

**Humberside Fire Authority****ANNUAL GOVERNANCE STATEMENT 2017/18****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) Delivering Good Governance in Local Government Framework 2016 Edition. 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 2018 and up to the date of approval of the Annual Performance Report and Statement of Accounts.

## The Governance Framework 2017/18

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 (GAS) 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 Management Team (CMT) have considered a strategic overview of the HFA control environment including 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 CMT and are considered at the GAS 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 2018/21 ensure a three year plan, linked to financial planning.
- l) The Strategic Plan 2018/21 includes strategic objectives and Directorate responsibilities.
- m) The IRMP 2018/21 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) Current Anti-Fraud and Corruption, Anti-Bribery and Anti-Money Laundering Policies. We publish these and other such Policies and associated data on the HFRS Website under Data Transparency, please follow this [Link](#).
- o) Subscription to the services of whistleblowing charity Public Concern at Work.
- p) A 'Strategic Demand Group' has been established, membership includes HFRS, Humberside Police, our four Local Authorities and our four Clinical Commissioning Groups. Partners are represented at Chief Executive level or similar to consider issues relating to demand and resourcing across the Humber Area. The group have commissioned research and development work around vulnerability and mental health, intelligence sharing agreements and data sharing protocols to better enable collaborative working. This group is now leading on information sharing across the Humber area with the intention of developing something along the lines of a Humber Office for Data Analytics. The group links in with Place Based Boards in the four Local Authority areas.
- q) A Fire and Police Transformation Board has been established to develop a number of collaborative workstreams. These have been categorised under the main headings as follows:
- Organisation
  - Delivery of Service
  - Estates
  - Futurist
- Directors have been allocated lead HFRS responsibility for specific workstreams.
- r) Results from the 2016 Annual Workforce Survey prompted additional work around the culture and organisational health of the Service. An external company has been commissioned to provide further staff engagement in order to better understand the initial survey results.
- s) Member and Officer Development Programmes. During 2017/18 Officers undertook a facilitated development programme which included input around Partnership Working, Governance and Assurance and Customer Behaviour Insights. Member development during 2017/18 included Absence Management, Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, Grenfell and High Rise Safety.
- t) 6 scheduled Member Days.
- u) An approved Treasury Management Policy and Prudential Indicators.
- v) An approved HFA Performance and Risk Framework supported by the Performance and Risk Framework Policy and incorporating, amongst others, the following guidance notes:
- Performance Measurement;
  - Corporate Reporting of Performance;
  - Project and Programme Management;
  - Organisational Risk and Opportunity Management.
- w) A Protective Security Strategy (based upon the Her Majesty's Government Security Framework).

- x) Maintenance of the ISO 14001 Environmental Management Standard.
- y) The Service continues to have a well-supported Equality & Inclusion (E&I) Steering Group, the priorities for this year are adoption and implementation of the FRS equality framework into which are embedded the Public Sector Equality Duty priorities, development of Senior Equality Champions across the relevant protected characteristics, development of E&I Champions at all levels in the Service and “Be Our Future” campaign which includes a rolling positive action programme.
- z) Retention of the Customer Service Excellence Award, conducted in February each year.
  - aa) Annual Performance and Quarterly Performance Reports.
  - bb) A Pension Board, as required under The Firefighters’ Pension Scheme (Amendment) (Governance) Regulations 2015, was formed in 2015 to oversee compliance in the operation of the Firefighters’ Pension Scheme (FPS). The Pension Board met twice during 2017/18.
  - cc) 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.
  - dd) HFA endorsed the reintroduction of Member Champion roles at the HFA meeting on 8 December 2017. Member Champions have been allocated to each functional area.
  - ee) Consultation on our Council Tax Precept for 2018/19 and 2019/20 drew a significant number of responses from our community (over 500). This allowed Fire Authority Members to make an informed decision on this matter.
  - ff) Equal Pay Review & Gender Pay Gap reporting completed by March 2018.

### **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 GAS Committee and receives an Annual Report at the HFA Annual General Meeting.
12. The GAS Committee received reports throughout 2017/18 from our Internal Auditors in respect to the internal control environment. The annual Internal Audit Plan is informed by the Strategic Risk Register.
13. The GAS Committee conducted a scrutiny programme during 2017/18, including Business Continuity and Anti-Fraud and Corruption.
14. The induction and training of new Members during 2017/18 has further enabled Members to discharge the functions of the HFA.

15. From the AGM in June 2017 to the end of the 2017/18 cycle, the HFA and Committees met as follows:
  - HFA 9 occasions
  - GAS Committee 7 occasions
  - Pension Board 2 occasions
16. Members of the Pension Board receive reports 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 and Opportunity Management Strategy
  - Performance information
  - The Authority's external auditor, KPMG, in their Annual Governance Report, Annual Audit Letter and other reports.
18. Internal Audit has undertaken a number of reviews during 2017/18. The following areas were covered:
  - Finance and resources  
Combined Financial Systems
  - Operational compliance  
Cyber Security  
Operational Training
  - Governance, risk and legality  
GAS Committee  
Local Government Transparency Code  
Organisational Learning and Engagement
19. The Internal Audit Annual Report 2017/18 identifies that the Service has a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. This is evidenced by the overall assurance rating of 'Substantial'.
20. The effectiveness of the governance framework is considered throughout the year by CMT, the GAS Committee and HFA. 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 GAS 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 CMT and the GAS Committee, and that

the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

### **Significant Governance Issues 2017/18**

23. Members have been updated and assured that appropriate arrangements are in place should use of the powers under the Regulation of Investigatory Powers Act (RIPA) 2000 be necessary. A nil return was made by HFRS for 2017 as there was no use of RIPA or requests for covert surveillance.
24. The Authority has opted into the Public Sector Audit Appointments (PSAA) process for the appointment of External Auditors after current arrangements end on 31 March 2018.
25. Review work continued through the Authority's Service Redesign Programme (SRP).
  - SRP work during 2017/18 focussed on undertaking Post Implementation Reviews (PIR) of functional areas that had undergone fundamental change during the SRP. PIR's were aligned to whether the organisation had met the imperatives that were set out in the original scope, where this wasn't the case, further remedial work was recommended to CMT. Work will continue during 2018/19 on reviewing other SRP Review areas.
26. In February 2016 HMG published the Policing and Crime Bill to improve the efficiency and effectiveness of police forces. The Bill received Royal Assent in January 2017 and the Act now places a statutory duty upon Fire and Rescue, Police and Ambulance services to collaborate. The Act also enables Police and Crime Commissioners (PCC) 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.
  - A joint Estates (Operational and Strategic) function with Humberside 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.
  - An agreement with Yorkshire Ambulance Service (YAS) for them to provide Service wide Clinical Governance.
  - Memorandums of Understanding with Humberside Police to support response activities including:
    - Searching for Missing Persons
    - Fire Investigation
    - Forced Entry for Medical Rescues.
  - An Integrated Health Centre incorporating a full time fire station, in partnership with Hull CCG.
  - A Fire and Police Transformation Board continues to lead on a number of collaborative workstreams.
  - A Strategic Demand Group between HFRS, Humberside Police, our four Local Authorities and our four CCGs continues to consider issues relating to demand and resourcing across the Humber Area.
  - HFRS, Humberside Police, East Midlands Ambulance Service, Yorkshire Ambulance Service meet on a quarterly basis to discuss collaborative opportunities.

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>.

27. Introduction of a formal inspection regime via Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS). HFRS have embedded Director Workstream Plans which are then assessed through Executive Committee led Performance Boards focusing on Efficiency, Effectiveness and People. This should place HFRS in a strong place to be prepared for inspection.

**Action Plan**

28. The action point outlined below is included within our Strategic Risk and Opportunity Register and Action Plan, progress will be monitored throughout 2018/19.
- Incorporation of the Humberside PCC onto the HFA, including any arising changes to governance arrangements.

**Conclusions**

29. This Annual Governance Statement for 2017/18 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**

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