

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

2 FEBRUARY 2015

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

Councillor Briggs attended as an observer.

Deputy Chief Fire Officer/Executive Director Service Delivery, Executive Director Service Support/Section 151 Officer, Monitoring Officer/Secretary, Director of Commercial Services, Director of Operations (South), Director of Service Support, P Hayden (Group Manager), Committee Manager, Ms J Rae (External Audit – KPMG), J Prentice (External Audit – KPMG) and Ms B Jones (Internal Audit - MIAA) 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 all who were observing the meeting.)

PROCEDURAL

4737 DECLARATIONS OF INTEREST - No declarations were made in connection with any of the items to be considered at the meeting.

4738 MINUTES – The minutes of the meeting of the Committee held on 1 December 2014 were submitted. Ms J Rae (External Audit – KPMG) referred to Minute 4698 and stated that the preamble required some clarification regarding the future arrangements for setting external audit fees.

Resolved – That, subject to final sentence of the preamble to Minute 4698 being amended to read “Ms Rae reminded the Members that external audit fees would be set by the Audit Commission for 2015/16 and then by the successor body (Public Sector Audit Appointments Limited) until 2016/17 after which time Authorities would be able to make their own arrangements.” the minutes of the meeting of the Committee held on 1 December 2014 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

4739 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA – There were no items.

SCRUTINY PROGRAMME

4740 Scrutiny Programme 2014/15 – Human Resources: Part 1: Advisory and Transactional Services & Part 2: Succession Planning – Further to Minute 4693 the Director of Service Support and Director of Commercial Services submitted a report in response to the scoping work discussed at the meeting on 1 December 2014 in order to provide scrutiny to specific areas of the Service’s approach to human resource (HR) management and succession planning. On 1 December 2014 the Committee had received presentations in relation to the implementation and development of the Firewatch IT system, including its fit with the Service Re-design Programme and Service plans for succession planning. The report now submitted was in two parts and took account of the presentations and discussions at the meeting of 1 December 2014 and provided specific detail regarding the following areas:

Part 1 – Advisory and Transactional Services – The Director of Service Support outlined the following sections of the report:

Firewatch Overview: Firewatch was a resource management solution that enabled fire and rescue services to streamline and integrate their operations across multiple functional areas. It did this by providing the tools and real-time information needed to orchestrate the joined-up management of people, assets, skills and availability at an organisational level. Firewatch modules could be fully integrated to co-ordinate working practices across the organisation supporting efficient and joined up management of staffing levels/availability, recruitment, training, & development, payments, health & safety and occupational health. Modules could also be purchased relating to assets such as personal protective equipment, fleet and buildings. The Firewatch solution could be integrated with other Service systems such as the Vision mobilising system. The utilisation of integrated modules could be a key enabler for the development of more efficient ways of working with regard to transactional processes by using data and information smartly and minimising errors through the reduction of human touch points and waste elements of existing manual processes. Such integration would support the aims of the Service Re-design Programme.

Current Status of Firewatch Implementation and Data Reliability: The Service procured the Core HR module and the Availability/Staffing module in 2012 and commenced implementation of the modules in 2013. In September 2014 the project shifted from a HR led project to an ICT led project to ensure that the solution was implemented and developed as a core part of the Service's ICT strategy rather than a stand-alone functional approach. A full data validation of the Core HR module was commenced in November 2014 that involved the alignment of HR Establishment data within Firewatch to the Service's financial data regarding salaries and associated budgets. The bulk of the validation work was now complete with Firewatch data fully validated accurately against the baseline salaried Establishment. Approximately 10% of existing Firewatch data had been amended as a result of the validation work. Associated structural charts had also been produced using the validated data along with draft process maps (attached at Appendix 1 to the report) outlining the workflow to be implemented to maintain Establishment data accuracy in terms of both the baseline Establishment and the day to day 'Establishment strength', e.g. including temporary transfers, temporary promotions, temporary posts etc. The process maps had been considered by the Corporate Management Team (CMT) on 26th January 2015 and had been approved subject to some amendments. The final aspect of the validation work would be to confirm the baseline data with managers of all Service functions and confirm with those managers any variances between the baseline Establishment data and the current 'Establishment strength'. That work would be completed by the end of February 2015.

Future Service Plans for Firewatch Development: Future development of the Firewatch solution, including the procurement of additional modules would form part of work being undertaken in developing a Service ICT Strategy for the rationalisation of Corporate ICT applications. This strategic approach was approved by CMT on 1 December 2014 and will align with and complement the Service Re-design Programme. In developing the ICT Strategy all current ICT applications (including Firewatch) would be examined to determine best options regarding future delivery, including the potential to bring a number of applications together within a singular modularised solution. The outcomes of this work, including the proposed ICT Strategy will be considered by the Fire Authority in due course. An initial aspect of that work had been to group systems as set out in the report, in terms of synergy where a single piece of data could be used for multiple purposes within a single software solution.

The Extent to Which Firewatch Can Be Used to Provide Relevant HR Triggers: The Firewatch suite provided a report writing tool to build queries and present the results. The system supplier continued to develop and enhance the reporting tool to make it easier to build more complex reports by regular users. In addition, as Firewatch uses Microsoft technology, there was in-house expertise to create and develop queries

directly from the database. A list of reports had already been developed and was in use. At the moment those were run manually, either on an ad hoc basis or as part of other administrative processes (e.g. sickness monitoring, end of temporary postings, etc.) but the expectation was that a scheduling mechanism could be introduced, that might involve the purchase of FloSuite software, which was a workflow automation product that runs alongside Firewatch.

In-House HR Expertise: Following the implementation of the last internal review of Support Services, strategic HR support and advice had been provided by an external Consultant contracted for two days per week. The Service also utilised external legal HR services on an as and when required basis. As with all non-front line services the HR function was being reviewed as part of the Service's Re-design Programme. Early work had identified the potential for a collaborative approach with South Yorkshire FRS for a combined HR delivery model. Initial discussions had taken place at a strategic level and it had been agreed to develop the detail of this concept, including any added value such an approach could bring to both FRSs. This work will feed in to the Service Re-design Team to ensure alignment with the on-going re-design programme. Whilst this work was being developed and to boost Humberside Fire and Rescue Service's HR advisory capability the HR Lead for South Yorkshire FRS will also be contracted to HFRS two days per week from 1 February 2015. As a consequence the two days per week provided by the external Consultant will cease on 31 March 2015. Any decision to move the arrangement onto a permanent footing would be discussed and agreed by CMT before approval by the Fire Authority.

A Member referred to the possible collaborative approach with South Yorkshire FRS and queried whether such an arrangement would allow for more than 2 days advice in a week if necessary. The Director of Service Support explained that if need be the Service could seek advice from external legal consultants as at present, and that the Service would have the level of advice proportionate for the Services' needs. The Member stated that she was assured that the Service will have the right level of expertise to draw upon. A Member stated that Humberside Police had pursued a similar collaborative approach two years ago and suggested that the Service might usefully contact their Police counterparts to draw on their experiences of such collaborative ventures. The Director of Service Support stated that there were differences in the respective proposals, that the Service had close contacts with the Police arising from the Joint Workshops scheme, and that he would discuss with the Police their experience. A Member queried the contractual arrangements for the HR advice and the project timescale. The Executive Director Service Support/Section 151 Officer stated that in view of the forthcoming elections it was unlikely that any decisions would be sought from the Authority before May 2015 and it was more likely to be July or September 2015 before the Authority was asked for any decisions. The Deputy Chief Fire Officer/Executive Director Service Delivery confirmed that the work would need to dovetail with the Service Redesign Programme and would not be a stand-alone piece of work. A Member welcomed that the Firewatch project had shifted from a HR led project to an ICT led project to ensure that the solution was implemented and developed as a core part of the Service's ICT strategy. The Executive Director Service Support/ Section 151 Officer informed Members that the Director of Service Support had only been tasked with the brief for about 8 months and that the work done to date was a credit to him, that matters were starting to come together, and that there was a need to maintain the momentum. In response to a query by a Member the Director of Service Support indicated the number of HR staff in the Service and stated that any decision regarding the appointment of a Head of HR within the Service would depend on the outcome of the collaborative proposal. The Chairperson thanked the Director of Service Support for a very informative and in-depth report.

Part 2 – Succession Planning – The Director of Commercial Services outlined the following sections of the report:

Succession Planning - The Committee had requested information with regard to the application of Succession Planning within the Service, including information relating to the coaching and mentoring programme shortly to be reintroduced as a part of that process. Succession planning was the process whereby the Service ensured that employees were recruited and developed to fill each role within the Service. Through the process the Service ensured that it recruited high potential employees, developed their knowledge, skills, and abilities, and thus prepared them for advancement or promotion into ever more challenging roles. Succession planning ensured that employees were constantly developed to fill each identified role within the Service. As the Service potentially expands or loses key members of the management structure thus providing promotional opportunities for others, succession planning guaranteed that the service had sufficient personnel suitably developed and waiting to fill those new roles. In order to effectively manage succession planning, the process had been subdivided into the following three key areas as detailed in the report:

- The Service profile as a whole;
- The role profile of the key management positions within the organisation;
- The personal profiles of current employees.

Coaching/Mentoring Programmes: To support individual development the Service had previously undertaken coaching and mentoring at Supervisory levels in-line with the NVQ Coaching award. There had, however, been no formalised process or framework to link that approach to personal and organisational development. The Development Section will evaluate and integrate the following levels of coaching and mentoring programmes into the Service within the next six month period:

- Supervisory Managers will undertake the ILM Level 3 Coaching/Mentoring Award
- Middle Managers will undertake the ILM Level 5 Coaching/Mentoring Award
- Strategic Managers will undertake the ILM Level 7 Coaching/Mentoring Award

Coaching: Coaching is task oriented. The focus is on tangible issues, such as managing more effectively, speaking more articulately, and learning how to think strategically. The purpose of coaching is to improve the individual's performance on the job. This involves either enhancing current skills or acquiring new skills. The report set out how coaching will be utilised.

Mentoring: Mentoring is relationship oriented. It seeks to provide a safe environment where the mentoree shares whatever issues affect his or her professional and personal success. Although specific learning goals or competencies may be used as a basis for creating the relationship, its focus goes beyond these areas to include things, such as work/life balance, self-confidence, self-perception, and how the personal influences the professional. Its purpose is to develop the individual not only for the current job, but also for the future. The report set out how mentoring will be utilised.

A Member asked what level in the organisation succession planning was dealt with and suggested that it should be dealt with at the highest level. The Member also asked whether CMT discussed succession planning at least once a year and queried the process for identifying potential candidates and for staff to put themselves forward for consideration. The Director of Commercial Services outlined the process in place and also stated that all staff had an annual appraisal with their Line Manager which allows an opportunity to discuss their personal development. A Member stated that current performance was not necessarily a good indicator of future performance at a higher level. The Deputy Chief Fire Officer/Executive Director Service Delivery acknowledged the point made and explained that the process adopted allowed the use of personal profiles and external assessment to help prepare staff for higher

roles. With regards to the mentoring process a Member asked whether other organisations were helping with mentoring. The Director of Commercial Services stated that the service was looking at some exchange programmes which would allow people the chance to gain experience elsewhere. A Member referred to the presentations at the previous meeting when the possibility of fast tracking potential candidates was mentioned and suggested that it might be an incentive for recruitment. The Director of Commercial Services stated that there was no process for fast tracking candidates at the moment although staff might be given a provisional role to enable their suitability to be assessed, but that there were potential issues regarding the level of pay that would apply in such circumstances. A Member referred to the gender statistics mentioned in the paragraph 25 of the report and suggested that it would be helpful if statistics in respect of ethnicity were also provided. The Director of Commercial Services stated that that information could be supplied. A Member referred to the lack of recruitment that has taken place and queried when that situation becomes unsustainable in terms of filling posts. The Deputy Chief Fire Officer/Executive Director Service Delivery stated that nationally a small number of Services were starting to recruit and that HFRS would want to recruit as soon as it could. A Member asked a question regarding the use of apprenticeships in HFR Solutions which was answered by the Director of Commercial Services. A Member queried whether in the event that there was only one internal candidate for a post the Service would seek external candidates. The Director of Commercial Services acknowledged that a pool of one candidate was not ideal, and indicated that whilst there might be reluctance among external candidates to move around the country for lower management posts the Service would seek external candidates at the same time as considering the internal candidate. The Member suggested that the six month probationary period referred to earlier in the discussion might be good in such circumstances. Members indicated that they were happy with Post Process charts set out in Appendix 1 to the report. The Chairperson thanked the Director of Commercial Services for the report.

Resolved – That the Committee takes assurance from the Service’s approach to Human Resources and Succession Planning and notes that the Member Working Party will take away the information now provided and will feedback their views to the next meeting of this Committee.

GOVERNANCE

4741 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 12 December 2014 to the draft minutes of the meeting of the Committee held on 1 December 2014 and also providing feedback on other items considered by the Fire Authority.

A Member referred to Minute 4733 (Vehicle Workshops – Update) and queried whether the proposed name for the joint workshops facility had been agreed with Humberside Police. The Executive Director Service Support/Section 151 Officer confirmed that the name was acceptable to both parties. The Authority had agreed that more time be allowed for the new Terms of Reference of the GAS Committee to settle in and for the new working arrangements to evolve and that a refresh of the Committee’s Terms of Reference be undertaken in a year’s time.

Resolved – That the report be noted.

AUDIT

4742 MANAGEMENT ACCOUNTS TO 31 DECEMBER 2014 - The Executive Director Service Support/Section 151 Officer submitted a report containing the Authority’s Management Accounts and Prudential Indicators for the period ending 31 December 2014. The end of year projections were set out for the revenue budget, the capital programme and

the pensions account. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - £947k underspend;
- Capital Programme - £7.737m total expenditure against an allocation of £12.056m;
- Pensions Account - £8.445m deficit.

A Member referred to note 7 to the Capital Statement and queried why some appliances would not be delivered until 2015/16. The Executive Director Service Support/Section 151 Officer stated that a few appliances were still being rolled out from the previous year's programme. A Member asked whether this indicated any budgeting issues and whether the replacement programmes were realistic. The Executive Director Service Support/Section 151 Officer stated that the tendency was to budget cautiously and that if necessary the budgets can be slipped into the following year with no adverse financial implications for the Authority. In response to a query from a Member regarding the revenue monitoring statement in respect to Management & Support Services the Executive Director Service Support/Section 151 Officer clarified the situation and explained that the accounts reflected the recharging arrangements with HFR Solutions and the Fire Service College.

Resolved – That Members take assurance from the report and the Authority's financial position for the period ending 31 December 2014.

4743 2014/15 ANNUAL ACCOUNTS CLOSEDOWN TIMETABLE – The Executive Director Service Support/Section 151 Officer submitted a report indicating that the Fire Authority was required by statute to produce accounts on an annual basis and including the timetable to ensure the Authority produces accounts for 2014/15 on an efficient and timely basis. The Authority must make available for audit its draft Annual Accounts by 30 June 2015 and the Final (Audited) Annual Accounts must be approved by the Fire Authority by 30 September 2015.

Resolved - That the Committee agrees that the timetable attached to the report now submitted gives assurance that the Fire Authority has robust plans in place to produce the Annual Accounts by the required deadlines.

EXTERNAL AUDIT (KPMG)

4744 Draft External Audit Plan 2014/15 – Ms J Rae (KPMG) submitted an audit plan setting out the work that the External Auditor proposed to undertake for the 2014/15 audit. 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	April 2015
Report to Those Charged with Governance (ISA 260 Report)	September 2015
Auditor's Report (issue opinion and value for money conclusion)	September 2015
Whole of Government Accounts	September 2015
Annual Audit Letter	November 2015

The report included a table showing the planned attendance of KPMG representatives at meetings of the Committee and the Authority and indicated that the audit fee did not permit attendance at all nineteen meetings in the year.

Resolved – That the draft Audit Plan 2014/15 be noted.

INTERNAL AUDIT (MIAA)

4745 Internal Audit Update – Ms B Jones (Internal Audit - MIAA) submitted a report outlining internal audit activity since the last meeting as follows:

Internal Audit Plan 2014/15 – Summary Progress Update - The Internal Audit Control Schedule was attached at Appendix 1 to the report. The schedule reflected the completion of the following reviews:

- Performance Management/Data Quality (Phase 1) - A response was awaited on the draft report to enable finalisation, and
- Operational Efficiency – the finalised report was attached at Appendix 2 to the report and indicated that the assurance level provided was significant with recommendations made to strengthen governance arrangements around scheme reporting and monitoring arrangements.

The audit of Business/Community Safety was nearing draft report stage and the reviews of Executive Governance Arrangements and Mobile Computing were in progress, leaving the following areas to be completed before the end of the financial year:

- Combined Financial Systems (Phase 2)
- Performance Management/Data quality (Phase 2)
- IT infrastructure
- Outstanding follow up activity

Internal Audit Plan 2015/16 – Consultation Process and Timescale - A three year strategic Internal Audit Plan was approved by the Fire Authority on 25 April 2014. With such a planning horizon, it was usual to revisit the annual plan in greater detail using the strategic plan as a starting point. The proposed consultation and agreement process was set out in the report

The Chairperson referred to the report on Operational Efficiency and stated that he welcomed the collaborative approach and the assurance that the work was proceeding in a positive manner. A Member queried whether any consideration had been given to advancing options arising under the Operational Efficiency Programme by possible voluntary redundancies. The Executive Director Service Support/Section 151 Officer stated that that option was not considered necessary. The Chairperson on behalf of the Committee thanked Ms Jones for her report.

Resolved - That the Committee notes the progress with the 2014/15 Internal Audit Plan and the consultation timeframe and planned approach for the 2015/16 Internal Audit Plan.

4746 INSPECTION OF MEMBER REGISTERS – The Member Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

4747 INSPECTION OF OFFICER REGISTERS – The Officer Registers of Interests and Declarations of Gifts and Hospitality were made available for inspection by any Member of the Committee as part of their monitoring role.

ANY OTHER BUSINESS

4748 Visits to Community Protection Units – The Chairperson reported that he had recently visited North Lincolnshire CPU at Laneham Street, Scunthorpe. The Chairperson suggested that if other Members of the Committee get the opportunity to visit their local CPU by prior arrangement he would encourage them to do so.

Meeting closed at 11.41 a.m.

