

## **Hampshire Fire and Rescue Authority**

### **Governance Committee**

### **Performance Review and Scrutiny Committee**

**26 February, 2010**

### **Review of Governance Structure**

### **Report of the Clerk**

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## **1 Summary**

- 1.1 At the Annual Meeting on 24<sup>th</sup> June 2009, it was agreed that the Governance Committee should be asked to review, and make recommendations to the Authority upon, the Authority's current committee structure and decision making arrangements, to ensure that these remain efficient and fit for purpose in addressing future challenges facing the Authority. The purpose of this report is to enable Governance Committee to consider some of the issues that arise in this respect, and to decide how the review should be taken forward.
- 1.2 An early draft of the report has been considered by CMT, and comments made by CMT have been incorporated.

## **2 Recommendation**

- 2.1 That the Committee invites each of the Authority's committees to consider their own future role, in the light of the issues raised in the report and any additional considerations highlighted by Governance Committee. Responses are to be reported back to the Governance Committee on 24 March 2010, so that Governance Committee can make recommendations for future governance structure to the Authority for adoption at the Annual Meeting in June 2010.

## **3 Introduction**

- 3.1 The approach taken in the report is to consider the current terms of reference of each of the Authority's five standing committees, and CMT. The terms of reference are attached as an appendix.

## **4 Terms of Reference – Finance & General Purposes Committee**

- 4.1 There is a perception that the business of meetings of this Committee tend to focus on the "finance" side of its terms of reference – the revenue budget, capital programme and financial impact of service development strategies – at the expense of the "general purposes" part of its remit. This currently includes considering and determining the vehicle replacement programme and other major capital schemes, and the oversight of asset management.

- 4.2 Consideration could therefore be given to what other areas of the business might be the subject of the Committee's attention on a more regular basis. This could include oversight of the fifth priority in the Service Plan 2009 -12, which concerns the management of resources in a way that achieves efficiency savings of £1.5m per year.
- 4.3 The Committee's remit could also include oversight of the fourth priority in the Service Plan, concerning environmental management and reduction of carbon footprint. If not, consideration should be given to where else within the committee structure members should have oversight of this area.
- 4.4 The terms of reference currently refer to the Committee approving the accounts. Thought should be given to this being one of those matters that requires explicit approval of the full Authority.

## **5 Terms of Reference – Performance Review and Scrutiny Committee**

- 5.1 There have been a number of developments in local authority scrutiny in recent years. The following should be considered therefore, in determining the Authority's future arrangements for scrutiny:
- 5.1.1 Under changes introduced by the Local Government and Public Involvement in Health Act 2007, the overview and scrutiny committees of Hampshire County Council, Portsmouth City Council and Southampton City Council may scrutinise, report and make recommendations to, any partner authority (e.g. HFRA) in relation to a local improvement target specified in the relevant local area agreement. The partner authority is then under a duty to have regard to the report and recommendations in exercising its functions.
- 5.1.2 The CLG consultation paper "Strengthening Local Democracy" published on 21 July 2009, has proposed a further increase in scrutiny powers to include all services within a council's area that are provided from public funds e.g. utility companies. Specific reference is made to a power to scrutinise the integrated risk management plans of fire and rescue authorities "to make sure their plans fully reflect the right balance of protection, prevention and response for different communities; and to examine performance of individual fire and rescue authorities against their published equality and diversity plans".
- 5.1.3 From 2009 the Comprehensive Area Assessment replaces the previous inspection regime. The new arrangements are designed to examine how well public bodies are working together locally to meet the needs of the people they serve.
- 5.2 Having regard to the above, it is suggested that consideration is given to:
- 5.2.1 How the Authority will ensure that its own scrutiny arrangements are sufficiently robust to protect it from exposure to any criticism from the overview and scrutiny committees of partner authorities, and
- 5.2.2 Shifting the emphasis from pre- and post-implementation scrutiny of the Authority's own decisions and projects, to embrace scrutiny of how effectively it is engaging with neighbouring public services to achieve better outcomes for local people.
- 5.3 The Committee's remit includes a programme of efficiency reviews, to effect continuous improvement in service delivery, having regard to economy, efficiency and

effectiveness. This role is likely to take on ever-increasing importance in the harsh financial climate anticipated over the next few years. Consideration could be given to the role that the Committee will play in giving member oversight to relevant major initiatives contained in the Service Plan, such as the development of risk-based response standards, and efficient and flexible crewing. The Chief Fire Officer comments that this might be advantageous as many of the major efficiency issues will come from Service Delivery, who often report to this Committee. He suggests that this accords well with their scrutiny of service provision.

- 5.4 This Committee's terms of reference may be one possible place to accommodate oversight of the development of regional working with partner authorities to achieve service improvements (another Service Plan objective). This is an area that has grown in importance in recent years and it is suggested this now merits specific reference within the decision making structure. Activity might include periodic reports back from the Regional Management Board. Currently such reports are provided to the full Authority and the Chief Fire Officer is keen for this to continue. As an alternative, therefore, this area could be included in the matters reserved to full Authority (see Para 9.1 below).

## **6 Terms of Reference – Human Resources Committee**

- 6.1 We may wish to consider a more explicit link here to monitoring of the Service Plan action to encourage greater representation for women and ethnic minorities in the Service.
- 6.2 Current terms of reference include the approval of training and development policies. The current Service Plan target on development of core skills of firefighters, refers to a review being undertaken of the effectiveness of current training methods, with recommendations being brought forward. Consideration can be given to the role that the Committee would wish to play in that review process, and whether this should be a more active one beyond merely approving the resultant recommendations.

## **7 Terms of Reference – Standards Committee**

- 7.1 These terms of reference are largely prescribed duties under legislation and no modification is suggested.

## **8 Terms of Reference – Governance Committee**

- 8.1 Some confusion has arisen in practice between the responsibilities of Governance Committee, and some aspects of Performance Review and Scrutiny Committee. The opportunity should be taken to clarify the respective roles.
- 8.2 The calendar of meetings should be reviewed to ensure it facilitates achievement of financial reporting deadlines, particularly around the finalisation of the annual accounts.
- 8.3 As with Finance & General Purposes Committee (see Para 4.4 above), the reference to approval of the accounts should be revisited. Thought should be given to this being one of those matters that requires explicit approval of the full Authority.
- 8.4 Responsibility for review of the Risk Register and Integrated Risk Management Plan currently rests with the Corporate Management Team. This is not a decision making body and has no delegated powers. Further, meetings, agenda papers and minutes

are not in the public domain. Consideration should be given to future allocation of these responsibilities within the governance structure, and whether this sits appropriately alongside the audit responsibilities of the Governance Committee (attention to this is particularly relevant given the CLG proposals referred to at Para 5.1.2 above). In addition to formal reporting in this way, the opportunity could be retained for leading members to discuss the corporate risk and direction which flow from these documents, via CMT. This is seen as important as a means of developing members' understanding of risk issues and their engagement.

## **9 Matters for the Full Authority**

9.1 Members may wish to record in the Authority's governance framework that there are certain matters of such a strategic and/or fundamental nature that these should not be delegated to a committee, but reserved to the full Authority. Examples might include:

- 9.1.1 Determining policy and strategy
- 9.1.2 Setting objectives and priorities through annual approval of the Service Plan
- 9.1.3 Approval of the budget
- 9.1.4 Setting of the precept
- 9.1.5 Approval of the accounts
- 9.1.6 Ensuring that the Authority fulfils its statutory responsibilities
- 9.1.7 Reports back from Regional Management Board

## **10 Scheme of Delegation**

10.1 This was last reviewed in 2004 and good practice would suggest that this be reviewed once again, to ensure it remains fit for purpose. There are some minor areas of potential overlap between roles and these can be clarified.

## **11 Corporate Management Team**

11.1 The current terms of reference of CMT recite the background to it being established, and refer to a review by Governance Committee in 2005. It was resolved that CMT was not a formal decision making body, but should remain as a non-executive informal joint (cross party) member/officer working group comprising senior members of the Authority and principal officers of the Service.

11.2 Consideration can be given to future remit, direction and title in the light of any wider changes to committee responsibilities.

11.3 In giving consideration to an earlier version of this paper, members of CMT made a number of observations. Some members felt that the decision making structure should be updated to reflect the points made above, but that beyond this, there was little need for further change. Another view was that the proposals did not go far enough, and that more searching questions should be asked e.g. whether the Authority needed to have the same number of committees, whether committees should meet at different times. There was a view that videoconferencing should be explored. Another view was that true member engagement in the business of the Authority was more important than the number of committees.

## **12 Contribution to Corporate Aims and Objectives**

12.1 A fundamental aim of the Review is to ensure explicit provision is made for effective member involvement in strategic planning and scrutiny of performance, in relation to

Service Plan priorities and the securing of better outcomes for local people.

### **13 Risk Analysis**

13.1 The undertaking of the Review is not expected to give rise to any undue risks to the Authority. The timescale for completion is regarded as realistic and achievable.

### **14 Resource Implications**

14.1 As inputting to the Review by members is proposed to be via consideration at scheduled meetings of the Authority's committees, this will not give rise to any additional meeting requirements. The process of drawing together comments and the preparation of a summary report for Governance Committee and recommendations to full Authority, will be undertaken within the role of the Clerk.

### **15 Human Resources Implications**

15.1 None

### **16 Physical and ICT Resources Implications**

16.1 Any changes to governance structure will be updated on the Authority's website in due course.

### **17 Financial Implications**

17.1 None

### **18 People Impact Assessment**

18.1 The proposals are compatible with equalities requirements.

### **19 Conclusion**

19.1 The above comments suggest a need for some minor refinements to the structure, (1) to reflect changes in legislation and practice, and (2) to ensure explicit provision is made for effective member involvement in strategic planning and scrutiny of performance, in relation to Service Plan priorities and the securing of better outcomes for local people.

19.2 It is recommended that the Committee invites each of the Authority's committees to consider their own future role, in the light of the issues raised in the report and any additional considerations highlighted by Governance Committee. Responses can be reported back to the Governance Committee at its next meeting on 24 March 2010, so that Governance Committee can make recommendations for future governance structure to the Authority for adoption at the Annual Meeting in June 2010.

## **Section 100D – Local Government Act 1972 – background papers**

The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

N.B. The list excludes:

## Published Works

Documents that disclose exempt or confidential information as defined in the Act.

TITLE	FILE
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None	
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## **Hampshire Fire and Rescue Authority Committees – Terms of Reference**

### **Finance and General Purposes Committee**

To make recommendations to the Authority as to its revenue budget and capital programme.

- To consider and determine the annual programme for the replacement of vehicles and other major capital schemes.
- To consider and advise the Authority on the financial effects of significant development strategies, plans, major acquisitions, contracts etc.
- To receive, consider and approve the Authority's final accounts (normally at a June meeting). (This amendment was adopted at the HFRA meeting on 4 June 2008).
- To oversee the use of land and property and other significant resources (eg information technology, communications, vehicles).
- To deal with any other urgent business that cannot reasonably be held over to the next full meeting of the Authority or else dealt with under the Scheme of Delegation of Standing Orders.
- To deal with such other matters of financial significance that the Authority may refer to it.

### **Performance Review and Scrutiny Committee**

#### **Introduction**

**The Performance Review and Scrutiny Committee (PRSC) was set up in September 2001 (originally known as Performance Review Committee (PRC)) to monitor and direct performance management and review at corporate level. The PRSC receive their reports from the Performance Review Team based at Service Headquarters.**

#### **Aims of the committee**

##### **Efficiency reviews**

- To oversee and co-ordinate the preparations of the Authority for achieving best value and compliance with relevant legislative requirements.
- To participate in, determine and undertake a programme of efficiency reviews with a view to effecting continuous improvements in the way services are delivered, having regard to a combination of economy, efficiency and effectiveness.
- To appoint member(s) to individual efficiency reviews.
- To consider reports on the outcome of reviews and the relevant recommendations and to monitor their implementation on a regular basis.
- To recommend specific actions to secure best value for the Authority's services.
- To receive reports and information from officers, members, organisations and individuals as required by the Committee to further its work, and to interview members, officers, staff and comparable organisations as appropriate.
- To monitor and review policy, decisions and the service delivery issues referred by the Authority.
- To identify and make recommendations on any cross-cutting issues in order to optimise the use of resources and improve service delivery.

## **Scrutiny**

**To carry out joint member/officer pre and post-implementation scrutiny of any major project, scheme, or key decision taken by the Authority or its standing committees.\***

### **Improvement planning**

**To receive updated reports detailing progress in the Improvement Planning Register.\***

## **Human Resources Committee**

**To advise the Authority on all matters of personnel policy in order to ensure the effective utilisation and development of the staff of the Hampshire Fire and Rescue Service.**

**To exercise the powers and duties except where otherwise stated (eg in the Scheme of Delegation) in the following matters:**

### **Establishment, Staffing Levels and Structures**

**Subject to consultation with other bodies as required by statute, to consider and advise the Authority on overall staffing needs and organisational structures, including:**

- the overall allocation of staff to meet specific current or temporary needs;
- variation in grades, remuneration and conditions of service for individual or groups of posts in the establishment;
- periodic reviews of staffing levels and gradings.

**When considering these issues, the Committee will have particular regard to the financial implications of any approvals or recommendations made.**

### **Pay and Conditions of Service**

**To receive reports on nationally negotiated variations to salary levels and conditions of service for all categories of staff and advise the authority of their implications.**

**To consider, determine or advise on local variations in pay and conditions of service.**

**To monitor the application of the Local Pension Scheme and Firemans' Pension Scheme.**

**To monitor all retirements and dismissals made on medical grounds.**

### **Employee Policies**

**To ensure the introduction and continued application of good employee relations, procedures and practices.**

**To ensure compliance with the provisions of all employment protection and related legislation.**

**To act as the Authority's appeal body for all categories of employees and to appoint appeals panels comprising members of the Committee or the Authority as appropriate. (This to include hearing of appeals relating to: individual dismissals and grievances; and collective disputes).**

**To ensure that good recruitment and selection practices are adopted for all HFRS employees.**

**To be responsible for the appointment of Chief and Deputy Chief Fire Officers posts.**

**To approve training and development policies.**

**To promote and monitor the Authority's equal opportunities and health, safety and welfare policies.**

## **Standards Committee**

- To advise the Hampshire Fire and Rescue Authority on the adoption or revision of a Code of Conduct for both members and officers.
- To monitor the operation of the Authority's Code of Conduct.
- To advise, train or arrange to train members of the Authority on matters relating to the Authority's Code of Conduct and standards of conduct generally.
- To grant dispensation to Members of the Authority from certain specified requirements relating to interest to be set out in the Code of Conduct.
- To establish sub-committees to take such action as is necessary to assess, review, investigate, determine and impose appropriate sanctions in respect of any written allegation that a member has failed to comply with the Authority's Code of Conduct. (This amendment was adopted at the HFRA meeting on 17 September 2008).
- To consider and deal with any reports from the Clerk on any matters relating to the conduct of members and officers of the Authority.
- To promote high standards of conduct in the Authority.

## **Governance Committee**

**On 26 May 2004, the Authority felt that a new separate Committee should be established for corporate governance rather than to add this role to the existing responsibilities of the Standards Committee.**

**The Clerk was asked to prepare a report on the proposed establishment of this new committee. It was recommended that the new Committee be named the 'Governance Committee' and that its terms of reference be as set out in the previous 26 May, 2004 report; that is:**

- To adopt, review and amend the corporate governance framework for the Hampshire Fire and Rescue Authority.
- To receive and consider reports from the Treasurer on internal audit strategy, planning and delivery.
- To consider and approve the Statement of Accounts at its June meeting.\*
- To receive and consider progress reports on actions taken to satisfy outcomes and recommendations from external and internal audit reports.\*
- **This amendment was adopted at the HFRA meeting on 4 June 2008.**

## **Corporate Management Team**

**The Corporate Management Team (CMT) is not a formal or standing committee of the Authority and has no formal decision-making powers unless these are specifically delegated to CMT by a meeting of the full Authority or one of its standing committees - and this is likely to be on a single issue within clearly defined boundaries.**

**CMT evolved from the need to establish an informal, cross-party, working group to assist officers in developing a strategy to deal with a particularly complicated and urgent issue. At about the same time, the requirement to make rapid progress in developing the Authority's Integrated Risk Management Plan (IRMP) occurred. The Authority took the view that it made sense to use this same joint member / officer group to produce a first draft of the IRMP for consideration by the whole Authority.**

**Subsequently, the useful role CMT could play in giving initial consideration to strategic and emerging issues became increasingly recognised. For example, during the preparation of the Draft Budget for 2005/06, the Authority gave specific delegated powers to CMT to determine (subject to a maximum increase of 2.5%), "the actual [increase in council tax] figure for consultation purposes". The final determination of the council tax and budget was, however, left to the discretion of the full Authority.**

**While CMT meetings continue to provide a means to increase cross-party member representation and engagement at very early stages in policy formulation, it would also be reasonable to regard CMT as providing a valuable sounding board and consultation forum in which officers and members can share initial views or reactions with each other on new strategic proposals and initiatives.**

**CMT has continued to work on behalf of the Authority on such matters as: the development and ongoing review of the Authority's Strategic Risk Management Policy and Strategic Risk Register; and the review and monitoring of our Integrated Risk Management Plan (IRMP)**

**It is worth recording that during our Comprehensive Performance Assessment (CPA) (carried out on site in February 2005) the assessment team seemed impressed by the role CMT was providing. During the on-site oral feedback the team implied that, in its view, CMT was a unique and positive way of increasing member engagement. This was confirmed in the team's final report:**

**"The fire authority has an effective process for governance and scrutiny - five standing committees are in place: Finance and General Purposes, Human Resources, Performance Review, Governance, and Standards. Member involvement has also been achieved through the formation of a joint (cross-party) member and officer Corporate Management Team."**

**The role of CMT was considered by the Authority's Governance Committee (at its meeting on 26 July 2005) and resolved, inter alia, that in acknowledging that the CMT, is not a formal decision making body of the Authority, it should remain as a non-executive, informal, joint (cross party) member/officer working group comprising senior members of the Authority and the principal officers of the Service.**

**The Corporate Management Team comprises leading Fire Authority members and HFRS officers and meets approximately every six weeks.**