

**HUMBERSIDE FIRE AUTHORITY
(ANNUAL GENERAL MEETING)**

23 JUNE 2014

PRESENT:

Representing East Riding of Yorkshire Council:

Councillors Chapman MBE, Engall MBE, Green, Head, Hodgson, Ibson, Moore and Turner

Representing Kingston upon Hull City Council:

Councillors Mathieson, Petrini, Quinn, Thompson and Wilson

Representing North Lincolnshire Council:

Councillors Briggs, Marper and Waltham

Representing North East Lincolnshire Council:

Councillors Baxter, Burton, Norton and Walker

Chief Fire Officer & Chief Executive, Deputy Chief Fire Officer/Executive Director Service Delivery, Executive Director Service Support/Section 151 Officer, Acting Monitoring Officer/Secretary, Committee Manager and Ms J Rae (External Audit – KPMG) were also present.

Mr D Hughes, Chairperson of Governance, Audit and Scrutiny Committee and Mrs M Thomlinson and Mr C Vertigans (Independent Co-opted Members) also attended as observers.

Apologies for absence were submitted from Councillors Swift and Sumpton.

The meeting was held at the Humberside Fire and Rescue Service Headquarters, Kingston upon Hull. Meeting commenced at 10.30 a.m.

The Acting Monitoring Officer/Secretary welcomed newly appointed Members and also those who had previously served on the Authority.

(The Acting Monitoring Officer/Secretary took the Chair for the following item (Minute 4538.)

4538 ELECTION OF CHAIRPERSON – The Acting Monitoring Officer/Secretary submitted a report on the election of a Chairperson for 2014/15. Councillor Briggs was nominated and seconded.

Resolved - That Councillor Briggs be elected Chairperson of the Humberside Fire Authority until the Annual General Meeting of the Authority in 2015.

(Councillor Briggs took the Chair and thanked Members for their support and welcomed new and returning Members; the Independent Co-opted Members of the Governance, Audit and Scrutiny Committee, Ms J Rae (External Audit - KPMG) and all other persons who were present.)

4539 FORMER MEMBERS – The Chairperson, on behalf of the Authority expressed thanks to the non-returning Members for all their efforts on behalf of the Fire Authority and their communities.

4540 DECLARATIONS OF INTEREST - The Acting Monitoring Officer/Secretary declared a prejudicial interest in Agenda Item 27 - Senior Management Review Update (Minute 4568 below refers) and stated that he would leave the meeting for that item.

4541 ELECTION OF VICE CHAIRPERSON - The Acting Monitoring Officer/Secretary submitted a report on the election of a Vice Chairperson for 2014/15. Councillors Engall MBE and Walker were nominated and seconded.

Upon being put to the vote it was -

Resolved - That Councillor Engall MBE be elected Vice Chairperson of the Humberside Fire Authority until the Annual Meeting of the Authority in 2015.

4542 MINUTES – Resolved – That the minutes of the meeting of the Authority held on 25 April 2014 having been printed and circulated amongst the Members, be taken as read and correctly recorded and be signed by the Chairperson.

MATTERS ARISING FROM THE MINUTES NOT OTHERWISE ON THE AGENDA

4543 Fire Brigades Union – Industrial Action – Further to Minute 4501 the Chief Fire Officer & Chief Executive gave an oral update following his attendance at a meeting between the Minister for the Fire Service and Chief Fire Officers on 20 June 2014 when the Minister had outlined the Government’s views regarding the on-going Pensions’ dispute with the Fire Brigades’ Union. The Minister had reiterated the view that the current Firefighters’ Pension scheme was the most advantageous in the public sector; that other public services had accepted the need for reform of their pension schemes to make them more affordable in the future, and that he did not expect the Government’s position regarding the Firefighters’ Pension Scheme to change. The Minister had stated that the consultation on the proposed revised pension scheme would end on 4 July 2014 and that it was anticipated that the new scheme would be implemented in the Autumn. In terms of the fire cover provided during periods of industrial action the meeting had noted that there was a mixed picture in terms of resilience arrangements across the country but that all Fire Services were coping well with the situation.

Resolved – That the report be noted.

4544 Transformation Fund - Further to Minute 4510 the Deputy Chief Fire Officer/ Executive Director Service Delivery reported orally that since the last meeting an opportunity had arisen to submit a further bid prior to the deadline of 4 June 2014 in respect of the possible relocation of East Hull Fire Station. The Deputy Chief Fire Officer/Executive Director Service Delivery stated that in making the bid there was no commitment by the Authority to carry out the scheme and further details would be reported to the Authority in the event that the bid was successful.

Resolved - That Members endorse the steps taken in submitted the additional bid prior to the deadline of 4 June 2014.

4545 Performance Reporting and Service Performance Indicators 2014-15 – A Member referred to Minute 4509 and a recent fire incident in Beverley and commended the Service on the excellent response time in attending that incident and asked that the Authority’s appreciation be conveyed to the firefighters. The Deputy Chief Fire Officer/ Executive Director Service Delivery stated that he would pass on the comments.

4546 QUESTIONS BY MEMBERS - The Acting Monitoring Officer/Secretary stated that no questions had been received from Members in accordance with Rule 12, Part 4 of the Constitution.

4547 PETITIONS AND DEPUTATIONS - The Acting 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.

4548 COMMUNICATIONS - The Acting Monitoring Officer/Secretary stated that no communications had been received.

4549 COMPOSITION OF THE FIRE AUTHORITY 2014/15 - The Acting Monitoring Officer/Secretary submitted a report on appointments to the Humberside Fire Authority made by the Constituent Authorities for the period 2014/15. An updated copy of Appendix 1, taking account of appointments made since the original report, was circulated at the meeting.

Resolved – (a) That the membership of the Authority for the period 2014/15 as set out below be noted:

East Riding of Yorkshire Council (8):

| | |
|--------------------------|----------------|
| Councillor M Chapman MBE | (Conservative) |
| Councillor D Engall MBE | (Conservative) |
| Councillor H Green | (Conservative) |
| Councillor A Hodgson | (Conservative) |
| Councillor A Ibson | (Conservative) |
| Councillor P Turner | (Conservative) |
| Councillor J Head | (Independent) |
| Councillor K Moore | (Labour) |

Hull City Council (6):

| | |
|------------------------|--------------------|
| Councillor L Petrini | (Labour) |
| Councillor C Sumpton | (Labour) |
| Councillor M Thompson | (Labour) |
| Councillor S Wilson | (Labour) |
| Councillor K Mathieson | (Liberal Democrat) |
| Councillor C Quinn | (Liberal Democrat) |

North East Lincolnshire Council (4):

| | |
|---------------------|----------------|
| Councillor A Baxter | (Conservative) |
| Councillor S Norton | (Conservative) |
| Councillor M Burton | (Labour) |
| Councillor T Walker | (Labour) |

North Lincolnshire Council (4):

| | |
|----------------------|----------------|
| Councillor J Briggs | (Conservative) |
| Councillor E Marper | (Conservative) |
| Councillor R Waltham | (Conservative) |
| Councillor S Swift | (Labour) |

4550 APPOINTMENT OF GROUP SECRETARIES 2014/15 - Resolved - That the following appointments be noted:

| Political Group | Group Secretary |
|------------------------|------------------------|
| Conservative | Councillor Ibson |
| Labour | Councillor Walker |
| Liberal Democrats | Councillor Mathieson |

4551 COMMITTEE STRUCTURE AND COMPOSITION 2014/15 - The Acting Monitoring Officer/Secretary submitted a report on the committee structure adopted by the Authority as part of its Constitution and setting out a proposed Committee structure and composition in respect to 2014/15. The Authority's Constitution which took into account the matters arising from the third review of corporate governance – principally that the Fire Authority should be the sole decision making body and establishing the Governance, Audit and Scrutiny Committee. The Authority agreed that the Committee should comprise only Independent Co-opted Members and that the Committee shall have no decision making powers. In these

circumstances the rules regarding political proportionality in relation to appointments to this Committee did not apply. Other than the Governance, Audit and Scrutiny Committee the Constitution provided that should the need arise the Authority will establish an Appointments Committee (to deal with the appointment of Senior Officers and make recommendations to the Authority), and an Appeals Committee (to hear any appeal against dismissal under the current Conduct and Performance Procedure). In respect to these Committees regard shall be had to the rules on political proportionality. It was suggested that the Authority should confirm the structure of its Committees (proposed as currently adopted and set out in the Constitution) and then consider the size of each Committee. Rules of proportionality would then be applied to the allocation of the seats and Group Secretaries would then confirm with the Secretary the nominations to fill the allocated seats.

In line with decision of the Authority on 25 April 2014 it was proposed that the Governance, Audit and Scrutiny Committee should continue to comprise 8 Independent Co-opted Members. Elsewhere on the Agenda for this meeting the Authority was asked to establish a Selection Panel to begin the process to appoint up to 4 new Independent Co-opted Members to serve on the Governance, Audit and Scrutiny Committee (Minute 4565 below refers). In respect to the Appointments Committee the number of seats allocated in 2013/14 was 7 seats. It was recommended that the same size be approved for 2014/15. Similarly it was recommended that the Appeals Committee should comprise 3 Members. The report set out the allocations as between the respective political groups to the respective Committees. With regard to the adjustment identified in the report, the Authority was reminded that it could if it so wished simply agree the Committee allocations with no adjustments. The Committee Chairpersons would be elected at the first meeting of the relevant Committee.

Resolved - (a) That the Authority approves the Committee structure as set out in the report;

(b) that the size of the committees as set out below be approved:

Appointments Committee (7) (Conservative 3, Labour 3, Liberal Democrats 1)

Appeals Committee (3) (Conservative 1, Labour 1, Liberal Democrats 1)

(c) that the Authority approves the allocation of seats on Committees as set out in part (b) above, and

(d) that the respective Group Secretaries consider the appointment of Members to each Committee (except the Governance, Audit and Scrutiny Committee) by their Groups and submit details as soon as possible to the Acting Monitoring Officer/Secretary.

(Details of committee memberships subsequently notified to the Acting Monitoring Officer/Secretary by Group Secretaries are set out in Appendix 1 to these Minutes)

4552 APPOINTMENT OF MEMBER REPRESENTATIVES ON EXTERNAL BODIES –

The Acting Monitoring Officer/Secretary submitted a report on the appointment of Member representatives, and where applicable substitutes, to external bodies for the period 2014/15. The report reminded Members that the Authority had established a trading company during early 2012 in the form of a Community Interest Company [HFR Solutions (CIC)]. The Company is a local authority controlled company comprising three Officer Directors and two Directors appointed to the HFR Solutions Board from Members of the Fire Authority. It was agreed previously that the Chairperson of the Fire Authority shall not be considered for appointment as a Director. At its meeting on 14 March 2014 Members approved the appointment of Councillors Hodgson and T Walker as the two Member Directors of HFR Solutions. The Authority was invited to confirm the continuing appointment of Councillors Hodgson and T Walker until the next AGM in 2015.

Resolved – (a) That the following appointments be approved:

| Body | Representative(s) |
|---|--|
| The Local Government Association Fire Services Forum | Chairperson (Councillor Briggs) Substitute: Vice-Chairperson (Councillor Engall MBE) |
| Local Government Yorkshire and Humber (LGYH) | Chairperson (Councillor Briggs) Substitute: Vice-Chairperson (Councillor Engall MBE) |
| LGYH Employers' Committee | Chairperson (Councillor Briggs) |

(b) that the Authority confirm the continuing appointment of Councillors Hodgson and Walker as Member Directors of HFR Solutions until the AGM in 2015.

4553 APPOINTMENT OF NOMINATED SPOKESPERSONS FOR EACH CONSTITUENT AUTHORITY FOR 2014/15 - The Acting Monitoring Officer/Secretary submitted a report on the appointment of a nominated spokesperson for each Constituent Authority to answer questions concerning the Fire Authority at meetings of their respective authorities.

Resolved - That the following nominated spokespersons be appointed for the period 2014/15:

| | |
|------------------------------------|--------------------|
| East Riding of Yorkshire Council - | Councillor Turner |
| Kingston upon Hull City Council - | Councillor Petrini |
| North East Lincolnshire Council - | Councillor Walker |
| North Lincolnshire Council - | Councillor Swift |

4554 CALENDAR OF MEETINGS 2014/15 - The Acting Monitoring Officer/Secretary submitted a report outlining a proposed Calendar of Meetings for 2014/15 and indicating that the dates and times for meetings of the Governance, Audit and Scrutiny Committee would be finalised at the next meeting of that Committee.

Resolved – That the Calendar of Meetings for 2014/15 be approved as set out in Appendix 2 to these minutes.

MINUTES OF COMMITTEES

4555 Governance, Audit and Scrutiny Committee – At the invitation of the Chairperson of the Authority Mr D Hughes, Chairperson of the Governance, Audit & Scrutiny Committee presented the draft minutes of the Committee held on 9 June 2014. For the benefit of new Members of the Authority Mr D Hughes stated that elected Members were welcome to attend meetings of the Committee.

Resolved – (a) That the minutes of the Governance, Audit and Scrutiny Committee held on 9 June 2014 be received and the recommendation therein approved and adopted, and

(b) that Members approve the amended terms of reference of the Governance, Audit and Scrutiny Committee attached as Appendix 3 to these minutes.

4556 ANNUAL REPORT OF THE GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE - The Acting Monitoring Officer/Secretary submitted a report presenting the Annual Report of the Governance, Audit and Scrutiny Committee highlighting the work undertaken in respect to the Committee. Under the Constitution the Committee was required to submit an Annual Report to the Authority, essentially to set out how the Committee had discharged its functions. The Annual Report also supported the assurance framework. The draft Annual Report had been reviewed by the Committee at its meeting on 9 June 2014 (Minute 4524

refers) and approved for submission to the Fire Authority subject to being updated by the Acting Monitoring Officer/Secretary.

Resolved – That the Fire Authority notes the Annual Report of the Governance, Audit and Scrutiny Committee now submitted and acknowledges the work undertaken by the Committee.

4557 SCRUTINY WORK PROGRAMME 2014/15 - The Acting Monitoring Officer/Secretary submitted a report reminding Members that the Authority at its meeting on 25 April 2014 (Minute 4511 refers) approved a revised Terms of Reference for the Governance, Audit & Scrutiny Committee with the scrutiny function of the Committee being revised so that the Committee can focus its scrutiny role on a number of topics per year. That would enable the Authority to make best use of the scrutiny function of the Committee to identify improvements that can be made in the way in which the Service operates. It was envisaged that the Authority, the Governance, Audit and Scrutiny Committee and Corporate Management Team would propose subjects for in-depth scrutiny. In practical terms an annual scrutiny programme could be developed by the Governance, Audit & Scrutiny Committee. Subsequently a meeting was held on 14 May 2014 to consider the Committee's Scrutiny Work Programme for 2014/15. The meeting was attended by Independent Co-opted Members of the Governance, Audit and Scrutiny Committee (Mr D Hughes, Mr D Chapman, Mrs G Hardy, Mrs A Thomlinson and Mr C Vertigans), the Chairperson of the Fire Authority (Councillor Briggs), and the Chief Fire Officer/Chief Executive, Executive Director Service Support/Section 151 Officer, Acting Monitoring Officer/Secretary, Committee Manager and Ms B Jones (Internal Audit - MIAA).

The following matters were discussed at that meeting:

- Governance, Audit and Scrutiny Committee's Terms of Reference reflecting the changes agreed by the Authority on 25 April 2014;
- Draft Governance, Audit and Scrutiny Committee 'audit' and 'governance' workstreams for 2014/15;
- MIAA's Internal Audit Plan for 2014/15 onwards;
- Draft Assurance Map developed by MIAA – a starting point that MIAA will work on during the course of the year with input from the Governance, Audit and Scrutiny Committee.

Following a detailed discussion and exchange of views it was agreed that the following topics should be included in the Scrutiny Programme for 2014/15 as set out below:

| <u>Topic</u> | <u>GAS Committee and Officers - Scoping Discussion</u> | <u>Report submitted for Scrutiny to GAS Committee</u> |
|--|--|---|
| 1. HFR Solutions | 11 July 2014 | 13 October 2014 |
| 2. HR Strategy (including Succession Planning) | 15 September 2014 | 2 February 2015 |

The above topics had been incorporated in the timetable of meetings of the Committee that would be considered as part of the Authority's Calendar of Meetings elsewhere on the Agenda for this meeting as set out in Appendix 1 to the report. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4525 refers).

Resolved – That the Fire Authority receives the Governance, Audit and Scrutiny Committee's Scrutiny Work Programme for 2014/15 as set out in paragraph 8 and Appendix 1 to the report.

4558 ANNUAL STATEMENT OF ACCOUNTS 2013/14 – The Executive Director Service Support/Section 151 Officer submitted a report containing the Authority’s full unaudited Statement of Accounts for 2013/14 as set out in Appendix 1 to the report and also highlighting the key aspects of revenue and capital outturn for the year. The accounts covered by the report were subject to audit by KPMG in their role as the Authority’s external auditor. The audited Statement of Accounts must be approved by the Fire Authority by 30 September 2014. The outturn position for the revenue budget for 2013/14 was a £1.468m underspend which compared well to the period 11 end of February 2014 projection in the Management Accounts of a £1.485m underspend. The full schedule of variances was set out in more detail in the Foreword to the Statement of Accounts.

The report indicated that the annual accounts for 2013/14 of ‘HFR Solutions’ the Authority’s Community Interest Company (CIC) were included under item 15 on the Agenda for this meeting (Minute 4567 below refers). The CIC’s annual accounts were compiled by Accountancy Solutions (UK) Limited of Scunthorpe and independently audited by Streets Audit LLP of Lincoln in May 2014. There was no requirement under the Companies Act legislation for an audit due to the size of the CIC’s turnover, but it was felt from the perspective of prudence that an audit would give maximum assurance before consolidation into the Authority’s accounts took place. The second year trading performance of the CIC had been strong with a post corporation tax surplus of £164k. In addition to this the Authority has seconded staff, charged staff time and made other charges to the CIC to the order of £451k. The later section of the report now submitted on Reserves recommended that the £451k be placed in an earmarked reserve to clearly identify the CIC’s contribution to the Authority’s underspend outturn position. The remaining £164k surplus was shown within the Authority’s Group Accounts (page 55 of the Authority’s Accounts refers). In total therefore in the first year of trading the CIC generated a total financial benefit of £578k and subsequently in the second year of trading had now generated a further £615k.

The outturn for the Capital Programme showed spending of £5.061m (£4.532m was the Authority’s Capital Programme and £529k was the Authority’s 25% share of the East Coast and Hertfordshire Control Room Consortium spend in 2013/14) as detailed in the report. The report identified nine schemes for which it was proposed that the capital allocations be re-phased into the 2014/15 Capital Programme or be removed from the Capital Programme. Table 1 in paragraph 9 to the report showed the overall position on Reserves at 31 March 2014 and some recommended movements in reserves to be effected from 1 April 2014. Table 1 showed overall revenue reserves of £17.261m at 31 March 2014. The Authority has worked hard in recent years to deliver a sound level of reserves. This is particularly important against the uncertain financial backdrop for 2016/17 onwards. The earmarked reserves identified in the Table underpinned a number of key areas of work for the Service. Many of these workstreams were now in the implementation/delivery stage.

In terms of key financial indicators the report indicated that against the backdrop of significant austerity (the Authority’s external financing from Government had been reduced by 28% or £7.3m over the period 2011/12 to 2015/16 as well as a 4 year freeze in the precept/council tax between 2011/12 and 2014/15), and drew attention to the following key financial indicators:

| <u>Key Indicator</u> | <u>2012/13</u> | <u>2013/14</u> |
|-------------------------------------|---------------------|----------------------|
| Capital Financing Requirement (CFR) | £17.7m | £16.6m |
| Long-term Borrowing (PWLB) | £18.7m | £17.7m |
| Revenue Outturn | £2.1m underspend | £1.47m underspend |
| Total Reserves (capital & revenue) | £19.13m | £17.356m |

Fundamentally the Authority's underlying position was sound and against the backdrop of austerity the CFR (the Authority's underlying need to borrow for a capital purpose) had been reduced alongside a decrease in long-term borrowing (PWLB). The revenue outturn underspend was lower than in the previous year and overall reserves had also reduced. Neither was a cause for concern but demonstrated a financial tightening as efficiency measures were worked through alongside significant reductions in external funding. The Authority's budget was balanced for 2014/15 and 2015/16 but as previously outlined the Government's austerity programme was unlikely to abate before 2020. The Service Re-design Programme currently underway would examine all possible options for further efficiency in 'non-fire engine' areas of the Service. This will be vital for the challenges that will lie ahead for 2016/17 onwards. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4531 refers).

Resolved – (a) That Members take assurance from the accounts presented and that after this Fire Authority meeting a copy signed by the Executive Director Service Support/ Section 151 Officer be presented for audit;

(b) that Members approve the Capital Programme 'slippage' at paragraph 8 of the report, and

(c) that Members approve the position on Reserves as at 1 April 2014

4559 TREASURY MANAGEMENT ANNUAL REPORT 2013/14 - The Executive Director Service Support/Section 151 Officer submitted a report providing a review of the Authority's Treasury Management activity and Prudential Indicators for the year 2013/14 in line with the Chartered Institute of Public Finance and Accountancy (CIFPA) Code of Practice 2009. The report showed full compliance with the Authority's Prudential Indicators for 2013/14. Appendix 1 to the report detailed the agreed Prudential Indicators for 2013/14 and the actual figures for 2013/14. During the financial year the Authority operated wholly within the limits approved. The report stated that the Section 151 Officer considered the current capital programme to be affordable and sustainable with the revenue effects of capital investment built into the Medium-Term Financial Plan. Through the Medium-Term Financial Planning Process, the Authority had aligned its resources to key strategic priorities. With regard to Treasury Management the report indicated that based on the Operational Boundary definition, external debt at 31 March 2014 was £3.6m below the agreed Operational Boundary for 2013/14 and the maturity structure for both borrowing and investments remained within the approved upper and lower limits. Subsequent borrowing or re-scheduling during 2014/15 would take in to account prevailing interest rates on offer from the Public Works Loans Board, the current maturity structure of loans, balanced with the need to reduce capital risk by keeping down cash-balances. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4532 refers).

A Member's query regarding the Authority's arrangements for short-term borrowing was answered by the Executive Director Service Support/Section 151 Officer.

Resolved - That Members take assurance from the Treasury Management activities undertaken during 2013/14 and the Prudential Indicators as outlined in paragraphs 18 and 19 and detailed in Appendix 1 to the report.

4560 MANAGEMENT ACCOUNTS TO 31 MAY 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 May 2014. The summary estimated outturn position from the Management Accounts and Prudential Indicators was as follows:

- Revenue Budget - on budget;
- Capital Programme - £6.811m total expenditure against an allocation of £7.411m;
- Pensions Account - £8.445m deficit

Resolved – (a) That Members take assurance from the report and the Authority's financial position for the period ending 31 May 2014, and

(b) that Members approve the 2014/15 capital programme virements shown on page 15 of the 31 May 2014 Management Accounts now submitted.

4561 LOCAL GOVERNMENT PENSION SCHEME (LGPS) REGULATIONS 2013 AND THE LGPS (TRANSITIONAL PROVISIONS, SAVINGS AND AMENDMENTS) REGULATIONS 2014 - The Executive Director Service Support/Section 151 Officer submitted a report indicating that the provisions of the Local Government Pension Scheme (LGPS) require participating authorities to have a policy explaining how they will apply their discretion under those elements of the Scheme where payments to Scheme members are at the discretion of the employing Authority. Humberside Fire Authority (HFA) approved its current policy in respect of its discretionary powers in April 2013. The LGPS in England and Wales had been amended from 1 April 2014 so that benefits accruing for service after 31 March 2014 would now accrue on a Career Average Revalued Earnings (CARE) basis, rather than on a final salary basis. The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2014 final salary rights, were contained in the LGPS Regulations 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014. As a result of the changes, Scheme employers participating in the LGPS in England and Wales now had to formulate, publish and keep under review a Statement of Policy on certain discretions which they had the power to exercise in relation to members of the CARE Scheme. The report described the discretions and proposed a revised Statement of Policy to the Fire Authority for approval. Four changes arising from the 2014 regulations related to administering discretions which were matters for the East Riding Pension Fund (ERPF) as the administering authority. The ERPF's policy on those discretions was reflected in the revised Statement of Policy. The ERPF had stated that discretionary policies must be in force by 30 June 2014 to avoid falling foul of the regulator.

Resolved - That the Authority approves the new 'Statement of Policy on LGPS 2014' attached at Appendix 1 to the report now submitted.

EXTERNAL AUDIT (KPMG)

4562 External Audit Update – Further to Minute 4526 of the Governance, Audit and Scrutiny Committee Ms J Rae (External Audit - KPMG) reported orally that fieldwork on the audit would commence on 23 June 2014 and an update report would be submitted to the next cycle of meetings.

Resolved – That the report be noted.

4563 HUMBERSIDE FIRE AUTHORITY WORKSTREAMS 2013/14 AND ANNUAL REPORT - The Acting Monitoring Officer/Secretary submitted a report with regard to the Annual Report of the Fire Authority which aimed to capture the work of the Authority over the past year and set out how the Authority had performed its functions in accordance with the Constitution. The Fire Authority did not set workstreams for itself as such, but did approve the workstreams of its committees. A copy of the draft Annual Report of the Fire Authority which dovetailed with the Annual Report from the Governance, Audit and Scrutiny Committee was attached at Appendix 1 to the report. In accordance with the Constitution the Governance, Audit and Scrutiny Committee was required to submit an Annual Report to the Fire Authority and its Annual Report was submitted elsewhere on the Agenda for this meeting (Minute 4556 above refers). Whilst there was no requirement under the Constitution for the Fire Authority to produce an Annual Report it was considered that such a report would be helpful to Members in reviewing progress and performance during 2013/14. The report also supported the review of governance and provides added robustness to the assurance structure.

Resolved – That the Annual Report be approved.

4564 HUMBERSIDE FIRE AUTHORITY WORKSTREAMS 2014/15 - The Acting Monitoring Officer/Secretary submitted a report indicating that elsewhere on the Agenda for this meeting was a report containing details of the Scrutiny Programme 2014/15 approved by the Governance, Audit & Scrutiny Committee on 9 June 2014 (Minute 4557 above refers). That report also set out the workstreams for that Committee in respect to its 'audit' and 'governance' functions. The workstreams were indicative only and not exhaustive. However, they assist with forward planning for the Committee, the Authority and the Corporate Management Team. With regard to the workstreams of the full Fire Authority, then essentially these were set down in Article 4 of the Constitution. The proposed workstreams set out in Appendix 1 to the report were not exhaustive but were indicative.

Resolved – That the proposed workstreams set out in Appendix 1 to the report be approved.

4565 APPOINTMENT OF INDEPENDENT CO-OPTED MEMBERS OF THE GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE – RECRUITMENT PACK - The Acting Monitoring Officer/Secretary submitted a report reminding Members that the Authority at its meeting on 14 March 2014 approved the following proposals regarding the membership of the Governance, Audit and Scrutiny (GAS) Committee:

- (i) The proposed size (8 Independent Co-opted Members) and tenure (2 terms of 3 years) of the GAS Committee;
- (ii) The recruitment of three members of the GAS Committee in 2014;
- (iii) The appointment of Mr. David Hughes and Mr. John Jepson as members of the GAS Committee until 30 September 2014, and
- (iv) The appointment Mrs. Gill Hardy as a member of the GAS Committee until 30 April 2015.

Since then Mr. J Jepson had resigned as a member of the GAS Committee from 30 April 2014. This report now submitted concerned the process to appoint new members of the GAS Committee which was broadly unchanged from the process previously used. It was suggested that given that the term of office of Mrs. Hardy will expire on 30 April 2015 that the process would look to identify a recruit to replace Mrs. Hardy, as well as making appointments to the 3 vacancies that will exist after 30 September 2014.

Whereas the recruitment process for the appointment of Independent Members of the former Standards Committee was a formal one prescribed by The Relevant Authorities (Standards Committee) Regulations 2001, there was no prescribed procedure for the appointment of Independent Co-opted Members of the GAS Committee. Nevertheless the following provisions from the former process might be considered as good practice i.e. that a person may not be appointed unless the appointment is:

- (a) approved by a majority of the Members of the Authority;
- (b) advertised in one or more newspapers circulating in the area of the authority;
- (c) of a person who has not within the period of five years immediately preceding the date of the appointment been a Member or Officer of the Authority, and;
- (d) of a person who is not a relative or close friend of a Member or Officer of the authority.

Similarly, employees of the Audit Commission (and KPMG) or HW Controls & Assurance/Merseyside Internal Audit Agency (our internal auditors) would not be eligible so as to avoid any potential conflicts of interest.

For the 4 appointments made in 2012 the Authority agreed that the Panel previously established to consider the Code of Conduct should also deal with the appointments process for new members of the GAS Committee. It was recommended that a similar panel constituted as follows be established to interview applicants for the role of Independent Co-opted Member of the Governance, Audit and Scrutiny Committee:

- (i) Chairperson of Fire Authority;
- (ii) Three Elected Members (one nominated by each political group on the Fire Authority (Conservative/Labour/Liberal Democrats).
- (iii) Chairperson of the Governance, Audit and Scrutiny Committee (or his nominee).

The recommendations of the Interview Panel would then be forwarded to the Fire Authority for a decision. A proposed timetable for the appointments process was set out in paragraph 8 of the report. The previous recruitment pack had been updated and was attached at Appendix 1 to the report.

Resolved – (a) That the appointments process set out in the report now submitted be followed to appoint four Independent Members to the GAS Committee, and

(b) that the Interview Panel shall comprise:

- (i) Chairperson of Fire Authority (Councillor Briggs);
- (ii) Three Elected Members (one nominated by each political group on the Fire Authority):

| | |
|--------------------|--------------------|
| Conservative: | Councillor Ibson |
| Labour: | Councillor Petrini |
| Liberal Democrats: | Councillor Quinn |
- (iii) Chairperson of the Governance, Audit and Scrutiny Committee (or his nominee)

4566 EXCLUSION OF PRESS AND PUBLIC – Resolved – That the press and public be excluded from the meeting during consideration of the following items (Minutes 4567-4568) on the grounds that they are likely to involve the disclosure of exempt information as defined in paragraphs 1, 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).

4567 HFR SOLUTIONS’ PERFORMANCE SUMMARY REPORT JANUARY – MARCH 2014 – The Deputy Chief Fire Officer/Director of HFR Solutions submitted a report outlining the performance of HFR Solutions’ operations and service delivery within the four main areas of activity: Business; Training, Community and Risk for the period January – March 2014. A Business Plan priorities update was attached at Appendix 1 to the report and the 2013/14 audited financial statements were set out in Appendix 2 to the report. The report had previously been considered by the Governance, Audit and Scrutiny Committee (Minute 4537 refers).

Resolved – That the Authority takes assurance from the report that:

- HFR Solutions’ is developing into a successful business, which is capable of effectively supporting Humberside Fire & Rescue Services service delivery requirements, across the Service area;
- The key priorities of the Business Plan are effectively being performance managed to meet the strategic outcomes of the business.

(The Acting Monitoring Officer/Secretary left the meeting for the following item (Minute 4568).)

4568 SENIOR MANAGEMENT REVIEW UPDATE - The Chief Fire Officer & Chief Executive submitted a report, further to Minute 4517, reminding Members that at the Authority meeting of 25 April 2014 a number of recommendations were approved that re-structured the two most senior levels of management in the Service. It was further agreed that the Chairperson of the Authority and Chief Fire Officer & Chief Executive be given delegated authority to progress the rationalisation of the two non-operational Director posts into one Executive Director post in the new structure. The report now submitted set out progress in bringing this element of the re-structure to a conclusion. Throughout the process the Chief Fire Officer & Chief Executive remained in close contact with the Chairperson of the Authority and the Group Secretaries were also invited to a briefing to discuss and agree the parameters within which the Chief Fire Officer & Chief Executive could operate in order to conclude the restructure. The report indicated that the Authority now needed to consider its arrangements for the provision of a Monitoring Officer and Secretary and outlined two options. Until now the role had been carried out on a temporary basis by the Monitoring Officer for East Riding of Yorkshire Council (ERYC).

Resolved – (a) That the recommendations at paragraph 6 (a) and (b) of the report be noted, and

(b) that a formal approach be made to East Riding of Yorkshire Council to make the temporary arrangements in supplying the Monitoring Officer/Secretary to the Authority permanent.

Meeting closed at 11.25am

Appendix 1

**HUMBERSIDE FIRE AUTHORITY
COMMITTEE COMPOSITION 2014/15**

GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE (8 Co-opted Independent Members)

Mr M Allingham
Mr D Chapman
Mrs G Hardy (to 30 April 2015)
Mr D Hughes (to 30 September 2014)
Mrs M Thomlinson
Mr C Vertigans
(2 Vacancies)

APPOINTMENTS COMMITTEE (7 Members)

Conservative: Councillors Briggs, Chapman MBE and Ibson
Labour: Councillors Petrini, Swift and Walker
Liberal Democrats: Councillor Quinn

APPEALS COMMITTEE (3 Members)

Conservative: Councillor Baxter
Labour: Councillor Petrini
Liberal Democrats: Councillor Quinn

Appendix 2

**HUMBERSIDE FIRE AUTHORITY
SCHEDULE OF MEETINGS 2014/15**

| Date | Time | Meeting |
|---------------------------|-------------|--|
| Monday, 23 June 2014 | 10:30 am | AGM & HUMBERSIDE FIRE AUTHORITY MEETING Followed by NEW MEMBERS INDUCTION EVENT |
| Friday, 4 July 2014 | | <i>Member Day 1</i> |
| Friday, 11 July 2014 | 10:00 am | Governance, Audit and Scrutiny Committee AGM* |
| Tuesday, 22 July 2014 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| AUGUST | | RECESS |
| Monday, 15 September 2014 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Friday, 26 September 2014 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Friday, 3 October 2014 | | <i>Member Day 2</i> |
| Monday, 13 October 2014 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Friday, 24 October 2014 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Friday, 28 November 2014 | | <i>Member Day 3</i> |
| Monday, 1 December 2014 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Friday, 12 December 2014 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Monday, 19 January 2015 | | <i>Member Day 4</i> |
| Monday, 2 February 2015 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Monday, 16 February 2015 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Friday, 27 February 2015 | | <i>Member Day 5</i> |
| Monday, 2 March 2015 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Monday, 16 March 2015 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Monday, 13 April 2015 | 10:00 am | Governance, Audit and Scrutiny Committee* |
| Monday, 27 April 2015 | 10:30 am | HUMBERSIDE FIRE AUTHORITY |
| Date | Time | Meeting |
| Friday, 22 May 2015 | 10:30 am | HUMBERSIDE FIRE AUTHORITY AGM Followed by MEMBER INDUCTION |

* Governance, Audit and Scrutiny Committee – Independent Co-opted Members of the Committee will meet in private at 9.00 a.m., main meeting at 10.00 a.m.

Appendix 3

Article 6 – Governance, Audit and Scrutiny Committee

6.1 COMPOSITION

- (a) The membership of the Governance, Audit and Scrutiny Committee shall be determined at the Annual General Meeting of the HFA. The size of the Committee shall be decided by the HFA.
- (b) The HFA may if it considers it necessary or desirable appoint such number of Independent Co-opted Members of the Committee as it shall determine who shall be selected for their relevant expertise, particularly in:
 - Audit and financial governance
 - Corporate governance
 - Scrutiny of decision making

The HFA will approve a selection process and criteria.

- (c) The Chairperson of the Committee may be appointed annually at the Annual General Meeting of the HFA or elected at the first meeting of the Governance, Audit and Scrutiny Committee following the Annual General Meeting.
- (d) The quorum for meetings of the committee shall be decided by the HFA at its AGM.

6.2 FREQUENCY OF MEETINGS

There shall be eight ordinary meetings of the Governance Audit and Scrutiny Committee in each year. The Schedule of meetings shall be decided at the Annual General Meeting of the HFA. In addition, extraordinary meetings may be called at such other times as the Committee or Chairperson of the Committee may determine.

6.3 FUNCTIONS

The Governance, Audit and Scrutiny Committee shall have the following functions, unless decided otherwise by the HFA: -

6.3.1 Governance

- (a) To make observations to the HFA concerning its governance arrangements;
- (b) To assist the HFA in promoting and maintaining high standards of conduct by Members, including Independent Co-opted Members, appointed Members of Committees and Officers;
- (c) Generally assisting the Members to observe the Members' Code of Conduct;
- (d) Providing views to the HFA on the adoption or revision of the Members' Code of Conduct;

- (e) Advising, training or arranging to train Members and Officers on matters relating to the Members' Code of Conduct;
- (f) The monitoring of and issues relating to the declaration of interests and offer/receipt of gifts and hospitality by Members and Officers;
- (g) Such other matters in connection with governance as may be specified under this Constitution, or that the HFA may ask the Committee to consider.

In addition the Committee shall receive reports on the following matters (the Committee shall have no delegated authority but may make observations to the Fire Authority):

6.3.2 Internal Control and Risk Management

- (a) To consider the HFA's Annual Governance Statement prior to its adoption to the HFA.
- (b) To maintain an overview of the HFA's Constitution, particularly in respect to the contract procedure rules and financial procedure rules.
- (c) To review any issue referred to it by the Chief Fire Officer & Chief Executive, S.151 Officer or Secretary, or the HFA.
- (d) To monitor the effective development and operation of corporate risk and project management and corporate governance in the HFA.
- (e) To monitor the effectiveness of the internal control environment.

6.3.3 Internal Audit

The Committee shall consider and make observations to the HFA with regard to:

- (a) The Internal Audit Annual Work Programme;
- (b) Internal Audit reports;
- (c) The Internal Audit Annual Report;
- (d) The appointment of an effective and efficient Internal Audit Service; and
- (e) The performance of the Internal Audit Service.

6.3.4 External Audit:

The Committee shall consider and make observations to the HFA with regard to:

- (a) The appointment of External Auditors;
- (b) The External Auditor's Annual Audit letter;

- (c) The Annual Financial Statements and Statement of Assurance;
- (d) Feedback to the External Auditor upon performance of the external audit;
- (e) All External Audit Assessments concerning the Authority;
- (f) The audit aspects of the draft annual financial statements. These aspects will include the External Audit Opinion, the Statement of Members' Responsibilities, the Annual Governance Statement and any relevant issue raised in respect to the annual auditing process. The Committee should, where appropriate, confirm with the Internal and External Auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its Annual Report to the HFA.

6.3.5 Performance Risk and Programme Management

The Committee shall consider and make observations to the HFA with regard to:

- (a) The effectiveness of performance management;
- (b) The achievement of Strategic Plan objectives;
- (c) The achievement of the Integrated Risk Management Plan (IRMP) objectives;
- (d) The achievement of agreed performance indicators;
- (e) The effectiveness of corporate risk management processes;
- (f) The effectiveness of programme management processes;
- (g) The performance of the Humberside Fire and Rescue Service generally;

6.3.6 Scrutiny - Generally

Scrutiny Function

- (a) The Committee shall review and scrutinise decisions of the HFA proposals of the HFA and the implementation of policy at Humberside Fire and Rescue Service;
- (b) The Committee shall be responsible for setting its own work programme which shall be tightly focussed on a small number of major issues;
- (c) In setting its work programme the Committee will consider items for scrutiny put forward by the HFA, CMT and Members of the Committee;

- (d) The HFA shall refer business to and seek advice from the Committee as it considers appropriate. Such referrals will be accompanied by an indication of its preliminary view of the matter under consideration;
- (e) The Committee shall respond as soon as their work programme permits to requests from the HFA to review a particular issue or issues;
- (f) In exercising its scrutiny role, the Committee will ensure that any observations are non-political and are not designed to displace the functions or responsibility of the HFA;
- (g) The Committee shall make such recommendations as it considers appropriate to the HFA arising out of the scrutiny process.

6.3.7 Additional Powers

- (a) The Committee is authorised to investigate any activity within its terms of reference and to seek any information it requires from any employee. All employees are directed to co-operate with any request made by the Committee.
- (b) The Committee is authorised to obtain outside legal or other independent advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Secretary, Chief Fire Officer & Chief Executive and Chairperson of the HFA. However, it may not incur direct expenditure in this respect without the prior approval of the HFA.

6.4 **POWER TO ESTABLISH SUB-COMMITTEE OR PANELS**

- (a) The Governance, Audit and Scrutiny Committee shall have the power to establish a sub-committee of the Members of the Committee and any such sub-committee shall be authorised solely to make recommendations to the Governance, Audit, and Scrutiny Committee.
- (b) The Governance, Audit and Scrutiny Committee shall be entitled to establish such panels or groups as it considers necessary to assist in the discharge of its functions. No delegated authority shall be granted to such a panel and the composition of a panel shall not be confined to the Members of the Committee and the rules of political proportionality shall not need to apply.

6.5 **ANNUAL REPORT AND MINUTES**

- (a) The Committee shall report annually to the HFA upon the discharge of its functions;
- (b) Minutes of the Committee will be circulated to all Members of the HFA and shall be included as an agenda item on the HFA;
- (c) The Chairperson of the Committee or nominated representative will be invited at the discretion of the Chairperson of the HFA to present the minutes at the meeting of the HFA and to respond to any questions that the HFA may have in respect to any matter concerning the Committee.