

HUMBERSIDE FIRE AUTHORITY

GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

4 MARCH 2019

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

Councillors Briggs and Green attended as observers.

Director of Service Delivery Support, Director of Service Improvement, Head of Finance, Head of Corporate Assurance, Head of Organisational Development, Head of Service Support, Area Manager (Projects), Committee Manager, Mr Martin Knapp (Joint Estates Manager - Humberside Police), Mr A McCulloch and Mr R Woodley (External Audit - Mazars) 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 Councillors Briggs and Green and all others present.)

PROCEDURAL

6080 APOLOGIES FOR ABSENCE - Apologies for absence were received from Mr J Doyle and the Director of Service Delivery.

6081 DECLARATIONS OF INTEREST - There were no declarations of interest.

6082 MINUTES - *Resolved* - That the minutes of the meeting of the Committee held on 28 January 2019 be confirmed as a correct record subject to the following amendments:

Minute 6052 - additional resolution to read, 'that the use of a timed agenda be considered in order that the Committee be able to allot sufficient time for its scrutiny work'.

Minute 6052 - additional resolution to read, 'that the reporting procedures section of the Committee's draft scrutiny scoping documents be amended to reflect the agreed process'.

6083 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA - There were no matters arising from the minutes.

6084 DECLARATIONS OF INTEREST - No declarations were made in connection with any of the items to be considered at the meeting.

GOVERNANCE

6085 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 11 February 2019 to the draft minutes of the meeting of the Committee held on 28 January 2019 and also providing feedback on other items considered by the Fire Authority at its meeting on 11 February 2019.

Resolved - That the report be received.

6086 PAY POLICY STATEMENT 2019/20 - The Head of Organisational Development submitted a report detailing the Pay Policy Statement 2019/20.

A member asked whether any cash bonuses had been awarded to staff. The Service was obligated to comment in the Pay Policy Statement in relation to bonuses, but no bonuses were paid to members of staff.

AUDIT

6087 TREASURY MANAGEMENT AND CAPITAL EXPENDITURE STRATEGY 2019/20 -

The Head of Finance submitted a report summarising the prudential indicators for treasury management and capital expenditure, and the Treasury Management Policy Statement to be considered by the Fire Authority for adoption on 15 March 2019.

The Service had continued to closely monitor its investments in comparison with the associated investment ratings. There remained a high level of uncertainty in UK markets due to its status in relation to the European Union. The Service had focussed on investing safely to guarantee returns on investment rather than seeking to invest purely for the sake of high interest rates.

- Resolved -**
- (a) That the report be received, and
 - (b) that the Service's borrowing strategy be commended.

6088 EXTERNAL AUDIT PROGRESS REPORT - Mr R Woodley, External Audit (Mazars) submitted a report detailing the progress made in relation to the external audit process, which had been divided into four stages:

1. Planning (October 2018 - January 2019) - This included Mazars updating their understanding of the Fire Authority, forming initial opinions and value for money risk assessments, developing the audit strategy, agreeing the timetables, and a preliminary analytical procedure.
2. Interim (December 2018 - February 2019) - This involved documenting systems and controls, walking through procedures, controls testing (including general and application IT controls), and early substantive testing of transactions.
3. Fieldwork (June - July 2019) - This involved reviewing the draft financial statements, reassessing and revising the audit strategy, delivering the planned audit testing, continuous communication on emerging issues, and the clearance meeting.
4. Completion (July 2019) - This would result in the final review and disclosure checklist of financial statements, the final engagement lead review, agreeing the content of the letter of representation, reporting to the Governance, Audit and Scrutiny Committee and the Fire Authority, reviewing post balance sheet events, and Mazars finalising their opinion on the audit.

The second stage of the external audit process had been completed and the Committee noted that, further to the report presented at the previous meeting (Minute 6054 refers), Mazars had held a Local Government Financial Reporting workshop on 30 January 2019 and an officer from the Service had attended.

Links to, and explanations of, eight national publications had been included in the report. The Home Office had published data relating to the financial reserves of fire and rescue services nationally. The Fire Authority, by 31 March 2019, held reserves representing 24 percent of its core spending power, compared to a national average of 42 percent. Nationally, reserves had increased by 80 percent since 2011 in order that fire and rescue services might mitigate the impact of funding cuts, but the Humberside Fire Authority's reserves had increased by only one percent during the same period. Additionally, 49 percent of the Authority's reserves were earmarked, compared to 79 percent nationally.

Resolved - (a) That the report be received, and
 (b) that invitations to future workshops be extended to members of the Committee.

6089 DRAFT INTERNAL AUDIT PLAN 2019/20 - Mr A McCulloch submitted TIAA's draft Internal Audit Plan 2019/20. Key themes of the Plan comprised: Brexit, data governance, cybercrime, performance and workforce. Members noted the Rolling Strategic Plan for the internal audit process, which extended to 2022. Further to this, there was a more detailed in-year plan for 2019/20. During the first year, TIAA would spend a total of 60 days conducting its internal audit. A member queried whether 60 days was sufficient to effectively undertake the 2019/20 internal audit. The Committee was assured that TIAA was experienced in undertaking internal audit activity with fire and rescue services and that the Plan remained flexible and subject to ongoing review.

A member asked, given the focus of the Internal Audit Plan, whether specific comments relating to workforce were expected in the inspection report due to be published by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). The Head of Corporate Assurance explained that the inspection report would likely be published in June 2019 and that it was expected that workforce would be an area for improvement due to transitional developments in progress within HR. However, the Committee noted that the report would not account for the work that the Service had undertaken in the intervening period.

Resolved - That the draft Internal Audit Plan 2019/20 be received.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

6090 ABSENCE MANAGEMENT - The Head of Organisational Development submitted a report providing a brief update with regard to absence management for the period spanning 1 April 2018 to 1 February 2019. The Service had continued to exceed the targets set to reduce absences. The internal case review board (Minute 6057 refers) had proven to be an effective means of managing absence.

Absences from work had continued to trend downwards. One of the main reasons for absence which remained was mental ill health, but the Service had been working to raise awareness of mental health issues and to ensure that staff felt comfortable to raise mental health issues. The following table highlighted the Service's progress with regard to absence management:

	2018/19 Sum of Duty Days Lost	Establishment as of 01/02/2019	2018/19 Average Duty Days Lost Per Person per Contract Type	2017/18 Sum of Duty Days Lost	Establishment as of 21/02/18	2017/18 Average Duty Days Lost Per Person per Contract Type
Control	186.00	27.29	6.82	400.00	26.00	15.38
Green Book	1536.42	181.83	8.45	2019.12	181.73	11.11
Retained	1095.12	347	3.16	1689.90	347.00	4.87
Wholetime	2893.00	475	6.09	3218.00	478.61	6.72
Grand Total	5710.54	1031.12	5.54	7327.02	1033.34	7.09
Number of sickness absence days difference to 17-18	-1616.48					

Resolved - (a) That the report be received;
 (b) that the Service's progress with regard to absence management be commended, and
 (c) that the Service's improvements in relation to mental health be commended.

6091 SERVICE PERFORMANCE AND RISK REPORT - 3RD QUARTER 2018/19 - The Head of Corporate Assurance submitted a report summarising the Service's performance and risk for the period spanning 1 October to 31 December 2018.

The Service had continued to prepare for the potential effects of the UK's exit from the European Union, in relation to which an update had been received by the Fire Authority at its meeting of 11 February 2019 (Minute 6079 refers).

The number of complaints received by the Service during the reporting period had been low and, during the recent inspection. The period had seen a seasonal increase in accidental dwelling fires and the number of deliberate secondary fires had been higher than the three-year average. The Service had been working with schools, targeting those in high-risk areas to increase awareness of the dangers of fire and to improve fire safety. The number of deliberate primary fires, however, had been below the three-year average. Vehicle fires remained an issue, but the Service had been engaged in significant partnership work to reduce these by, for example, sharing intelligence with Humberside Police. Automatic fire alarms had been the subject of a recent Members' Day, but the number of instances was below the three-year average for the reporting period.

The East Coast and Hertfordshire Control Room Project Board had revised its timescale for transition to Vision 4, which was expected to be implemented during May or June 2019. The Committee noted that Hertfordshire Fire and Rescue Service's Tranche 1 HMICFRS inspection had not been particularly positive and expressed concern at its ability to lead the Project. The Head of Corporate Assurance explained that this had been raised with the Project's lead and they had been satisfied that Hertfordshire Fire and Rescue Service was able to deliver the Project.

The National Operational Guidance (NOG) Implementation Project had begun six years previously and aimed to replace more than 8,000 paper-based guidance documents with an online framework of strategic and tactical guidance, taking account of national best practice. There were nine action plans associated with NOG, resulting from the ongoing gap-analysis. The NOG Project had begun by addressing broad topics and the gap-analysis had become more focussed as time had advanced. It was expected that the Project would be completed ahead of target.

Resolved - (a) That the report be received, and

(b) that the role of the control room staff under the East Coast and Hertfordshire Control Room Project be recognised and commended.

6092 HEALTH, SAFETY AND ENVIRONMENTAL REPORT - 3RD QUARTER 2018/19 - The Director of Service Improvement submitted a report summarising health, safety and environmental data for the period spanning October to December 2018. During the reporting period, 22 incidents had been recorded that had resulted in some form of personal injury or ill-health. This was higher than during the same period of the previous year, but remained lower than the five-year average. Of the incidents reported, 18 (82 percent) had related to fire fighters and 66 percent of those had related to full-time fire fighters. Most incidents had been the result of lifting and handling issues and a campaign had been initiated ('Let's Handle it') in order to reduce incidents. The Service had, overall, continued to be a health and safety conscious organisation.

Resolved - That the report be received.

6093 OPERATIONAL ASSURANCE REPORT - 3RD QUARTER 2018/19 - The Director of Service Improvement submitted a report summarising the Service's operational assurance

work for the period spanning October to December 2018. During the reporting period, 111 incidents had been operationally assured; more than the 96 which had been operationally assured during the same period of the previous year. CCTV had been utilised twice during the reporting period to successfully address issues of operational assurance. The quality of radio messages had also been monitored and feedback was routinely provided by Service Control to incident commanders.

Resolved - That the report be received.

SCRUTINY PROGRAMME

6094 SCRUTINY PROGRAMME 2018/19 - BENEFITS REALISATION FROM THE SERVICE REDESIGN PROGRAMME - The Head of Corporate Assurance introduced the report written in reply to the scope agreed by the Committee on the subject of benefits realisation from the Service Redesign Programme (Minute 6052 refers). Also presenting this item were: the Director of Service Improvement, the Director of Service Delivery Support, the Head of Service Support and Mr Martin Knapp (Humberside Police).

The scrutiny item had been due to focus on the benefits realisation of two aspects of the Service Redesign Programme (SRP): Estates and Facilities Management, and Public Safety. The report submitted to the Committee summarised both SRPs but, because the Director of Service Delivery had submitted his apologies for absence, the Committee agreed to defer the aspect of the item relating to the Public Safety SRP to the meeting to be held on 8 April 2019.

As a whole programme, the SRP had achieved financial and structural efficiencies, saving around £2.5m through reviews of service support and non-front-line service delivery. The Committee had been keen to understand not only the benefits of SRP, but also the effects on staff. SRP reviews had been conducted and managed in accordance with employment legislation and good practice HR management principles. This had included consultative exercises, taking into account all affected members of staff, and staff surveys to monitor the potential effects of reviewing service areas. An externally hosted staff survey had been commissioned in 2016 and the outcomes had led to an increase in the visible presence of senior leaders and the commissioning of an 'organisational health check' led by a clinical psychologist. A further survey was ongoing at the time of the meeting.

The Estates and Facilities Management SRP had commenced in January 2016 and aimed to assess the provision of strategic estates and facilities management compared to current and future need. The review had identified three core areas to be addressed:

- The need to develop a medium- to long-term Estate Management Strategy;
- Property management, and
- Building maintenance.

Four models for delivery were initially considered before a joint Police/Fire model, operating from a single site, was considered to be optimal. This led to more detailed discussion with Humberside Police in order to develop a fully integrated Joint Estates Service (JES). The JES was developed during a time when legislation and national frameworks were introducing statutory collaboration between police and fire and rescue services.

A member asked about the collaboration agreement, which had been due to be completed by 31 January 2019. The Director of Service Delivery Support explained that the finalisation of the collaboration agreement had been delayed. The agreement represented the first of its kind for the Service and had undergone a long process of preparation with advice sought on legal aspects. Collaboration agreements had not previously been necessary as part of the Service's collaborative work. However, it was expected that future

agreements would be completed earlier as the process had become clearer. The collaboration agreement relating to the JES had been regarded by other fire and rescue services as a robust example. Another reason for the delay in establishing the collaboration agreement had been the leadership changes in Humberside Police, which would also need to approve the agreement. A post-implementation review of the JES would be conducted.

A member asked why the due diligence report associated with the JES had been conducted only six weeks before the end of the project's implementation timeline. A draft due diligence report had been in operation earlier in the process and used as a working document. The final due diligence report had not been published earlier due to the Transfer of Undertakings Protection of Employment (TUPE) process associated with transferring members of staff into Humberside Police's employment under the JES.

According to the JES Project Closure Report, published on 26 April 2018, there had been a breakdown in communication, leading to delays to the TUPE process, police vetting and IT access. Police IT systems were carefully protected and negotiating data-sharing had been a challenge. However, these issues had since been overcome and access had been agreed for some current HFRS employees as well as those who had moved into the JES via TUPE. The Committee noted that the first full year of operation for the JES had been designated as a transitional period, during which any issues could be resolved.

During the consultative stage of the Estates and Facilities Management SRP, concerns had been raised around equity of outcome between the organisations. The Director of Service Delivery Support and Mr Martin Knapp (Humberside Police) explained that the JES represented the start of long-term collaborative arrangements mandated in legislation. The collaboration was not a contract for service or an exercise in procurement, but a joint service: one team undertaking the same work for both organisations. The Head of Organisational Development explained that significant work had been undertaken to identify and mitigate potential adverse impacts on staff undergoing the TUPE process. These impacts had been addressed on an individual basis.

The establishment of the JES had resulted in savings for the Service of around £80,000 during the first year. However, the key benefits of the arrangement were the business efficiency and resilience. A Member expressed concern that plans to co-locate some police and fire services would potentially result in greater savings for Humberside Police than for HFRS. The Committee discussed whether, while the arrangement could be considered beneficial to the 'public purse' as a whole, it was beneficial to HFRS. The Director of Service Delivery Support explained that, prior to the establishment of the JES, Humberside Police was the organisation which had possessed the greater expertise in relation to estates management. Through the collaboration, HFRS would benefit from this. Additionally, all 'blue light' services had a legal duty to collaborate and the expectations were increasing nationally. By co-locating with Humberside Police, HFRS estates and facilities would also benefit from investments and upgrades that would not otherwise have been funded. As well as collaborating with Humberside Police, the establishment of the JES had enabled collaboration with Yorkshire Ambulance Service (YAS). YAS was keen to vacate its failing building in Driffield and the co-location of HFRS and Humberside Police staff had meant that the sale of Humberside Police's building could be delayed to allow YAS to use it until they found suitable facility. Arrangements like these resulted in benefits and savings to all agencies and the 'public purse' as a whole. The work of the JES and its Board would inform and empower capital investment for both organisations.

Resolved - (a) That the report be received;

(b) that the aspect of the scrutiny item relating to benefits realisation from the Public Safety Service Redesign Programme be deferred to the meeting due to be held on 8 April 2019;

(c) that Committee Members be sent the Post Implementation Review relating to the Estates and Facilities SRP review upon completion.

6095 SCRUTINY PROGRAMME 2018/19 - DRAFT SCOPING DOCUMENT - EFFECTIVENESS OF THE COST RECOVERY MODEL FOR EMERGENCY MEDICAL RESPONSE - The Head of Corporate Assurance submitted a report containing the draft scope and methodology for the item to scrutinise the effectiveness of the cost recovery model for the Emergency Medical Response (EMR) arrangements in place with Yorkshire Ambulance Service (YAS).

The Committee discussed the scope for the scrutiny item which would be shared with relevant officers of Humberside Fire and Rescue Service (HFRS) in order that they could produce a report to submit to the meeting due to be held on 8 April 2019. The Committee agreed the following scoping points:

1. Review of stated outcomes and imperatives
2. Overview of the approach taken by lead officer(s) to develop and agree an EMR service.
3. Appraisal of risk management processes and mitigation measures.
4. Review of approaches taken to assign and recover costs for period 2016/17, 2017/18, 2018/19 including detailed information relating to finance and costs to HFRS.
5. Outline of future plans for EMR including potential future costs, anticipated benefits and an assessment of long-term viability.
6. Outline of non-financial benefits, key performance indicators, response rates and impact of EMR on fire cover.
7. Outline of potential opportunities to expand EMR.

Resolved - (a) That the scope of the scrutiny item, Effectiveness of the Cost Recovery Model for Emergency Medical Response, due to be heard at the meeting to be held on 8 April 2019, be approved, and

(b) that the reporting procedures section of the Committee's draft scrutiny scoping documents be amended to reflect the agreed process.

6096 ANY OTHER BUSINESS – There was no other business.

Meeting closed at 12.05 p.m.