

**Humberside Fire Authority**

**ANNUAL GOVERNANCE STATEMENT 2015/16**

**Scope of Responsibility**

1. The Humberside Fire Authority (HFA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The HFA also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this overall responsibility, the HFA is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
3. The HFA has approved and adopted a code of corporate governance, which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives (CIPFA/SOLACE) Framework Delivering Good Governance in Local Government. A copy of the code can be obtained from the Secretary to the Fire Authority.
4. This statement explains how the HFA has complied with the code and also meets the requirements of regulation 4(3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of an Annual Governance Statement.

**The purpose of the governance framework**

5. The governance framework comprises the systems and processes, culture and values, by which the HFA is directed and controlled. The framework demonstrates how the HFA accounts to, engages with and leads within the community. It enables the HFA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
6. The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
7. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the HFA's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
8. The governance framework has been in place at the HFA for the year ended 31 March 2016 and up to the date of approval of the Annual Performance Report and Statement of Accounts.

## The Governance Framework 2015/16

9. The key elements of the HFA's governance framework included:
- a) The Constitution of the Authority which includes:
    - Committee Membership and Terms of Reference;
    - Scheme of Delegation to Officers;
    - Financial Procedure Rules;
    - Contract Procedure Rules;
    - Members' Code of Conduct;
    - Officers' Code of Conduct;
    - Protocol for Member and Officer Relationships;
    - Code of Corporate Governance.
  - b) The Governance, Audit and Scrutiny Committee, as well as the HFA itself, received regular reports on the Service's performance arrangements.
  - c) An approved Corporate Risk/Opportunity Management Strategy and Policy.
  - d) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
  - e) The designation of the Chief Fire Officer as Chief Executive responsible to the HFA for all aspects of operational management.
  - f) The designation of the Executive Director Service Support as S.151 Officer (Local Government Act 1972) in accordance with Section 112 of the Local Government Finance Act 1988 and conforming with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010).
  - g) The designation of the Secretary as Monitoring Officer with the requirement to report to the full HFA if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.
  - h) The Corporate Planning and Performance Manager has had monthly meetings with the Chief Fire Officer & Chief Executive. The outcomes of these meetings have been considered by the Corporate Management Team (CMT) at their meetings. The purpose of these meetings is to provide a strategic overview of the HFA control environment, the response to external audit, performance management, strategic planning and scrutiny of Risk and Opportunity Management.
  - i) The production of quarterly Management Accounts which are distributed to all Members of the Corporate Management Team and are considered at the Governance, Audit and Scrutiny Committee meetings and the HFA.
  - j) The Service and Finance Planning process.
  - k) In accordance with the Service Business Planning Framework the Strategic Plan and Integrated Risk Management Plan (IRMP) for 2016/19 ensure a three year plan, linked to financial planning.
  - l) The Strategic Plan 2016/19 includes strategic objectives; the service financial outlook; the service's performance, risk and project management and Directorate responsibilities.

- m) The IRMP 2016/19 takes account of the requirements of the 2012 Fire and Rescue National Framework for England, providing a detailed assessment of the risks facing our communities and personnel and the measures taken to mitigate those risks.
- n) Publicised the Anti-Fraud and Corruption Policy.
- o) Promoted Whistleblowing Policy.
- p) Subscription to Public Concern at Work.
- q) Promoted the Gifts and Hospitality Policy.
- r) The work of a Public Safety Partnership Forum in identifying and evaluating partnership arrangements.
- s) Member and Officer Development Programmes. During 2015/16 Officers undertook a facilitated development programme focussed on Systems Thinking methodology. This will be extended to Members via a joint HFA and GAS Member development programme, during 2016.
- t) Planned Member Days.
- u) An approved Treasury Management Policy and Prudential Indicators.
- v) An approved HFA Performance Management Framework.
- w) The implementation of the CFOA Protective Security Strategy (based upon the HMG Security Framework) via the Tactical Delivery Group.
- x) Maintenance of the ISO 14001 Environmental Management Standard.
- y) A diagnostic review of Equality and Inclusion compliance including our Public Sector Equality Duty, Elimination of Discrimination and Organisational Capacity has been undertaken during the first quarter of 2016. An Equality and Inclusion Group (EIG), including a HFA nominated Member, has been established to consider and address arising actions.
- z) The approval of a policy and procedure regarding the Community Right to Challenge (Localism Act), enforced June 2012.
- aa) Operational Assessment by annual self-assessment and three yearly peer audit last conducted in March 2013, dates for the 2016 peer audit are pending.
- bb) An annual Customer Service Excellence Audit, conducted in January each year.
- cc) Annual Performance and Quarterly Performance Reports.
- dd) The HFA has established a Pension Board as required under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 from 1 April 2015 to oversee compliance in the operation of the Firefighters' Pension Scheme (FPS).
- ee) The Deputy Chief Fire Officer Chairs a Joint Consultative Committee attended by all Representative Bodies to discuss any matters relating to staff terms and conditions.

## Review of Effectiveness

10. The HFA has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
11. HFA reviews the effectiveness of the Governance Audit and Scrutiny Committee on an annual basis and receives an Annual Report at the HFA Annual General Meeting.
12. The Governance, Audit and Scrutiny Committee throughout 2015/16 received reports from Internal Audit in respect to the internal control environment. The internal audit plan is informed significantly by the Strategic Risk Register.
13. The induction and training of new Members during 2015/16 has further enabled Members to discharge the functions of the HFA.
14. From the AGM in June 2015 to the end of the 2015/16 cycle, the HFA Committees met as follows:-
  - HFA 8 occasions
  - Governance Audit and Scrutiny Committee 6 occasions
  - Pension Board 2 occasions
15. Members of the Governance, Audit and Scrutiny Committee received Management Accounts for review.
16. Members of the Pension Board will report against a number of key workstreams designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards, this encompasses three broad areas Governance, Administration and Communication.
17. The review of the effectiveness of the system of internal control is informed by:
  - The work of Senior Officers
  - The work of Internal Audit
  - The Corporate Risk Opportunity Management Strategy
  - Performance information
  - The Audit Commission in their Annual Governance Letter and other reports
18. Internal Audit has undertaken a number of reviews during 2015/16. The following areas were covered:
  - Finance and resources  
  
Combined financial systems  
Fees and Charges/Trading Arrangements  
Procurement
  - Performance  
  
Partnerships

- Operational compliance

IT Critical Applications  
Training  
Operational Reviews

- Governance, risk and legality

Change Readiness

19. The Internal Audit Annual Report 2015/16 identifies that the Service has an adequate, effective and reliable framework of internal control. This is evidenced by the overall assurance rating of 'significant'.
20. The effectiveness of the governance framework is considered throughout the year by the Corporate Management Team, the Governance, Audit and Scrutiny Committee and the Fire Authority. Much of this is discharged through internal reports such as the quarterly Management Accounts and the quarterly Performance Reports as well as the work of internal and external audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.
21. A comprehensive Assurance Map for the Service has been developed to help inform the work of CMT, the Governance, Audit and Scrutiny Committee and Internal Audit.
22. We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Corporate Management Team and the Governance, Audit and Scrutiny Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

### **Significant Governance Issues 2015/16**

23. A new Corporate Management Team structure was approved as a permanent arrangement at the February 2015 Fire Authority meeting. The structure has the following key aspects:-
  - Greater accountability and clarity of roles;
  - 7 members (reduced from 9);
  - A clear relationship between Service Delivery and Service Support.
24. A permanent Director of Human Resources will be appointed to the Corporate Management Team early in 2016/17, in line with planned vacancy management arising from retirement. This decision resulted from a successful HR management structure trial conducted during 2015/16 that delivered added value to Corporate Management, governance and review outcome change management.
25. Review work continues through the Authority's Operational Efficiency Programme (OEP) and Service Redesign Programme (SRP).
  - The OEP has identified opportunities to deliver fire station based emergency response more efficiently, maintaining HFA approved fire engine response standards.
  - Review work continues through the Authority's Service Redesign Programme to identify further efficiency and/or improvement options in those areas of the Service not included in the Operational Efficiency Programme. A revised planning, communication and consultation approach was introduced during 2015/16 for the review of Transactional Administration. This will be applied in future reviews to support effective change management.

- 26 In January 2016 governmental responsibility for Fire and Rescue transferred from DCLG to the Home Office. It is anticipated that the impact upon governance arrangements will become clear during 2016.
- 27 In February 2016 HMG published the Policing and Crime Bill to improve the efficiency and effectiveness of police forces. The Bill places a statutory duty on Fire, Police and Ambulance services to collaborate and enables PCCs to take responsibility for fire and rescue services where a Business Case is formed and there is local public support. We continue to proactively identify collaborative opportunities with the Police and Ambulance services, and other bodies. This has included:
- A joint Emergency Service Fleet Management workshop with the Police.
  - Provision of a medical First Responder scheme in partnership with Yorkshire Ambulance (YAS), East Midlands Ambulance Service (EMAS) and with Lincolnshire Integrated Voluntary Emergency Service (LIVES) in the voluntary sector.
  - A Falls Response Team with YAS, City Health Care Partnership (CHCP), NHS Hull Clinical Commissioning Group (CCG) and Hull City Council.
  - A proposed integrated health centre/fire station facility with NHS Hull CCG, which is currently being considered as a planning application.

Details of all collaboration and partnership initiatives are available on the HFRS Website at <http://www.humbersidefire.gov.uk/about-us/what-we-do/collaboration>.

**Conclusions**

28. This Annual Governance Statement for 2015/16 provides Members with a high level of assurance on the Authority’s governance arrangements.

**Signed**

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Chair of the Authority

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Chief Fire Officer & Chief Executive

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S.151 Officer

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Secretary & Monitoring Officer