

At a meeting of the HAMPSHIRE FIRE AND RESCUE AUTHORITY STANDARDS & GOVERNANCE COMMITTEE held at Hampshire Fire and Rescue Service Headquarters, Eastleigh on 5 July 2013

PRESENT:

Councillors: C. Carter; L. Fairhurst; J. Frankum; D. Harrison; G. Hockley (Vice-Chairman); C. Lagdon; R. McIntosh (Chairman); P. Smith; R. Smith

Also in Attendance: Colonel M Cronin (Independent Member to the HFRA)

1 INTRODUCTION OF NEW INDEPENDENT PERSON

The Chairman introduced Members to the newly appointed Independent Person for the Hampshire Fire and Rescue Authority (HFRA), Colonel Michael Cronin.

Colonel Cronin expressed his commitment to the maintenance of standards in public life and within his role as Independent Member to advise and support the Members of the Authority. Members welcomed Colonel Cronin to the HFRA.

2 APOLOGIES

There were no apologies received for the Committee.

3 DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any disclosable pecuniary interest they had in any matter on the agenda for the meeting, where that interest was not already entered in the Authority's register of interests, and their ability to disclose any other pecuniary or non-pecuniary interests in any such matter that they might have wished to disclose.

Councillor Chris Carter and Councillor Royston Smith declared an interest as Directors of 3SFire Ltd, in relation to two related reports (Item 8 and Item 9 in the Minute Book).

4 MINUTES AND MATTERS ARISING

The Clerk updated Members on a previous item (Minute 45) from the 16 April 2013 meeting, regarding collaboration between Hampshire local authorities under the Localism Act. The pan-Hampshire Members' Code of Conduct was progressing and further details would be provided in due course.

The Minutes from 16 April 2013 were agreed and confirmed as a true

record and signed by the Chairman (Item 4 in the Minute Book).

5 CHAIRMAN'S ANNOUNCEMENTS

There were no formal announcements at the meeting

6 DEPUTATIONS

There were no deputations received for this meeting.

7 REVIEW OF COMMITTEE'S TERMS OF REFERENCE

The Committee considered the report from the Chief Officer in relation to a review of the Committee's terms of reference (Item 7 in the Minute Book).

The Director summarised key elements of the proposed terms of reference for the Committee. These incorporated various further developments in the work of the Authority including governance, partnership working, assurance, risk assessment, and health and safety matters. Members noted the contents of the report and were satisfied with the proposed changes.

RESOLVED:

That it be a RECOMMENDATION to the Authority:

That the changes to the Committee terms of reference be approved.

8 RELATIONSHIP BETWEEN THE AUTHORITY AND 3SFIRE LTD

Councillor Chris Carter and Councillor Royston Smith declared an interest in the report, as directors of 3SFire Ltd, and left the meeting until the end of Item 8 and Item 9.

The Committee considered the report from the Chief Officer regarding the relationship between the HFRA and 3SFire Ltd (Item 8 in the Minute Book).

The Director summarised the governance advice regarding HFRA and the company it had established, 3SFire Ltd, in order for Members to consider best practice and management of the relationship between the two. The Authority needed to ensure appropriate separation between the organisations whilst at the same time developing shared objectives and mutual understanding.

Councillor Harrison expressed concern regarding a potential governance conflict in relation to Section 4 (4.2) of the report (that the interests of the company may not be the same as HFRA) where individual Members had a role in both organisations. The Clerk advised that the likelihood of divergent interests between the two organisations was small and the committee was assured that the Authority had been pro-active in its approach to setting up 3SFire Ltd to ensure good governance. It was acknowledged that

Councillors would often have multi-faceted roles (e.g. with different councils).

In terms of HFRA scrutiny, it was the intention that 3SFire Ltd's annual meeting would take place just before that of the Authority, so that Members could attend and propose questions of the directors (and report back to subsequent Authority meetings). If the Authority sought further scrutiny of 3SFire Ltd, general meetings could be convened during the year as and when required.

Members noted that updates would be provided to the Finance and General Purposes Committee. The reporting proposed would safeguard the Company from disclosing commercially confidential aspects (e.g. finance related to tenders so that it could compete commercially).

The risk of 3SFire Ltd being perceived to be receiving public funding was discussed and the Director assured Members that HFRS would ensure this was avoided. The start up loan provided to the Company from the Authority had been provided at a commercial rate. The costs of any services provided by the Service to the company would be fully recharged to the company.

Use of seconded officers by the Company was queried as a potential risk if the Authority might be in a position of scrutinising any of its own staff. It was agreed that staff would work in areas without this conflict of interest. Staff involved in the work of 3SFire Ltd had a good understanding of their role, unions were aware of the Company and secondment agreements were in place for longer term staff. It was noted that there was no resourcing commercial advantage for the Company as it paid the skilled rate for qualified staff wherever they were recruited from.

Members were satisfied that the HFRA was adopting good governance and risk management. The committee was aware that other fire and rescue services were adopting similar trading company arrangements.

RESOLVED:

- a) That the report wording be amended in Section 5.1 to read 'may be commercially confidential' rather than 'ought to be confidential'
- b) Members noted the relationship described.

That it be a RECOMMENDATION to the Authority:

- c) That agreement be reached with 3SFire Ltd that wherever possible, general meetings of the company should be timed to coincide with the dates of the Authority's meetings to promote Member participation in scrutiny of the company.

9 MEMBERS WHO ARE DIRECTORS OF 3SFIRE LTD

The Committee considered the report of the Clerk regarding Members who are Directors of 3SFire Ltd (Item 9 in the Minute Book).

The Clerk provided an update regarding the procedural options available under Standing Orders, for Members who were Directors of 3SFire Ltd to be able to remain in meetings under related items. Options 1 and 2 which allowed Members with a disclosable pecuniary interest (DPI) to remain in an HFRA meeting were deemed unsuitable as these might appear to allow unfair influence and involvement of those Members in decision-making. Option 3 which involved amendment of Standing Orders to allow Members with a Disclosable Pecuniary Interest to nominate a standing deputy to represent them, was deemed the most appropriate solution for future meetings. This also allowed for a later review of options if required.

RESOLVED:

- a) The Standards and Governance Committee keeps the situation under review and advises the Authority if it considers that any further procedural changes are required.

That it be a RECOMMENDATION to the Authority:

- b) That it adopts Option 3 (in the report), i.e. that the Authority amends Standing Order 2 to allow for the appointment of substitute Members as set out below:

Where a member of a Committee who is a member of a political Group, is unable to participate in discussion or voting on an item of business at a meeting of that Committee by virtue of holding a disclosable pecuniary interest in that item, the Clerk is authorised to appoint another Member of the same political group as a substitute member of the Committee for consideration of that item, in accordance with a request from the leader of the political group.

10 ANNUAL GOVERNANCE STATEMENT 2012/13

The Committee considered the report of the Chief Officer in relation to the Annual Governance Statement for 2012/13 (Item 10 in the Minute Book).

The Performance Review Manager provided a summary of the Annual Governance Statement summarising the Authority's corporate governance arrangements. The Statement was produced in full consultation with HFRS services. Members noted the inclusion of the required revised terms of reference for all HFRA committees for 2013/14 and the Service's commitment to publish more easily accessible incident-related information to the public via the internet. Attention was also given to the proposed governance improvements.

Members approved the Statement which was then signed by Councillor Royston Smith, the HFRA Chairman.

RESOLVED:

- a) HFRS would make an amendment to Paragraph 6.6 in the Statement for clarification:

From:

The Authority has a low level of detected fraud. During the year it conformed to the National Fraud Initiative (NFI) timetable to submit datasets relevant for the period and received. No issues have been identified to date, and matches are being investigated. The annual Audit Commission's Fraud & Corruption Survey, was completed, and submitted within the required timeframe.

To:

The Authority has a low level of detected fraud. During the year it conformed to the National Fraud Initiative (NFI) timetable to submit datasets relevant for the period, and received matches which are currently under review. No issues have been identified to date. The annual Audit Commission's Fraud & Corruption Survey, was completed, and submitted within the required timeframe.

- b) The Committee approved the Annual Governance Statement 2012/13 for inclusion in the Annual Statement of Accounts for 2012/13.

11 ANNUAL STATEMENT OF ASSURANCE

The Committee considered the report of the Chief Officer in relation to the provision of an Annual Statement of Assurance (Item 11 in the Minute Book).

The Assistant Chief Fire Officer updated Members on the requirement to produce an Annual Statement of Assurance in addition to the Annual Governance Statement. The statement was designed to provide assurance for financial, governance and operational matters (including taking account of the Service's Integrated Risk Management Plan). The Service wished to publish the statement in a way that was accessible on its website via a series of linked documents. It would be published by the end of December 2013 with a further progress update for Members at that time.

The Statement would include a précis to help the reader and it was agreed that the number of website visits would be assessed in due course to see how often the web pages were viewed.

RESOLVED:

- a) The Committee approved the publication of information required in

the Annual Statement of Assurance in an easily accessible form, rather than in one long document.

- b) The Committee requested a report on the progress of the Annual Assurance Statement at its meeting in December 2013.

12 ANNUAL INTERNAL AUDIT OPINION 2012/13

The Committee considered the report of the Treasurer in relation to the Annual Audit Opinion for 2012/13 (Item 12 in the Minute Book).

The Chief Auditor provided an update to Members highlighting the main areas of note within the report and appendix. The Service had been graded as 'Adequate' which was considered to be a good classification and in line with the majority of fire services. The Service had received no issues related to the National Fraud Initiative.

The Chairman thanked Tina Thorne (Chief Auditor) for all her work for the HFRA as this would be her last meeting.

RESOLVED:

The Committee accepted the Chief Internal Auditor's annual report and opinion statement for 2012/13.

13 PROGRESS REPORT ON THE IMPLEMENTATION OF INTERNAL AUDIT MANAGEMENT ACTIONS

The Committee considered the report of the Chief Officer providing a progress update on the implementation of internal audit management actions (Item 13 in the Minute Book).

The Performance Review Manager provided an update on monitoring of audit actions since the last meeting. A few actions outstanding were noted. These included Benefits in Kind (Page 3 of appendix) where the completion date had been extended and was due for further audit work before closure. Contract Standing Orders (Page 1) and the Scheme of Delegation (Page 6) had been extended due to the length of work involved. Delivery of a quality assurance framework for Project Management (Page 10) was still in progress. Updates would be provided at the next meeting.

In relation to insurance arrangements (Page 2) it was confirmed that the Service now had a dedicated Insurance Officer who was making improvements to the systems.

RESOLVED:

The Committee approved the audit action reports and progress made towards the implementation of recommendations.

14 HAMPSHIRE SAFEGUARDING CHILDREN BOARD: OUTCOME OF AUDIT OF HFRS ARRANGEMENTS TO SAFEGUARD AND PROTECT THE WELFARE OF CHILDREN

The Committee considered the report of the Chief Officer in relation to the outcome of the audit of HFRS arrangements to safeguard and protect children (Item 14 in the Minute Book).

The Area Prevention Manager, updated Members on the outcomes of the audit. This was a self assessment and was carried out every two years. Members noted the identified strengths as outlined in the report and areas for development, although these were prescribed at a national level. Assessment of Service activity included a wide range of work under the Fire-setters Intervention Manager and HFRS would be increasing the scope of its work with young people.

Members were asked to note the Action Plan which included a number of external compliance activities. Item 3 of the Plan, in relation to basic criminal records checks, was almost complete.

Members felt it was important that future reviews should include work in relation to vulnerable adults. The Service was supportive of this and would recommend the suggestion as part of their peer review. Members noted the good performance of the Service regarding its safeguarding responsibilities.

RESOLVED:

- a) HFRS would seek clarification from the Clerk regarding borough and district council criminal records checks for councillors in relation to working with children.
- b) The Committee noted the outcomes of the Children's Act 2004 safeguarding audit.
- c) The Committee noted the proposed action to be taken including the improvement to governance.
- d) The Committee referred the report to the Human Resources Committee to agree the actions set out in the appendix in view of the implications for staff and managers.