

HUMBERSIDE FIRE AUTHORITY

17 FEBRUARY 2014

PRESENT:

Representing East Riding of Yorkshire Council:

Councillors Engall MBE, Hodgson, Ibson, Mole, Moore, Turner and Whittle

Representing Kingston upon Hull City Council:

Councillors Armstrong, Mathieson, Petrini, Quinn and S Walker

Representing North Lincolnshire Council

Councillors Briggs (Chairperson), Waltham and Vickers

Representing North East Lincolnshire Council:

Councillors Baxter, Wallace, Wilson and T. Walker

Chief Fire Officer & Chief Executive, Deputy Chief Officer/Director of Operations, Acting Monitoring Officer/Secretary, Director of Finance & Assets/Section 151 Officer, Assistant Chief Officer/Director of Safety, Committee Manager and Mr J Prentice (External Audit – KPMG) and Ms J Rae (External Audit - KPMG) were also present.

Mr D Hughes, Chairperson of Governance, Audit and Scrutiny Committee and Mr M Allingham and Mr C Vertigans (Independent Co-opted Members) also attended as observers.

Apologies for absence were received from Councillors Chapman MBE, Gemmell OBE and Swift

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.30 a.m.

The Chairperson welcomed Mr J Prentice (KPMG) who was attending his first meeting, Ms J Rae (KPMG), the Independent Co-opted Members of the Governance and Scrutiny Committee and all other persons present to observe the meeting.

4409 DECLARATIONS OF INTEREST – Resolved – That the following declarations be noted:

Item	Member/Officer Interest
Members' Allowances 2014/15 (Minute 4419 refers)	All Members present declared a disclosable pecuniary interest under the Localism Act 2011. A dispensation had been previously been granted to all Councillors to allow them to participate in approving a Scheme of Members' Allowances.

4410 MINUTES – Resolved – That the minutes of the meeting of the Special Meeting of the Authority held on 31 January 2014 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

4411 QUESTIONS BY MEMBERS - The Acting Monitoring Officer/Secretary stated that no questions had been received from Members in accordance with Rule 12, Part 4 of the Constitution.

4412 PETITIONS AND DEPUTATIONS - The Acting Monitoring Officer/Secretary stated that no petitions had been received and no requests for a deputation had been received under Rule 13, Part 4 of the Constitution.

4413 COMMUNICATIONS - The Acting Monitoring Officer/Secretary stated that no communications had been received. The Chief Fire Officer & Chief Executive gave an oral update with regard to the deployment of specialist firefighters and equipment from Humberside Fire and Rescue Service to provide assistance in the flood affected areas in south west and south east England.

MINUTES OF COMMITTEES

4414 Governance, Audit and Scrutiny Committee – Mr D Hughes, Chairperson of the Governance, Audit & Scrutiny Committee presented a report summarising the salient points arising from the Governance, Audit & Scrutiny Committee Members' discussion of reports on the Agenda for the meeting held on 4 February 2014. The report was to be read in conjunction with the draft minutes of the Committee. The report drew the attention of the Authority to the discussion by Governance, Audit and Scrutiny Committee Members on the following items:

- Minutes of the Previous Meeting and Matters Arising from the HFA Agenda (Minute 4393 refers)
- 2014/15 Budget and Precept and Medium Term Financial Plan 2014/14 to 2016/17 (Minute 4400 refers)
- Members Allowances 2014/15 (Minute 4402 refers)
- Health and Safety Quarterly Report – 2nd Quarter 2013/14 (Minute 4405 refers)

Mr Hughes then presented the minutes of that Committee held on 4 February 2014. The Chairperson of the Fire Authority thanked Mr Hughes for his report.

Resolved – That the report be noted and that the minutes of the Governance, Audit and Scrutiny Committee held on 4 February 2014 be received.

EXTERNAL AUDIT

4415 External Audit Plan 2013/14 – Ms J Rae (KPMG) submitted an audit plan setting out the work that the External Auditor proposed to undertake for the 2013/14 audit. Ms Rae reported that the External Auditor's fee for the audit work proposed was £41,455. The audit team would discuss and agree reports with officers before issuing them to the Governance, Audit and Scrutiny Committee and the Fire Authority in line with the following timetable:

<u>Planned Output</u>	<u>Indicative Date</u>
Interim Report	May 2014
Report to Those Charged with Governance (ISA 260 Report)	September 2014
Auditor's Report (issue opinion and value for money conclusion)	September 2014
Whole of Government Accounts	September 2014
Annual Audit Letter	November 2014

The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4397 refers). The Chairperson acknowledged the work done by KPMG and the assurances given.

Resolved – That the Audit Plan be approved.

4416 MANAGEMENT ACCOUNTS TO 31 DECEMBER 2013 – The Director of Finance & Assets/Section 151 Officer submitted a report containing the Authority's Management Accounts and Prudential Indicators for the period ending 31 December 2013. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - £1.255m underspend;
- Capital Programme - £4.842m total expenditure against an allocation of £11.221m;
- Pensions Account - £7.464m deficit.

The report also included an update with regard to the project to provide a Working at Heights rig. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4399 refers).

Resolved – (a) That Members take assurance from the report and the Authority's financial position for the period ending 31 December 2013, and

(b) that a further £150k be released from the HFR Solutions' earmarked reserve to deliver the external Working at Heights rig.

4417 2014/15 BUDGET AND PRECEPT AND MEDIUM-TERM FINANCIAL PLAN

2014/15 TO 2016/17 - The Director of Finance & Assets/Section 151 Officer submitted a report considering the Authority's Budget for 2014/15 onwards and also the setting of the precept for 2014/15. A revised report and Appendices had been circulated prior to the meeting following a late change in the Business Rate projected income notified by one of the constituent Unitary Authorities. The report had been prepared in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 Sections 72 to 79 and the Local Government Finance Act 2012 to allow the Authority to approve:

- The Council Tax Requirement for 2014/15;
- The Council Tax Base figure for 2014/15; and
- The basic amount of Council Tax for 2014/15.

The report also complied with the Local Government Act 2003 in allowing the Authority to approve:

- The financial spending plans that are necessary to support the Authority's activities [Section 25(1)(a)]; and
- Maintenance of adequate reserves and provisions [Section 25(1)(b)].

Reports had previously been submitted both to the Governance, Audit and Scrutiny Committee and the Fire Authority on the budget position for 2014/15 onwards. Reports had been considered at the September and December 2013 round of meetings. An earlier version of the report now submitted was considered by the Governance, Audit and Scrutiny Committee at its meeting on 4 February 2014 (Minute 4400 refers)

The Final Local Government Finance Settlement for 2014/15 and 2015/16 was issued on 5 February 2014. In line with the provisional settlement announced in December 2013 the key headlines were as follows:

- An 8.94% reduction in support from Government for 2014/15 (£2.17m) and a further 10.32% reduction for 2015/16 (£2.28m)
- A total reduction in funding over the next two years of £4.45m;
- Council Tax Referendum threshold of 2% for Humberside Fire Authority for 2014/15;
- Capital grant allocation of £995k for 2014/15.

The reduction in funding from Government was anticipated, but was still significant when compounded with the reductions that the Authority had suffered over the period 2011/12 to

2013/14. The five year reduction in funding over the period 2011/12 to 2015/16 was £7.3m or 27% in cash terms. The Authority had worked very hard in anticipation of this austerity and by the close of 2013 had delivered efficiencies over the prior recent years of circa £5m. There were still major challenges ahead, not least from the anticipated reductions in support from Government for the period 2016/17 onwards. There was much speculation as to what that might entail but it was safe to assume that a further circa 25% cash reduction in support from Government could occur. The Authority's Revenue Budget and Capital Programme (Appendices A and B to the report) had been updated in line with new information that had become available since December 2013. The main examples of this were: the Council Tax Base for 2014/15; Collection Fund surplus; and the Capital Programme which was largely based on the Premises, IT and Vehicles reports for 2014/15 onwards approved at the December 2013 Fire Authority.

The decision on the Authority's 2014/15 precept had to be taken in the light of a number of significant factors as follows:

- the Government had set a referendum threshold for 2014/15 of 2% for Humberside Fire Authority. Therefore any increase at or above that level would require a Humberside area-wide referendum in support. Clearly, there would be a significant cost attached to any such referendum.
- the Authority had frozen its precept in each of the years 2011/12, 2012/13 and 2013/14 as part of the Government scheme in operation in those years. The last time the Authority increased its precept was by 1.6% in 2010/11. There was a freeze compensation scheme in operation again for 2014/15 with a grant equal to a 1% increase payable from Government. As with the previous freeze grant schemes there was some uncertainty (despite assurances that the council tax freeze grants will be 'baselined') over how the grant will be treated in 2016/17 onwards.
- the Authority had suffered a historic reduction in Government support over the period 2011/12 to 2015/16. Much had been done in anticipation of this but the fact remained that the Authority had lost £7.3m or 27% of its funding from Government over that period.

The setting of the 2014/15 precept was the decision of the Fire Authority and therefore this report presents two options for consideration:

- Option 1: Freeze the 2014/15 precept at the 2013/14 level, i.e. no change. This would attract 'compensation' from the Government in the form of a grant equal to a 1% increase in precept (for Humberside Fire Authority this is £226k). In comparison to Option 2 (see below) this course of action would result in lower funding of £270k over the period 2014/15 to 2016/17. Appendices A1, C1 and D1 to the report outlined the budget projections associated with Option 1.
- Option 2: Increase the precept by 1.9%. This option is inside the referendum trigger of 2% and offers additional funding of £270k over the period 2014/15 to 2015/16 when compared to Option 1. A 1.9% increase would add £1.48p to the annual charge for a Band D council tax. Appendices A2, C2 and D2 to the report outlined the projections associated with this option.

The benefits of any precept increase were constrained given the referendum threshold was only 2% compared to compensation grant from Government equal to 1%. This is further compounded if council tax freeze grants are to be 'baselined' from 2016/17 onwards, which essentially restores to the funding base some of the benefit that would have been achieved from a precept increase.

The report reminded Members that with regard to efficiencies the Special Meeting of the Authority on 31 January 2014 had considered a number of proposals based on the Operational Efficiency Programme. As a result of that meeting further efficiencies of £2.5m were approved. The financial impact of those decisions had been incorporated into the Authority's Medium-Term Financial Plan.

With regard to the Medium-Term Financial Plan 2014/15 To 2016/17 Members had been regularly briefed on the Authority's medium-term financial position. As a result of the Special Meeting of the Authority on 31 January 2014 the projections for 2015/16 and 2016/17 had been updated. In broad terms the budgets for 2014/15 and 2015/16 were now balanced and the deficit for 2016/17 had been reduced to circa £3m. The Authority's reserves consisted of the General Reserve (£8.804m at 31 March 2013) and a number of Earmarked Reserves created to meet specific areas of future expenditure (£9.788m at 31 March 2013). As a result of good forward planning by the Authority, the reserves were in a sound position, but they needed to be seen in the context of the current and future significant reductions in Government funding and the major financial uncertainties that still lie ahead. The Authority's Section 151 Officer had confirmed, for the purposes of Section 25 of the Local Government Act 2003, that the budget estimates have been compiled on a robust and prudent basis; that the current reserves held by the Authority are adequate, and that the Authority has timely and robust budget monitoring arrangements.

The report concluded that whichever option the Authority selects for the 2014/15 precept it will be able to balance its budget. The Authority's budget was now in a sound position with efficiencies of £7.5m over 2011 to 2015 keeping pace with reductions in grant funding from government of £7.3m over the same period.

Moved by Councillor T Walker and seconded by Councillor Moore –

“That Members approve Option 2: Set the 2014/15 precept at a level 1.9% higher than 2013/14 and approve Appendices A2, B, C2 and D2 to the report”.

Resolved – That the voting on this item shall be by a recorded vote.

Upon being to put to the vote the voting was:

For: 7 (Councillors Armstrong, Moore, Petrini, S Walker, T Walker, Wallace and Wilson)

Against:12 (Councillors Baxter, Briggs, Engall, Hodgson, Ibson, Mathieson, Mole, Quinn, Turner, Vickers, Waltham and Whittle)

Motion Lost

Moved by Councillor Waltham and seconded by Councillor Turner –

“That Members approve Option 1: Freeze the 2014/15 precept at the 2013/14 level and approve Appendices A1, B, C1 and D1 to the report”.

Resolved – That the voting on this item shall be by a recorded vote.

Upon being to put to the vote the voting was:

For:12 (Councillors Baxter, Briggs, Engall, Hodgson, Ibson, Mathieson, Mole, Quinn, Turner, Vickers, Waltham and Whittle)

Against:7 (Councillors Armstrong, Moore, Petrini, S Walker, T Walker, Wallace and Wilson)

Motion Carried

Resolved - That Members approve Option 1: Freeze the 2014/15 precept at the 2013/14 level and approve Appendices A1, B, C1 and D1 to the report.

4418 FEES AND CHARGES 2014/15 - The Director of Finance & Assets/Section 151 Officer submitted a report indicating that in accordance with the Fire Services Acts, Fire Authorities have the discretion to charge for special services performed (where there is no immediate threat of fire) and for services relating to training, fire safety and administration. The total income for the Fire Authority generated through these sources was circa £67k in 2012/13. The report outlined the Authority's Special Service and Other Charges for 2014/15 as set out in Appendix A to the report. The revised charges proposed reflected the following:

- Staff related costs – charges are normally uplifted in line with the firefighters' pay award. Given that the firefighters' pay award for 2013 was 1%, it is proposed that the charge is increased by 1%;
- Non staff related costs – uplifted in line with the Consumer Price Index (CPI) (as at September 2013 2.7%).

Further income would also be generated during 2014/15, particularly in relation to the provision of professional services for the Control of Major Hazards (COMAH) sites. Those charges had been reviewed and the revised rates were shown in Appendix A to the report. The increase was proposed to bring the charges into line with those applied by other partner organisations for similar COMAH related activities. The report also indicated that Fire Service Circular 17/2001 advised Fire Authorities on the charges they may levy when dealing with cases of pension sharing involving serving members of the Firefighters' Pension Scheme or pensioners. The charges for 2014/15 would be increased in line with estimated local government pay award for 2013 of 1%. The charges were set out in Appendix B to the report. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4401 refers).

Resolved - That the revised charges shown in the Appendices A and B to the report now submitted be approved.

4419 MEMBERS' ALLOWANCES 2014/15 - The Acting Monitoring Officer/Secretary and Director of Finance & Assets/Section 151 Officer submitted a joint report indicating that the Fire Authority on an annual basis considers and approves a scheme of the allowances paid to Members. The approval of the scheme was a matter for the full Authority. The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003. Humberside Fire Authority approved a scheme in October 2003 (Minute 987 refers) that allowances would be increased annually from 1 April in line with the local government officers' pay award. The Authority had frozen basic and special responsibility allowances since 2008/09 but agreed that for 2011/12 the global amount for the Basic Allowance and Special Responsibility Allowances be frozen at the current level on the understanding that some allowances might be adjusted following the Third Review of Corporate Governance. In the event no adjustments were agreed following that review. The Authority at its meeting on 12 February 2013 (Minute 4022) agreed: (a) that except where the existing schemes provides for the allowances in respect to Travel and Subsistence to be increased on an annual basis, being linked to the National Joint Council award, the allowances be frozen at their current level for 2013/14 as set out in Appendix 1 to these minutes, and (b) that a group comprising the Chairperson and Group Secretaries together with representation from the Governance, Audit and Scrutiny Committee will consider further the system of Member allowances during 2013, along with consideration given to performance and clarification around the role of Group Secretaries and make recommendations through the Governance, Audit and Scrutiny Committee to the full Fire Authority. It was reported that Part (b) of Minute 4022 had not been progressed and therefore Members might wish to consider this further during 2014. The current Scheme of Member Allowances, as from 1 April 2013 was set out in Appendix 1 to the report. The allowances were published in the press and online and were part of the Constitution.

The Authority was required to have regard to the recommendations made by any Independent Remuneration Panels in relation to any constituent unitary authority that had such a panel that nominates Members to the Fire Authority. The most recent reports of the Members Allowances Panels of the four constituent unitary authorities were attached at Appendix 4 to the report. The current scheme had been in place for some time and perhaps did not fully reflect the new governance arrangements now in place. It was suggested that Members might wish to carry out a fuller review of allowances during 2014 in readiness for 2015/16.

It was difficult to draw a comparison with the allowances paid at other Combined Fire & Rescue Authorities, primarily owing to the different composition and governance arrangements in place. It was however notable that some authorities pay an allowance to a political group leader/group secretaries. Those comparisons also provide an indication that the basic allowance and Vice Chairpersons' allowance is greater than many. Attached at Appendix 2 to the report was a sample of allowances paid by some other Combined Fire Authorities in 2012/13, 2013/14 and 2014/15. This was by way of information only and clearly the authorities concerned will be setting fresh allowances for 2014/15. Attached at Appendix 3 to the report was a comparison of the allowances paid by each of the authorities who nominate Members to the Fire Authority.

Previously, before the Localism Act 2011, there were specific dispensations set out in Regulation permitting Members to vote in matters of allowances and setting a precept. In regard to allowances, all Members were likely to have a disclosable pecuniary interest. However, guidance published by the Department for Communities and Local Government in 2012 confirmed that no dispensations were necessary with regard to setting a precept. Under the Regulations, on 1 April (or as soon as practicable thereafter) the allowances paid to Members for 2013/14 will be published. In addition, the new Scheme (2014/15) will be published. This also meets the requirements of the Code of Transparency introduced towards the end of 2011. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4402 refers).

Resolved – (a) That the allowances be frozen at their current level for 2014/15 as set out in Appendix 1 to these minutes, and

(b) that a group comprising the Chairperson of the Authority and Group Secretaries together with a representative from the Governance, Audit and Scrutiny Committee consider further the matters set out in paragraph 9 of the report now submitted and make recommendations through the Governance, Audit and Scrutiny Committee to the full Fire Authority.

4420 HEALTH AND SAFETY QUARTERLY REPORT – 2ND QUARTER 2013/14 - The Assistant Chief Officer/Director of Safety submitted a report indicating that during 2013 a project was delivered to replace the Service's IT based Health and Safety Management System, in order to improve the way that information was recorded and reports could be generated. That project had delivered a better system for users and managers, and now quarterly reports were submitted to the Corporate Management Team (CMT) in an improved format. The intention was to provide the same report to this Committee for additional scrutiny on a quarterly basis. The report for the 2nd Quarter 2013/14 was attached at Appendix 1 to the report. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4405 refers).

Resolved – (a) That the Authority welcomes the report and receives subsequent quarterly reports, and

(b) that Members take assurance from the Service's proactive management of Health and Safety.

4421 SERVICE POLICIES – PRODUCTION, REVIEW, APPROVAL AND STORAGE -

The Deputy Chief Officer/Director of Operations submitted a report providing a brief overview of the Service's processes for producing, reviewing, approving and storing Service Policy and Guidance. Those processes had been in place since 2011, following an extensive project to first make the transition from Service Orders to Service Policies & Guidance and secondly to ensure effective and robust policy approval and review processes. The report also identified a number of areas where the policy review process was being improved, in particular improvements to the Corporate Information Portal. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4404 refers).

Resolved – That Members take assurance from the processes currently in place for producing, reviewing and approving Service Policy and Guidance and also note the areas where improvements are being made to the Corporate Information Portal to further improve the policy review process.

4422 COMMISSIONING INTERNAL AUDIT SERVICES - The Director of Finance & Assets/Section 151 Officer and Assistant Chief Officer/Director of Safety reported orally, further to Minute 4378, on the progress of the tender process for the provision of Internal Audit Services to the Authority. The Tender Evaluation Panel had met and the preferred contractor would be notified shortly. An oral update will be given to the Governance, Audit and Scrutiny Committee and the Authority in the next cycle of meetings. The Chairperson thanked those Members who had participated in the work of the Panel.

Resolved – That the report be noted.

4423 COMMUNITY SAFETY – EVENTS/ DEVELOPMENTS OF SPECIAL INTEREST -

The Assistant Chief Officer/Director of Safety submitted a report outlining details of recent events and developments relating to the safety of the Authority's communities.

Resolved - That Members note the content of the report as an update of community safety events and developments of special interest.

4424 EXCLUSION OF PRESS AND PUBLIC – Resolved – That the press and public be excluded from the meeting during consideration of the following items (Minute 4425) on the grounds that it is likely to involve the disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

(In making its decision the Authority confirmed that having regard to all the circumstances it was satisfied that the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

(All Officers except the Acting Monitoring Officer/Secretary and Committee Manager left the meeting for the following item).

4425 SUSPENSION OF SENIOR MANAGER – The Acting Monitoring Officer/Secretary referred to the previous discussions by Members following the meeting of the Authority on 16th December 2013 and the subsequent suspension of a Senior Manager on 18 December 2013 and updated Members orally.

Resolved – That the Authority ratifies the decision to suspend the Officer with effect from 18 December 2013.

The Acting Monitoring Officer/Secretary then gave an oral update on independent advice that had been received.

Resolved – (a) That the Authority agree to lift the suspension, and

(b) that a dialogue be entered into with the Officer and their representatives regarding a return to work.

Meeting closed at 11.52 a.m.

Appendix 1

PART 6

MEMBERS' ALLOWANCES SCHEME

The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003. The HFA approved a scheme in October 2003 that allowances would be increased annually from 1 April in line with the local government officers' pay award. It was also resolved that a full review should be conducted after 4 years.

A review was undertaken during 2006/07 and reported to the March 2007 meeting of the HFA. The Regulations require that the HFA shall have regard to the recommendation of any of the Independent Remuneration Panels in relation to any authority by which any of its Members are nominated

The HFA at its meeting on 17 February 2014 agreed that the allowances be frozen at their current level for 2014/15 as set out below

	£
1. Basic Allowance (per annum)	
All Members	4,457
2. Special Responsibility Allowances:	
a. The Chair of the Authority	11,137
b. The Vice Chair of the Authority	8,356
c. The Chairs of Committees	561
3. Co-optees Allowance (per annum)	548
4. Childcare & Dependant Carer Allowances (per hour)	
a. Childcare	5.80
b. Dependant	10.40
5. Travel Allowances	
a. Car Allowances – In accordance with the National Joint Council for Local Government Services casual user rate:	
Up to 999cc	0.469*
Over 999cc	0.522*
(up to first 8,500 miles per annum, thereafter £0.144*)	
b. Bicycle (per mile)	0.05
c. Public Transport	Actual Cost
6. Subsistence Allowances	
Actual cost not exceeding	
a. Breakfast – more than 4 hours before 11.00am	6.46
b. Lunch – more than 4 hours including 12noon to 2.00pm	8.92
c. Tea – more than 4 hours including 3.00pm to 6.00pm	3.50
d. Dinner – more than 4 hours ending after 7.00pm	11.03
e. Overnight (covering 24 hours)	
London #	136.40
Outside London	120.42
f. Out of Pocket Expenses (per night)	4.92
(# Includes Local Government Association and Annual Fire Conferences overnight attendances outside London.)	

Note: * Not increased by NJC since 1 April 2010

