regret, the Officer decision that the Service will suspend its response to fires at sea on 31 December 2016, unless access to live flight and winch training is provided before that time, and (b) that the Authority resumes the exercise of its power to attend fires at sea, at such a time that live flight and winch training has been made available to the Service."

Resolved – That the report be noted.

SCRUTINY PROGRAMME

5273 Scrutiny Work Programme 2016/17 - Update – The Chairperson invited Mr C Vertigans, Lead Member for the Sub-Group dealing with Members' Allowances to update the meeting on progress to date. Mr Vertigans stated that the scrutiny review was progressing well; that Members of the Sub-Group had held discussions with the Monitoring Officer/Secretary and the Chairperson of the Fire Authority, and that the Sub-Group was on track to submit its report to the next meeting of the Committee.

Resolved – That the update be received.

5274 Collaboration Report – The Chairman, invited Mr M Allingham on behalf of the Member Sub-Group (comprising Mr Allingham (Lead Officer), Mr Smith, Mr Vertigans and himself) to present the scrutiny findings and recommendations in the Sub-Group's report following the scrutiny of the collaboration project between Humberside Fire and Rescue Service (HFRS) and Humberside Police in respect of the Emergency Services Fleet Management. The objectives of the review were as follows:

- To review the Partnership arrangement of the Vehicle Workshops Collaboration implementation. To determine whether the project proved robust, achieved the combined strategic objectives of both Services, met its planned financial and operational target and that the project will prove Value for Money.
- To determine whether the project is a robust model for future collaboration opportunities.

The report outlined the methodology used in terms of discussions with key personnel; the circumstances surrounding the lead up to the joint workshops scheme, an evaluation of the project from a financial and non-financial perspective; four issues that had been identified during the review, lessons learned from the review and also lessons learned from the joint venture.

Resolved – That the following lessons learned from the scrutiny review be recommended to the Fire Authority:

- (i) Whatever joint venture is considered in future, adequate time should be allowed to agree governance, cost allocations, risk sharing and legal issues in advance. The HFRS now have the experience of the Joint Workshops to make any future collaboration project smoother in this respect.
- (ii) Prepare a Business Case document before the venture is initiated detailing all of the financial and non-financial costs and benefits over the short, medium and long term life of the project, with targets and their timescales. This would be presented to the Fire Authority for approval and will allow an assessment of the success or otherwise of the project at a future date.
- (iii) Prepare a Business Plan (3 or 5 Year period) at the outset of the implementation of the venture (and on a rolling programme each year) so that performance can be measured against agreed targets. This document should contain a description of all of the non-financial information (staff issues, training, safety, etc.) as well as the financial data.
- (iv) The HFRS should consider utilising a project management system such as PRINCE2 which has a process-driven project management methodology including continued business justification, learning from experience, with defined roles and responsibilities, managing by stages, and tailoring to suit the project environment. It includes consideration of a business case, organization, quality, plans, risk, change and progress. Suitable training should be provided to ensure its success.
- (v) Resource the project with the right number of people and finances to ensure a smooth changeover to the new arrangements.
- (vi) Set up a joint company to operate the venture and transfer staff, by TUPE, to this new company in time for its implementation. This joint company arrangement should also allow future development, including additional functions, with minimum complication. One possibility for ESFM might be the servicing of vehicles from other local organisations as an external income stream.

- (vii) Senior staff should be appointed as early as possible to assist in ownership of the project and the transfer of staff to the joint venture.
- (viii) Consideration should be given to appointing external Independent Directors to these Joint Venture Boards, particularly if external business streams are considered. This will bring an external business perspective to the venture.
- (ix) The HFRS may benefit from conversations with other organisations or bodies that have formed joint working arrangements with the aim of identifying good practices.

AUDIT

5275 EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE - Ms J Rae, External Audit (KPMG) submitted a report, further to Minute 5219, providing an overview on progress in delivering KPMG's responsibilities as external auditors. The report indicated that at the end of each stage of the audit KPMG issued certain deliverables, including reports and opinions. A summary of progress against those deliverables was provided in Appendix 1 of the report. The report drew attention to the following three publications which were part of KPMG's resources:

- Value of Audit – Perspectives for Government
- Reimagine – Local Government
- The Future of Cities

The report also highlighted the main technical developments that were currently having an impact in local government. The report had been previously submitted to the Fire Authority on 21 October 2016 (Minute 5260 refers).

Resolved – That the report be noted.

5276 MANAGEMENT ACCOUNTS TO 30 SEPTEMBER 2016 - The Senior Finance Officer presented a report by the Finance Manager highlighting the current financial position based on information to 30 September 2016. The end of year projections for the revenue budget, the capital programme and the pensions account were as follows:

<u>Category</u>	<u>2016/17 Outturn Projection</u>
HFA	
Revenue Budget	£920k underspend
Capital Programme	£7.452m expenditure against £9.156m allocation
Pensions Account	£12.933m deficit

The report indicated that the remaining reporting cycle frequency for the Management Accounts for 2016/17 will be as shown in the table below:

<u>Period Ending</u>	<u>Authority Meeting</u>
31 December 2016	13 February 2017
28 February 2017	17 March 2017

The accounts had been previously submitted to the Fire Authority on 21 October 2016 (Minute 5258 refers).

Members asked questions seeking clarification of aspects of the accounts and particularly regarding expenditure on capital schemes which were answered by the Senior Finance Officer, Director of Service Support and Director of Emergency Response.

Resolved – That Members take assurance from the report and the Authority's financial position for the period ending 30 September 2016.

5277 Internal Audit Update – Mrs B Boyes (Internal Audit - MIAA) submitted a report providing the following information:

Internal Audit Plan 2016/17 - A position statement for the 2016/17 Internal Audit plan with a summary provided at Appendix 1 to the report detailing the expected timelines of activity. Risk Management coverage (under operational reviews) was nearing completion with a second workshop for the Corporate Management Team (CMT)/Tactical Management Team (TMT) having been delivered on 11th October 2016 designed to critically evaluate (and refresh) the Strategic Risk Register. The Risk Management review draws on information from planning and delivering the risk workshops and will also align with reviews of strategic planning and business continuity. Follow up activity had confirmed positive progress in implementing internal audit recommendations with a position statement provided at Appendix 2 to the report. For 2016/17 onwards the Corporate Planning and Performance Team will monitor and co-ordinate all follow up responses with appropriate reporting through TMT and CMT.

Briefing Papers - A number of briefing papers were attached at Appendix 3 to the report for the Authority's information and application, where relevant. The papers on Gifts, Hospitality and Sponsorship Registers, whilst based upon data and information from the National Health Service, had broader application. There were a number of self-assessment questions which the Service might wish to consider as well as details of types of 'offers' and recipients. The forthcoming planned review of Counter Fraud will review overall arrangements for declaring gifts and hospitality. The paper on Annual Governance Statements (AGSs) again provided useful principles which were transferable across many parts of the public sector in respect of common issues of focus and good practice points on how statements are constructed. In addition the report suggested that the Governance, Audit and Scrutiny Committee might wish to reaffirm its own role in the development of the Authority's AGS throughout the year.

The Chairperson stated that as the Committee's scrutiny programme for 2016/17 was nearing completion the Committee will need to engage with the Fire Authority regarding possible further scrutiny topics which the Committee feels should come from the Authority or the Service and queried how the Committee's relationship with Internal Audit might assist that process. Mrs Boyes referred to work just after Xmas 2016 that might assist the identification of potential topics.

Resolved – (a) That the progress against the 2016/17 Internal Audit Plan and issues arising as set out in Appendix 1 to the report be noted;

(b) that the progress in the implementation of Internal Audit recommendations as set out in Appendix 2 of the report be noted, and

(c) that the various Briefing Papers attached at Appendix 3 to the report be noted for information and application where relevant.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

5278 Equality and Inclusion Priorities and Actions – Outcomes from Consultation - The Director of Human Resources submitted a report drawing attention to a report that had been submitted to the Authority on 21 October 2016 (Minute 5260 refers) reminding Members that under the Equality Act 2010 Public Sector Equality Duty (PSED) the Authority was required to set and publish equality priorities every 4 years, and publish progress on meeting those priorities each year. An Annual Report on Equality and Inclusion was

developed and used as a vehicle to publish and consult upon a set of draft priorities and associated actions over the summer 2016. The report brought to Members' attention the results of that consultation with staff and communities and the resultant changed Equality and Inclusion priorities and actions.

Members asked questions seeking clarification of aspects of the report and particularly regarding 4 year implementation timescale which were answered by the Director of Human Resources, Director of Service Support, Director of Emergency Planning and Director of Public Safety.

Resolved - That Members note the report.

5279 INSPECTION OF MEMBER REGISTERS – The Member Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

5280 INSPECTION OF OFFICER REGISTERS – The Officer Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

5281 ANY OTHER BUSINESS – The following matters were briefly discussed:

- Hull Health Awards 2016 – The Chairperson referred to Minute 5268 of the Fire Authority held on 21 October 2016 and reported that Hull First (which includes Humberside Fire and Rescue Service's Falls Team) had won the 'Health Partnership of the Year' award at the Health Awards 2016. Members expressed their congratulations to the Falls Team on the award.
- Involvement of Humberside Fire and Rescue Service in Hull City of Culture 2017 – Director of Emergency Response and Director of Public Safety reported on opportunities that were being explored for the Service to be involved with Hull City of Culture 2017 activities.
- Beyond Blue Lights Video – The Chairperson referred to Minute 5268 of the Fire Authority held on 21 October 2016 and reported that the Authority had viewed a video showing the work undertaken by the Service in collaboration with the private sector which was an excellent way of promoting the Service.
- Capital Expenditure Planning – A Member suggested that an item should be included on the Agenda for the meeting of this Committee in January 2017 to look at the planning of capital expenditure in terms of budgeting timescales from scheme approval to award of contract and projected completion dates.

Meeting closed at 11.09a.m.

