

HUMBERSIDE FIRE AUTHORITY

23 SEPTEMBER 2016

PRESENT:

Representing East Riding of Yorkshire Council:

Councillors Chadwick, Finlay, Green, Jefferson JP, Matthews, Sharpe, Smith and Turner

Representing Kingston upon Hull City Council:

Councillors Allen, Clarkson, Dad, Fudge, Mathieson and Wilson

Representing North Lincolnshire Council:

Councillors Briggs (Chairperson), Grant, Sherwood and Waltham

Representing North East Lincolnshire Council:

Councillors Burton, Jackson and Sutton

Chief Fire Officer & Chief Executive, Deputy Chief Fire Officer/Executive Director Service Delivery, Executive Director Service Support/Section 151 Officer, Director of Emergency Response, Monitoring Officer/Secretary, Committee Manager, Ms J Rae (External Auditor (KPMG)) and Mr D Chapman (Chairperson of the Governance, Audit and Scrutiny Committee) were also present.

Mr J Doyle and Mr C Vertigans (Independent Co-opted Members of the Governance, Audit and Scrutiny Committee) also attended as observers.

An apology for absence was submitted from Councillor Shepherd.

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 the Independent Co-opted Members of the Governance, Audit and Scrutiny Committee and all other persons who were present.)

5231 DECLARATIONS OF INTEREST – There were no declarations.

5232 MINUTES – Resolved – That the minutes of the meeting of the Authority held on 29 July 2016 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

5233 QUESTIONS BY MEMBERS - The Monitoring Officer/Secretary stated that no questions had been received from Members in accordance with Rule 12, Part 4 of the Constitution.

5234 PETITIONS AND DEPUTATIONS - The 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.

COMMUNICATIONS

5235 Community Awards Evening – 24 November 2016 – The Chairperson referred to the letter that had been circulated prior to the meeting giving Members notice of the forthcoming Community Awards Evening and encouraged Members to attend the event.

MINUTES OF COMMITTEES

5236 Governance, Audit and Scrutiny Committee - The Chairperson of the Governance, Audit and Scrutiny Committee presented the minutes of the meeting of the Committee held on 12 September 2016 and drew Members' attention to matters of particular interest and expressed his thanks to the Members of the two Scrutiny Sub-Groups (Collaboration and Members' Allowances) for their on-going work with regard to the 2016/17 scrutiny work programme.

Resolved – That the minutes of the Governance, Audit and Scrutiny Committee held on 12 September 2016 be received.

5237 ANNUAL AUDIT LETTER 2015-16 - Further to Minute 5201 Ms J Rae, External Audit (KPMG) presented the final Annual Audit Letter in respect to the Authority's accounts for 2015/16 indicating that KPMG had issued an unqualified opinion on the Authority's 2015/16 financial statements; had concluded that the Authority's Annual Governance Statement was consistent with their understanding, and that KPMG had also concluded that the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Ms Rae stated that in presenting the Audit Letter to the Governance, Audit and Scrutiny Committee (Minute 5218 refers) Mr J Prentice had stated that he had been impressed by the innovative/proactive approach that had been adopted by the Fire Authority for addressing the challenges that it faced in difficult financial times. The letter indicated that KPMG's fee for 2015-16 was £31,897 excluding VAT compared to £42,529 in 2014/15. This was in line with the fee agreed at the start of the year with the Authority. Fees were set nationally by Public Sector Audit Appointments Limited and reflected significant 25% reductions made nationally to scale fees.

Resolved – That the Annual Audit Letter be noted.

5238 EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE - Ms J Rae, External Audit (KPMG) submitted a report 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. An earlier edition of the report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5219 refers).

Resolved – That the report be noted.

5239 DECLARATIONS OF INTEREST – Ms J Rae, External Audit (KPMG) left the meeting prior to the consideration of the following item (Minute 5240 - Changes to Arrangements for the Appointment of External Auditors).

5240 CHANGES TO ARRANGEMENTS FOR THE APPOINTMENT OF EXTERNAL AUDITORS - The Executive Director Service Support/Section 151 Officer submitted a report summarising the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits. The Authority would need to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017. The report indicated that there were three broad options open to the Authority under the Local Audit and Accountability Act 2014 (the Act) and outlined the advantages/benefits and disadvantages/risks associated with each option:

- Option 1 - To make a stand-alone appointment - The Authority would need to set up an Auditor Panel. The members of the panel must be wholly or a majority independent members as defined by the Act. Independent members for this purpose are independent appointees, this excludes current and former Elected Members (or Officers) and their close families and friends. This means that Elected Members will not have a majority input to assessing bids and choosing which firm of accountants to award a contract for the Authority's external audit. A new independent auditor panel established by the Authority will be responsible for selecting the auditor.
- Option 2 - Set up a Joint Auditor Panel/local joint procurement arrangements - The Act enables the Authority to join with other Authorities to establish a joint auditor panel. Again this will need to be constituted of wholly or a majority of independent appointees. Further legal advice will be required on the exact constitution of such a panel having regard to the obligations of each Authority under the Act and the Authority would need to liaise with other local authorities to assess the appetite for such an arrangement.
- Option 3 - Opt-in to a sector led body - In response to the consultation on the new arrangement the LGA successfully lobbied for Authorities to be able to 'opt-in' to a Sector Led Body (SLB) appointed by the Secretary of State under the Act. A SLB would have the ability to negotiate contracts with the firms nationally, maximising the opportunities for the most economic and efficient approach to procurement of external audit on behalf of the whole sector. Information on this approach was released on 12 July 2016 and is shown as Appendix 1 to the report. Furthermore, on 22 August 2016 it was announced that the SLB will be PSAA. Some 270 eligible bodies had now expressed an interest in opting-in to a SLB.

The Authority had until December 2017 to make an appointment. In practical terms that meant that one of the 3 options outlined in the report would need to be in place by late 2016 in order that the contract negotiation process can be carried out during 2017. The LGA had developed a Sector Led Body. In a recent survey, 58% of respondents expressed an interest in that option. Greatest economies of scale will come from the maximum number of Authorities acting collectively and opting-in to a SLB. This was considered to be the preferred option and assurances had been sought that where possible local Fire and Police Services will be allocated the same External Auditor given the close links between them, which is only likely to intensify over the next 3-5 years. In conclusion the report indicated that the Authority will need to take action to implement new arrangements for the appointment of external auditors from April 2018. In order that more detailed proposals can be developed, the Committee was asked to give early consideration to the preferred approach. The Authority had been asked by the LGA for an indication of the preferred approach in order that it can invest resources in providing appropriate support to Authorities. The LGA is strongly supportive of the SLB approach as it believes this offers best value to Authorities by reducing set-up costs and having potential to negotiate lowest fees. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5220 refers).

Resolved - (a) That Members approve the LGA Sector Led Body 'opt-in' as the approach for appointing its external Auditors;

(b) that the Authority reserves the right to undertake its own appointment should it not be content, following the submission of an update report to the Fire Authority, with the LGA Sector Led 'opt-in' approach, and

(c) that a progress update be brought to the Fire Authority meeting to be held in February 2017.

5241 FINANCIAL OUTLOOK 2017/18 ONWARDS AND EFFICIENCY PLAN - The Executive Director Service Support/Section 151 Officer submitted a report considering the Authority's financial prospects for the years 2016/17 to 2019/20 and the likely level of efficiencies that will be required over that period. An Efficiency Plan 2016-20 for the Authority was included in the report and subject to Member approval would be submitted to Government as part of the offer of a 4-year funding settlement.

The Authority's outturn for 2015/16 had delivered an underspend of £1.223m and a closing level of total Revenue Reserves of £15.1m. The report reminded Members that the Authority had set a balanced budget for 2016/17. Austerity remained a feature for the short-to-medium term and the Brexit decision earlier in the year had created a further degree of uncertainty over future public spending levels. The current financial projections for 2017/18, 2018/19 and 2019/20 had been updated based on the latest assumptions and information and were shown in Appendix 1 of the report. The key assumptions applied are shown in the table below:

Assumptions applied to the Medium-Term Financial Plan for 2017/18 to 2019/20

	2017/18	2018/19	2019/20
Pay Awards	1%	1%	1%
*External Grant	(9.4)%	(4.8)%	(2.5)%
Council Tax	0%	0%	0%
Price Inflation			
• Rates/Fuel	5%	5%	5%
• Utilities	6%	6%	6%
• Insurance	5%	5%	5%
• Income	1%	1%	1%
• Other	0%	0%	0%

* As provisionally notified by Government in February 2016.

Furthermore, the Authority's financial projections had been updated to incorporate all previous decisions relating to efficiencies. The attention of Members was drawn to Appendix 1 to the report which indicated that over the medium-term the MTFP was balanced. This was based on the assumption that the Service Redesign Programme (SRP) can deliver a further £350k of new efficiencies by 2018/19 and in addition another £150k by 2019/20.

Members were reminded that as reported to the 27 June 2016 Fire Authority meeting (Minute 5173 refers) the Home Office had written to Fire and Rescue Services (FRSs) setting out the 'offer' of a 4-year funding settlement in return for an approved Efficiency Plan from those FRSs that wish to be considered. Appendix 2 to the report contained a copy of the letter from the Home Office dated 24 May 2016. A draft Efficiency Plan 2016-2020 had been developed for the Service which dovetailed with the underpinning Medium-Term Financial Plan and was included at Appendix 3 to the report. The Efficiency Plan set out the efficiencies that had already been agreed and implemented by the Service and those that are anticipated for 2018/19 and 2019/20. The Efficiency Plan also highlighted the review areas that the Authority had underway at the moment as part of the SRP and the Safety Review. It was intended that those areas will generate the efficiencies required to ensure that the Service has a balanced budget through to and including 2019/20. Subject to Member approval the Efficiency Plan 2016-2020 would be submitted to Government as part of the 4-year funding offer before the deadline of 14 October 2016.

Resolved - That Members note the financial outlook for the Service through to 2019/20 and support the uptake of the offer from the Government of a 4-year funding allocation and that as part of this the associated Efficiency Plan 2016-2020 be submitted to Government before the 14 October 2016 deadline.

5242 FIRE PROCUREMENT INFORMATION PUBLISHED BY THE HOME OFFICE - The Executive Director Service Support/Section 151 Officer submitted a report indicating that on 24 August 2016 the Minister of State for Policing and the Fire Service, Brandon Lewis MP, had issued survey data that had been collected from English Fire and Rescue Services on 25 commonly procured items. The output from the data collection exercise was published with other information which was shown in Appendices 1, 2 and 3 of the report. Further analysis of the data in Appendix 3 had been undertaken by the Service’s Procurement Team to give a fuller picture of Humberside’s position and that information was contained in Appendix 4 to the report. The report outlined reasons why the data issued by the Home Office needed to be interpreted with a degree of caution. That said, the data was welcomed by the Service and provided a good basis on which to challenge procurement activities where required. In the main the Service fared well in the ‘league table’ analysis shown in Appendix 4 with perhaps one or two areas where further analysis was required to understand the Service’s position relative to others more clearly. This was pleasing when coupled with the approach in the Service to buy good quality items wherever a sound case is made to do so.

Moving forward there will now be further work undertaken with the Chief Fire Officers’ Association’s National Procurement Hub and more locally with neighbouring Fire and Rescue Services and through the Hull 2020 Finance Directors Procurement Group (Hull University, Hull City Council, East Riding of Yorkshire Council, Hull CCG, East Riding CCG, Humberside Police, Humber Mental Health Trust, Hull and East Yorkshire Hospitals, Yorkshire Ambulance Service, City Health Care Partnership and Humberside Fire and Rescue Service all have representation on this group) to identify collaborative procurement opportunities and share best practice wherever possible. The Service’s Procurement Team are also undertaking significant professional development and upskilling with for example two members of the team undertaking the Chartered Institute of Procurement and Supply (CIPS) qualification at the moment. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5222 refers).

Members commented on aspects of the data and asked when a further report might be submitted indicating that the Authority can purchase more efficiently in the knowledge of this data gathering exercise, particularly in respect of items where the Authority is ranked in the top half of authorities according to cost paid for items procured. The Chairperson suggested that this was an area that the Governance, Audit and Scrutiny Committee might wish to look at. The Chief Fire Officer & Chief Executive assured Members that the Authority always sought to purchase the best quality items at the best price.

Resolved – (a) That the report be noted, and

(b) that a further report be submitted to a future meeting of the Authority regarding the impact of the data on the future procurement of the more expensive items.

5243 SERVICE PERFORMANCE AND RISK REPORT FOR THE 1ST QUARTER PERIOD APRIL – JUNE 2016 - The Deputy Chief Fire Officer/Executive Director Service Delivery and Director of Emergency Response submitted a report providing information relating to the Service’s Performance and Risk Framework which was highlighted in the following summary table:

Strategic Risks	
Reduction in external financial support	No change in risk. Awaiting Autumn Statement.
Emergency Services Mobile Communications Programme (ESMCP).	No change in risk.
East Coast and Hertfordshire Control Room Project.	No change in risk
Review and Development of Protective Security.	Reduced likelihood due to progress in implementation of Action Plan.

Incident Command System software supplier support and maintenance agreement.	New Risk. Supplier of Incident Command software has gone into administration causing uncertainty regarding on-going support. Interim arrangements are in place pending decision regarding future supplier.
Prevention Performance	
Accidental Dwelling Fires	4.7% above 3 year average.
Other Accidental Fires (exc. Vehicles)	16.4% below 3 year average.
Deliberate Primary Fires	16% above 3 year average.
Deliberate Secondary Fires	11.5% above 3 year average.
Number of Automatic Fire Alarms	14.3% above 3 year average.
Fatalities	1 fatality (aspirational target 0)
Injuries	4 injuries (aspirational target 0)
Response Performance	
First engine response	8.79% better than target
Second engine response	12.73% better than target
Strategic Projects	
Project updates	<ul style="list-style-type: none"> All on track except for the ARK.

Further detailed information was contained within Appendix 1 to the report which identified a number of performance issues that had arisen during the reporting period; the analysis of the underlying reasons behind the rise in the number of rescues attached at Appendix 2 to the report, and also and also the supporting information published alongside the Agenda papers for this meeting on the Authority’s website. The Deputy Chief Fire Officer/Executive Director Service Delivery referred to paragraph 8 of the report and Appendix 1 and drew Members’ attention to issues of note. The Director of Emergency Response drew Members’ attention to the details regarding the significant increase in bariatric and effect entry rescues set out in Appendix 2 to the report. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5224 refers).

A Member sought clarification with regard to the new risk (Incident Command System software support). The Director of Emergency Response and the Deputy Chief Fire Officer/Executive Director Service Delivery outlined discussions that were taking place with other Services similarly affected and potential alternative support suppliers and indicated that it was envisaged that the situation would be resolved by the end of the first quarter of 2017.

Resolved – (a) That Members take assurance as to the Service’s proactive approach to performance and risk management:

(b) that Control Staff and Fire Crews be commended on the excellent attendance times achieved, and

(c) that an update regarding the Incident Command System software support issue be submitted to a future meeting of the Authority.

5244 HEALTH, SAFETY AND ENVIRONMENTAL REPORT FOR THE 1ST QUARTER PERIOD APRIL – JUNE 2016 – The Director of Emergency Response submitted a report providing information with regard to Health, Safety and Environmental outcomes for the 1st Quarter Period April – June 2016. A summary of statistical data for the quarter was contained in Appendix 1 to the report and further detailed information was contained within the additional information published alongside the Agenda papers for this meeting on the Authority’s website. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5225 refers).

Members sought clarification regarding the reasons behind the levels of sickness, particularly in respect to Retained Firefighters. The Director of Emergency Response answered the queries.

Resolved – That Members note the report and take assurance as to the Service's proactive approach to Health, Safety and Environmental outcomes.

5245 SERVICE REDESIGN PROGRAMME (SRP) 2016/17 - The Chief Fire Officer & Chief Executive submitted a report indicating that as Members were aware the Service Redesign Programme (SRP) will review all aspects of service delivery and support, excluding front-line fire station based emergency response, which was subject to a separate review via the Operational Efficiency Programme (OEP). The goal of the SRP therefore had been to identify opportunities to make service support and delivery more efficient, responsive and flexible in order to help meet the challenges the Service faced.

The SRP had identified, and delivered, significant opportunities for service support and delivery to become more efficient and had made a significant contribution to mitigate the reductions in external financial support. In order to look towards stabilising the Service and to provide this clarity for employees, the Corporate Management Team (CMT) intended that SRP review activity will be brought to a conclusion by 1 April 2017. Activities had therefore been refined and prioritised against an achievable, albeit challenging, timescale. The report identified areas of review which were currently in progress and will be completed by December 2016 (six areas) and by February 2017 (five areas) and indicated that reports seeking approval to formally consult will be brought before Members at future meetings. Engagement was taking place with relevant staff at present. With regard to consultation the report indicated that certain review options would require collective and/or individual consultation. A summary of the relevant areas was attached at Appendix 1 to the report. A formal consultation plan had been developed, incorporating a 6 week period of consultation for appropriate review options. In addition a cross representative internal engagement group had been formed, from around 40 volunteers, which will be drawn on for employee engagement activities.

Whilst all functional review activities incorporate employee, and representative body engagement during the review process, a number of specific areas had the potential to vary the number of posts overall, and there might be opportunities to consider whether operational or non-operational employees are utilised in certain posts. Therefore, where appropriate collective consultation will be conducted with representative bodies via the Joint Consultative Committee (JCC) and individually with any affected employees. The reviews will also draw on engagement and consultation experience gained throughout the review of transactional administration, during 2015.

Resolved – (a) That Members endorse the work carried out so far and receive reports at future meetings seeking approval to formally consult on relevant establishment changes, and

(b) that a report be submitted to the October 2016 meeting of the Authority providing an analysis of how staff changes under the SRP reviews had been achieved.

5246 EMERGENCY FIRST RESPONSE ACTIVITY ON BEHALF OF YORKSHIRE AMBULANCE SERVICE – UPDATE REPORT - The Deputy Chief Fire Officer/Executive Director Service Delivery submitted a report, further to Minute 5207, reminding Members that Yorkshire Ambulance Service (YAS) had implemented Phase 2 of the National Ambulance Response Programme pilot on 21 April 2016, which involved a review of the clinical codes for medical emergencies, in order to improve the management of demand and allocation of a clinically-appropriate response. That had seen the response by YAS to some types of medical calls being changed from an 8 minute response that could be attended by an Emergency First Response firefighters in a car, to a 19 minute response that can only be

attended by a double crewed ambulance. In addition to that change, whilst the Falls Team in Hull had continued responding to elderly people who had fallen in their home, YAS had decided to stop deploying the Falls Team to more serious medical emergencies for a two month period during the summer. Following the intervention of Hull Clinical Commissioning Group (CCG) that decision was subsequently reversed. However the combined effect of the changes had seen a significant reduction in the number of occasions that the Service's crews had been mobilised to medical emergencies on the North Bank. The report now submitted detailed the reasons behind that change and the potential impact upon the Emergency First Response (EFR) Scheme in the longer term, in addition to updating Members on potential future developments.

Resolved - (a) That Members endorse the steps being taken so far by Officers.

(b) that Members receive an update report at a future meeting, when more is known about the outcomes of the pilot and wider collaboration opportunities.

5247 RESPONSE TO FIRES AT SEA – IMPACT OF CHANGES IN TRAINING PROVISION - The Deputy Chief Fire Officer/Executive Director Service Delivery reported orally further to Minute 5208 that as requested Members had been supplied with copies of the correspondence sent to the Maritime Coastguard Agency (MCA) and local Members of Parliament following the meeting of the Authority on 29 July 2016 regarding the impact of changes in training provision for fighting fires at sea. The Authority had agreed that if suitable alternative training cannot be sourced the Service should cease to attend fires at sea beyond 31 December 2016. The Deputy Chief Fire Officer/Executive Director Service Delivery reported on discussions he had had with the MCA which had not resolved the issue and stated that the MCA was attempting to arrange Ministerial discussions on the matter. As yet no replies had been received to the correspondence.

Resolved - That further letters be sent to the Members of Parliament for the Humberside area reminding them that Humberside Fire and Rescue Service may have to cease attending fires at sea beyond 31 December 2016 unless it is confirmed well before then that winch training for its firefighters will continue to be made available.

5248 ANY OTHER BUSINESS – The following matter was briefly discussed:

- Beyond Blue Lights Video – Members viewed a video that had been produced as a result of collaboration between ITN and the Chief Fire Officers' Association regarding the work of blue light services in communities. The video showed the work undertaken by the Service in collaboration with the private sector.

5249 EXCLUSION OF THE PRESS/PUBLIC - Resolved – That the press and public be excluded from the meeting for consideration of the following items (Minute 5250 and 5251) on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 and 4 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).

5250 INTERNAL AUDIT ARRANGEMENTS – 2017/18 ONWARDS - The Executive Director Service Support/Section 151 Officer and Monitoring Officer/Secretary submitted a joint report proposing that the Authority's current Internal Audit arrangements with Mersey Internal Audit Agency (MIAA) be extended to 31 March 2019. The report reminded Members that Mersey Internal Audit Agency (MIAA) were appointed for an initial three year period from 1 April 2014 to 31 March 2017. An option to extend for a further two years to 31 March 2019 was included as part of the tendering process. The matter had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 5230 refers).

Resolved - That Members approve the extension of the current Internal Audit arrangement to 31 March 2019.

5251 COLLABORATION UPDATE - The Chief Fire Officer & Chief Executive reported orally, further to Minute 5211, on action since the previous meeting of the Authority with regard to the preparation of a full business case for a possible merger with North Yorkshire Fire Service, as follows:

- The Rt. Hon Brandon Lewis MP had addressed the Annual Meeting of the Chief Fire Officers' Association. The Chief Fire Officer & Chief Executive summarised the key messages arising from that speech. A copy of the Minister's speech had been circulated separately to Members.
- Members of Humberside and North Yorkshire Fire Authorities had met informally on 20 September 2016 to discuss and exchanged views regarding a possible merger. The North Yorkshire Police and Crime Commissioner was proposing to bid to take over control of the Fire Service and was canvassing constituent local authorities.
- The Chief Fire Officer & Chief Executive and the Chairperson would be meeting with the Humberside Police and Crime Commissioner on 26 September 2016.

The Chief Fire Officer & Chief Executive stated that the next Member Day on 7 October 2016 will be devoted to Collaboration and that Members will be asked to take a view as to where they wish Officers to focus their efforts. The Chairperson stated that clearly the situation was very fluid, that he would circulate an update to Members, and if need be will call a Special Meeting of the Authority.

Resolved – That the report be received.

Meeting closed at 12.00 noon

