

**HUMBERSIDE FIRE AUTHORITY**  
**GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE**

**29 JANUARY 2018**

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

Councillors Briggs and Green attended as observers.

Monitoring Officer/Secretary, Director of Emergency Response, Director of Human Resources, Director of Public Safety, Director of Service Support, Head of Finance, Head of ICT, Corporate Planning and Performance Manager, Committee Manager and Mr J Boyle and Mr R Khangura (External Audit – KPMG) and Mr K Lloyd (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 Councillors Briggs and Green and all others present who were observing the meeting. The Chairperson also welcomed Mr J Kirby, Director of Emergency Response who was attending in place of Mr N McKiniry.)*

**PROCEDURAL**

**5699 DECLARATIONS OF INTEREST** – There were no declarations.

**5700 MINUTES – Resolved** – That the minutes of the meeting of the Committee held on 27 November 2017 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

**5701 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA** – There were no matters.

**GOVERNANCE**

**5702 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 8 December 2017 to the draft minutes of the meeting of the Committee held on 27 November 2017 and also providing feedback on other items considered by the Fire Authority at its meetings on 8 December 2017.

**Resolved** – That the report be noted.

**5703 BUSINESS ON THE AGENDA FOR THIS MEETING** – The Chairperson referred to Agenda items 12 (Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services Consultation on Fire and Rescue Services Inspection) and 13 (Fire and Rescue National Framework for England – Government Consultation and stated that Members of the GAS Committee will be meeting informally with the Corporate Planning and Performance Manager after this meeting to discuss the consultation documents.

**SCRUTINY PROGRAMME**

**5704 SCRUTINY PROGRAMME 2017/18 – BUSINESS CONTINUITY UPDATE** – Further to Minute 5653 of the Committee held on 27 November 2017 Mr J Doyle (Lead Member) and stated that since that Committee meeting the Scrutiny Sub-Group had had a couple of productive and informative sessions with J Hunt (Civil Protection Manager) and T Sellers (Civil Protection Manager), including feedback from Internal Audit regarding the review. The Chairperson expressed his thanks to those Officers for a very good presentation and stated

that the next stage was for the Sub-Group to satisfy itself that the Business Continuity arrangements are known throughout the Service and that there would be a further meeting with the 2 Officers before the Sub-Group contact the Director of Emergency Response to establish that the content of the arrangements is known.

**Resolved** – That the report be received.

**5705 Scrutiny Work Programme 2017/18 – Scrutiny Programme – Implementation of Review Outcomes - Feedback** – The Chairperson referred to Minute 5654 of the Committee held on 27 November 2017 and stated that Members of the GAS Committee will be meeting informally with the Corporate Planning and Performance Manager after this meeting to clarify the feedback required by Members and how it will be reported back to this Committee.

### **AUDIT**

**5706 PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA) – REPORT ON THE RESULTS OF AUDITORS’ WORK 2016/17: LOCAL GOVERNMENT BODIES** – The Head of Finance submitted a report published by Public Sector Audit Appointments Limited (PSAA) on the results of auditors’ work at local government bodies covering the 2016/17 financial year. The Head of Finance drew Members’ attention to paragraph 18 and Appendix 2 which indicated that the Authority was one of only 17% of bodies that had received an unqualified opinion on their accounts on or before 31 July 2017 and that of that 17% only 7 Fire and Rescue Authorities, including Humberside Fire Authority, had received an unqualified opinion on their accounts for 2016/17 by 31 July 2017. The PSAA report stated this suggested that those bodies will be well prepared to meet the earlier statutory accounts publication that will apply for the 2017/18 accounts.

**Resolved** – That the report be noted.

**5707 PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA) – APPOINTMENT OF EXTERNAL AUDITORS 2018/19** – The Head of Finance reported orally, further to Minute 5599 of the Committee held on 18 September 2017, that Public Sector Audit Appointments Limited (PSAA) had confirmed that Mazars LLP had been appointed as the Authority’s External Auditor from 1 April 2018.

In answer to a query by the Chairperson regarding handover arrangements between KPMG and Mazars LLP Mr R Khangura (KPMG) informed Members that there was an agreed procedure for when there is a change in auditor.

**Resolved** – That the report be noted.

**5708 MANAGEMENT ACCOUNTS TO 31 DECEMBER 2017** - The Head of Finance submitted a report highlighting the current financial position based on information to 31 December 2017. The end of year projections for the revenue budget, the capital programme and the pensions account were as follows:

<u>Category</u>	<u>2017/18 Outturn Projection</u>
HFA	
Revenue Budget	£293k underspend
Capital Programme	£3.597m expenditure against £3.592m allocation
Pensions Account	£13.723m deficit

The report indicated that the remaining reporting cycle frequency for the Management Accounts for 2017/18 will be as shown in the table below:

<u>Period Ending</u>	<u>Authority Meeting</u>
28 February 2018	23 April 2018

A Member congratulated Officers on the report which reflected accurate budgeting and demonstrated that Officers had taken on board previous comments by Members of this Committee. Members asked questions seeking clarification of aspects of the accounts and particularly regarding traffic light system showing status and direction of revenue statements with particular regard to the statement regarding transport (page 56 refers); the additional spend on the Brough capital scheme, and the decision to take £1m of long term borrowing in December 2017 (the first long term borrowing taken since August 2010). The queries were answered by the Head of Finance and Director of Service Support.

**Resolved** – That Members take assurance from the report and the Authority's financial position for the period ending 31 December 2017.

### **EXTERNAL AUDIT (KPMG)**

**5709 External Audit Plan 2017/18** – Mr R Khangura and Mr J Boyle (KPMG) submitted an audit plan setting out the work that the External Auditor proposed to undertake for the 2017/18 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>
External Audit Plan	February 2018
Interim Report (if necessary)	April 2018
Report to Those Charged with Governance (ISA 260 Report)	July 2018
Annual Audit Letter	September 2018

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 scheduled meetings in the year. Mr Khangura drew Members' attention to the audit fee for 2017/18 which would be £31,897 compared to the 2016/17 final fee of £35,397 which was made up of the planned audit fee of £31,897 and an additional fee of £3,500, agreed with the Authority and PSAA. The Audit Plan would be submitted to the next meeting of the Authority for approval.

**Resolved** – That the Audit Plan 2017/18 be noted.

**5710 External Audit Technical Update** - Mr R Khangura, External Audit (KPMG) submitted a report providing a high level 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 information which was part of KPMG's resources and also highlighted the main technical developments that were currently having an impact in local government.

**Resolved** – That the report be noted.

### **INTERNAL AUDIT (MIAA)**

**5711 Internal Audit Update** – Mr K Lloyd (Internal Audit - MIAA) submitted a report providing a progress update in the delivery of the internal audit plan for 2017/18 as approved by the Fire Authority on 17 March 2017. The report indicated that comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition a consolidated follow up position will be reported periodically to the Committee. For 2017/18 Internal Audit activity the Control Schedule attached at Appendix 1 to the report provided a strategic overview and profiled timeline for agreed reviews. Appendix 2 to the report provided the categorisation of assurance levels and risk ratings and Appendix 3 confirmed performance against plan. The

report also set out a list of work in progress which will be reported to the GAS Committee following completion:

**Resolved** – That the Committee notes Internal Audit progress against the 2017/18 plan as set out in Appendix 1 to the report.

**5712 FAIR FUNDING REVIEW: A REVIEW OF RELATIVE NEEDS AND RESOURCES – TECHNICAL CONSULTATION** - The Head of Finance submitted a consultation document from the Department for Communities and Local Government (DCLG) dated December 2017 on the approach to measuring the relative needs of local authorities. The document indicated that the funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind that assessment was introduced over ten years ago, and had not been updated since the introduction of the 50% business rates retention system in 2013/14. Since that time, demographic pressures had affected local areas in different ways, as had the cost of providing particular services. In recognition of those pressures, the Government last year announced a review to address concerns about the fairness of current funding distributions. The outcome of this review will enable the Government to reconsider how the relative needs and resources of local authorities should be assessed in a world in which they will continue to have greater control over the money that they raise. Last year the previous Government published a Call for Evidence on needs and redistribution, which resulted in over 200 responses from a range of local authorities and representative bodies. Those responses had been carefully considered in preparing this consultation paper. A summary of responses received to the Call for Evidence together with the Government's response to a number of the important issues raised was published on the Government's consultation website alongside this consultation. Over the past year, the DCLG had worked in close collaboration with local authorities and their representatives on the design of the review, including through a joint Local Government Association (LGA) and DCLG chaired technical working group. This consultation focuses specifically on potential approaches that have been identified to measure the relative needs of local authorities. Responses to this consultation are requested by 12 March 2018.

With regard to the case for change the consultation document stated that "Local government is the frontline of democracy and accounts for almost a quarter of public spending. It delivers a wide range of important services used by residents on a daily basis, and provides essential support for the most vulnerable people in our society. The local government funding system must therefore offer appropriate levels of stability and assurance to councils to support financial planning, along with greater control over the money they raise and strong incentives to deliver services efficiently and in a way that promotes local economic growth. The Government will therefore seek to ensure funding is allocated in a way that supports these objectives whilst providing councils with the flexibility to meet their own local priorities. No two local authorities are the same. Changes in demography and the cost of service delivery will affect areas differently across the range of services, while the challenge of growing local economies varies. This review will address concerns about the fairness of the current distribution of funding to local authorities, ensuring that funding allocations reflect the relative 'need to spend', and taking into account the capacity of authorities to fund local services through local income. The current local government funding system is often criticised for its complexity. The Government will therefore work towards a system that is, as far as is practicable, more simple and transparent whilst providing as much discretion as possible to local councils over the use of resources so as to empower the transformation of local services and ensure that councillors are accountable for deciding how funding is used locally."

The terms of reference of the review stated that the fair funding review will set new baseline funding allocations for local authorities by delivering an up-to-date assessment of their relative needs and resources, using the best evidence available, and that the review will:

- set new baseline funding allocations for local authorities,
- deliver an up-to-date assessment of the relative needs of local authorities. The Government has been clear that there will continue to be redistribution of business rates between local authorities to take account of relative needs; the review will determine what the redistribution should be,
- examine the relative resources of local authorities. The Government will take a fresh look at how council tax income should be taken into account when redistributing business rates at local government finance settlements, and will also consider other potential sources of income available to councils,
- focus initially on the services currently funded through the local government finance settlement, and
- be developed through close collaboration with local government to seek views on the right approach. Alongside on-going engagement with the sector and formal consultation, we plan to publish a series of technical papers to ensure that local authorities are well sighted on our progress, as outlined in section 1.5.3 below. This will include careful consideration of transitional arrangements to ensure any changes in funding are introduced in a manageable way.

**Resolved** – That the information be noted.

## **PERFORMANCE, RISK AND PROGRAMME MANAGEMENT**

### **5713 IMPLEMENTATION OF THE GENERAL DATA PROTECTION REGULATIONS –**

Further to Minute 5655 of the Committee held on 27 November 2017 the Head of ICT gave an oral update on the implementation of the General Data Protection Regulations 2016 which were adopted on 27 April 2016 and which would become enforceable from 25 May 2018. The Head of ICT stated that the Regulations include provisions that -

- Provide for a harmonisation of the data protection regulations throughout the EU and will still apply to the UK post-Brexit. In the UK there will also be a new Data Protection Act.
- Will apply to ‘personal data’ meaning any information relating to an identifiable person who can be directly or indirectly identified. The definition of personal data is widened to take into account technology that was not around when the previous legislation was introduced and includes identification numbers, location data or online identifiers.
- Refer to sensitive personal data as “special categories of personal data”. The special categories specifically include genetic data, and biometric data where processed to uniquely identify an individual.
- Contain new requirements and updates some of the requirements that currently exist under the Data Protection Act 1998. New requirements include Privacy Impact Assessments for new projects, data protection by design and the requirement for a designed Data Protection Officer. There also needs to be a clear basis for processing personal data.
- Provide enhanced rights for data subjects (people) which includes tightening the rules for obtaining valid consent to using personal information provisions around clear content for processing personal data. It also introduces the ‘Right to be Forgotten’ under certain situations.
- Enables stronger penalties to be levied by the Information Commissioner for failing to comply with the regulations and there is now mandatory reporting of data breaches.

With regard to local implementation the Head of ICT outlined the transition plan as follows:

- Provide Training and awareness
- Review what data is held
- Draft new Privacy Statements
- Provide training for system owners
- Policies and Guidance Review

The Head of ICT stated that it was pleasing that people are starting to ask questions about GDPR, which means the awareness raising is starting to work, and also that Internal Audit had been asked to undertake a piece of assurance work, starting in March 2018, to measure progress on implementing the Regulations.

**Resolved** – That the report be received.

**5714 UPDATE ON PUBLIC SAFETY** - The Director of Public Safety submitted a report providing the latest update requested by Members on the progression of the Public Safety Service Redesign Programme (PS-SRP). The PS-SRP commenced in July 2016 and was approved for implementation by Humberside Fire Authority on 17 March 2017. The timeline for implementation of the restructure was a phased programme over a three year period between 2017/18 and 2019/20. The PS-SRP was last reported upon in July 2017 (Minute 5547 refers). The following documents were attached to the report:

Appendix 1: Public Safety Structural Review (updated 10 July 2017) identified the directorate position previously submitted.

Appendix 2: Public Safety Structural Review (January 2017) identified the latest directorate position.

The report charted the progress made since July 2017 across all areas previously reported as incomplete (Appendix 1 to the report) and provided context on the current January 2018 position published on the Public Safety Directorate section of the Service Portal (Appendix 2 to the report) and available to all staff. The progression of the PS-SRP was on track to deliver (by 2020) the efficiencies and savings identified to Humberside Fire Authority in March 2017. The PS-SRP had also provided benefits to the service in terms of progression, development and investment in Green Book staff and the first steps towards delivering a modernised approach to the delivery of Public Safety Services. The journey so far had provided 5 redeployment opportunities, 18 promotions and had provided early voluntary redundancy (EVR) for 14 members of staff. Of the 18 promotions 60% (11) members of staff are female and are under career development and demonstrating HFRS's continued commitment to the "HeForShe" pledge signed in 2017.

**Resolved** – That Members note the content of this report and take assurance from the approach taken to inform the review of Public Safety.

**5715 ABSENCE MANAGEMENT – PROGRESS REPORT** – The Director of Human Resources submitted a copy of the report that had previously been submitted to the meeting of the Fire Authority on 8 December 2017 (Minute 5682 refers) on the progress against the previously agreed absence management plan. The Action Plan, with a Red/Amber/Green (RAG) rating was included at Appendix 1 to the report. With regard to absence management across the Service the report indicated that Case Review Board meetings had been established, led by the Deputy Chief Fire Officer/Executive Director of Service Delivery and the Director of HR. The focus of those meetings, which involve Line Managers, HR and Occupational Health (OH) as appropriate, was to ensure absence is being managed efficiently, effectively and consistently across the Service and to provide challenge where there are inconsistencies, blockages or lack of action and to offer support where needed. Those meetings had already proved successful in maintaining focus and responsibility and providing appropriate support. The Absence Management Policy has recently been reviewed and is on track for delivery. Coupled with the above policy review, the HR team continues to coach line managers through the Absence Management Policy and process to ensure

correct application and consistency of approach. Timely information is provided to Line Managers so that they can proactively manage absence at the earliest opportunity.

Members asked questions seeking clarification of various aspects of the report which were answered by the Director of Human Resources.

**Resolved** – That Members note the content of the Report and the updated Action Plan and take assurance from the actions taken and planned in the HR Directorate to improve the management of absence and the support offered to staff who are unwell.

**5716 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.

**5717 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.

**5718 ANY OTHER BUSINESS** – The following matters were briefly discussed:

- Circulars/Communications – The Chairperson referred to two recent Circulars that had been circulated electronically to Members of the Authority and the GAS Committee:
  - Circular NJC/1/18 - Inclusive Fire Service Group
  - Circular EMP/1/18 - Pay/Broadening The Role – Update

The Chairperson commented that having read the documents he was pleased to note that a number of the proposals, suggestions and changed ways of working had already been or were in the process of being adopted by HFRS.

- Member Day 15 January 2018 – The Chairperson referred to discussion at the recent Member Day regarding celebrating success and suggested that it might be useful if ‘good news’ items published in Siren appeared at the beginning of the publication.
- Fire Authority 12 February 2018 – The Chairperson stated that he will not be present at the meeting and indicated that Mr A Smith will present the minutes of this meeting.

*Meeting closed at 11.20 a.m.*

