

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
 Telephone 01482 565333

To: Members of the Fire Authority	Enquiries to: Gareth Naidoo Email: committeemanager@humbersidefire.go.uk Tel. Direct: (01482) 393206 Date: 4 March 2021
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Dear Member

I hereby give you notice that in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, a **REMOTE MEETING** of **HUMBERSIDE FIRE AUTHORITY** will be held on **FRIDAY, 12 MARCH 2021 at 10.30AM.**

To access this remote meeting please visit <<https://zoom.us/join>> and then enter:

Meeting ID: 937 2323 8450

Passcode: 423676

Or telephone 0208 080 6592 and use the above Meeting ID and Passcode

The business to be transacted is set out below.

Yours sincerely



Mathew Buckley
Monitoring Officer & Secretary to Fire Authority

Enc.

A G E N D A

Business	Page Number	Lead	Primary Action Requested
1. Apologies for absence	-	Monitoring Officer/ Secretary	To record
2. Declarations of Interest (Members and Officers)	-	Monitoring Officer/ Secretary	To declare and withdraw if pecuniary
3. Minutes of meeting of the Authority held on 12 February 2021	(pages 1 - 17)	Chairperson	To approve
4. Questions by Members	-	Monitoring Officer/ Secretary	To receive
5. Petitions and Deputations	-	Monitoring Officer/ Secretary	To receive
6. Communications	-	Chairperson and Monitoring Officer/ Secretary	To receive

Business	Page Number	Lead	Primary Action Requested
7. Draft Minutes of Governance, Audit and Scrutiny Committee - 22 February 2021	(pages 18 - 20)	Chairperson of Committee	To receive
8. Composition of Humberside Fire Authority - Update	Verbal	Monitoring Officer/ Secretary	To approve
9. Treasury Management and Capital Expenditure Prudential Indicators, Treasury Management Policy Statement 2021/22 and Minimum Revenue Provision (MRP) for 2021/22	(pages 21 - 61)	Executive Director of Corporate Services/ S.151 Officer	To receive
10. Internal Audit Plan 2021/22	(pages 62 - 73)	TIAA	To approve
11. External Audit - Audit Strategy Memorandum 2021/22	(pages 74 - 105)	Mazars	To receive
12. Service Performance and Risk - Quarter 3 Report (October - December 2020)	(pages 106 - 116)	Director of Service Improvement	To receive
13. Operational Assurance - Quarter 3 Report (October - December 2020)	(pages 117 - 129)	Director of Service Improvement	To receive
14. Health, Safety & Environmental Report - Quarter 3 (October - December 2020)	(pages 130 - 141)	Director of Service Improvement	To receive
15. Absence Management - Quarter 3 Report (October - December 2020)	(pages 142 - 147)	Director of People and Development	To receive
16. Pay Policy Statement 2021-22	(pages 148 - 154)	Director of People and Development	To approve
17. Customer Service Excellence Standard 2021	(pages 154 - 171)	Director of Service Improvement	To receive
18. Business Planning/ Reporting Framework 2021/22	(pages 172 - 177)	Director of Service Improvement	To approve
19. HFA Shortlist of Scrutiny Topics for GAS Committee Consideration	(pages 178 - 181)	Director of Service Improvement	To approve
20. Reasonable Worst Case Planning Scenarios & Incident Command Review (2020)	(pages 182 - 222)	Director of Service Delivery	To receive
21. Strategic Leadership Team Structure	(pages 223 - 230)	Chief Fire Officer/ Chief Executive	To receive
22. Remote Meeting Contingency Planning	(pages 231 - 233)	Monitoring Officer/ Secretary	To approve
23. HMICFRS Update	Verbal	Director of Service Improvement	To receive
24. COVID-19 Update	Verbal	Chief Fire Officer/ Chief Executive	To receive

Humberside Fire Authority (the "Authority") uses third-party video conferencing platforms in order to facilitate remote meetings, seminars and webinars. The Authority uses a variety of platforms including Zoom and Microsoft Teams. These products are external, third-party platforms and, as such, security cannot be assured. The Authority does not directly host these platforms nor does it exercise control over their infrastructure or privacy protocols. It is the responsibility of the participant to be aware of the risks involved in using these, or similar platforms, and to satisfy themselves that the security of any platform they elect to use is sufficient for their needs. Each participant should read the relevant privacy policy of the platform provider and should exercise adequate caution, including using appropriate anti-virus/malware/spyware software and device encryption.

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HUMBERSIDE FIRE AUTHORITY

12 FEBRUARY 2021

PRESENT:

Members

Representing East Riding of Yorkshire Council:

Councillors Chadwick, Davison, Dennis, Fox, Green, Jefferson, Smith and West

Representing Hull City Council:

Councillors Chambers, Dad, McMurray, Nicola and Randall

Representing North East Lincolnshire Council:

Councillors Barfield, James and Shepherd

Representing North Lincolnshire Council:

Councillors Briggs (*Chairperson*) and Sherwood

Officers of Humberside Fire & Rescue Service

Chris Blacksell - Chief Fire Officer & Chief Executive, Phil Shillito - Deputy Chief Fire Officer/Executive Director Service Delivery, Kevin Wilson - Executive Director of Corporate Services/Section 151 Officer, Jason Kirby - Temporary Director of People and Development, Paul McCourt - Director of Service Delivery, Steve Topham - Director of Service Delivery Support, Niall McKiniry - Director of Service Improvement, Mathew Buckley - Monitoring Officer/Secretary and Gareth Naidoo - Committee Manager

Also in attendance:

Independent Co-opted Members of the Governance, Audit and Scrutiny Committee

Martyn Allingham, Doug Chapman (presented Minute 7/21) and Andrew Smith were in attendance as observers.

External Auditor

Gavin Barker - Director - Public Services (Mazars) (presented Minutes 9/21 and 10/21)

The meeting was held remotely via video conference (Zoom).

TRIBUTE TO FORMER COUNCILLORS - The Authority paid tribute to former Councillors Peter Turner and Frank Kitchen, former Members of the Fire Authority, who had recently passed away.

1/21 APOLOGIES FOR ABSENCE - Apologies for absence were submitted from Councillors Grant, Singh, Swinburn and Waltham MBE, and Keith Hunter - Police and Crime Commissioner for Humberside Police.

2/21 DECLARATIONS OF INTEREST - No declarations were made.

3/21 MINUTES - Resolved - That the minutes of the meeting of the Authority held on 7 December 2020 be received as a correct record.

4/21 QUESTIONS BY MEMBERS - There were no questions.

5/21 PETITIONS AND DEPUTATIONS - No petitions or requests for a deputation had been received under Rule 13, Part 4 of the Constitution.

6/21 COMMUNICATIONS - The following communication was reported:

- (i) **HFRS Solutions CIC Report** - The Chair had received a report from HFRS Solutions CIC which he would share with Members of the Authority for information.

7/21 DRAFT MINUTES OF GOVERNANCE, AUDIT AND SCRUTINY (GAS) COMMITTEE - 25 JANUARY 2021 - Doug Chapman, Chairperson of the Governance, Audit and Scrutiny Committee, presented the draft minutes of the meeting of the Committee held on 25 January 2021.

Resolved - That the draft minutes of the Governance, Audit and Scrutiny (GAS) Committee held on 25 January 2021 be received, subject to the Deputy Chief Fire Officer being marked as present.

8/21 DRAFT MINUTES OF PENSION BOARD - 1 FEBRUARY 2021 - Councillor Shepherd, Chairperson of the Pension Board, presented the draft minutes of the Pension Board meeting of 1 February 2021.

Resolved - That the draft minutes of the Pension Board held on 1 February 2021 be received.

9/21 EXTERNAL AUDIT - ANNUAL AUDIT LETTER - YEAR ENDING 31 MARCH 2020 - External Audit (Mazars) submitted its Annual Audit Letter that summarised the work undertaken as the auditor for Humberside Fire Authority (the Authority) for the year ended 31 March 2020.

Audit of the financial statements - Unqualified opinion

The auditor's report issued on 27 November 2020 included the opinion that the financial statements:

- gave a true and fair view of the Authority's financial position as at 31 March 2020 and of its expenditure and income for the year then ended; and
- had been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20

Other information published alongside the audited financial statements

The auditor's report included our opinion that the other information in the Statement of Accounts was consistent with the audited financial statements.

Value for money conclusion - Unqualified opinion

The auditor's report concluded its satisfaction that in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Other Reporting Responsibilities

Exercise of statutory reporting powers	No matters to report
Completion of group audit reporting requirements	Below Testing Threshold
Other information published alongside the audited financial statements	Consistent

Resolved - That the Annual Audit Letter (Year Ended 31 March 2020) be received.

10/21 EXTERNAL AUDIT - AUDIT PROGRESS REPORT - JANUARY 2021 - External Audit (Mazars) submitted an update on the progress in delivering its responsibilities as the external auditors.

Mazars completed its external audit of the Authority's 2019/20 financial statements and value for money conclusion in November 2020, signing the audit report on 27 November 2020. A follow up letter to the Audit Completion Report was submitted to an extraordinary meeting of the Fire Authority on 27 November 2020.

Having presented the Annual Audit Letter as a separate agenda item under Minute 9/21 of this meeting Mazars had now commenced its audit planning for the 2020/21 audit and would present the Audit Strategy Memorandum to the Fire Authority on 12 March 2021. Regular discussions had been held with the Authority's Executive Director of Corporate Services/S.151 Officer which had helped the auditors keep up to date with emerging issues that might impact on the external audit.

The changes to the reporting requirements means that from 2020/21 external audit would no longer include a value for money conclusion in the Financial Statements Audit Report. Mazars would report its commentary on the Authority's arrangements to deliver value for money in a new Auditor's Annual Report (which replaced the Annual Audit Letter). The National Audit Office (NAO) Code required that where auditors identified weaknesses in the Authority's arrangements they should report recommendations to the Authority promptly through the year.

In carrying out its work Mazars would comply with the NAO's guidance on value for money work, which identified that the work must have regard to the following specific criteria:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

As a result of the Redmond Review, the audit completion date for future years would now move to end of September.

Resolved - That the report be received.

11/21 MANAGEMENT ACCOUNTS - PERIOD ENDING 31 DECEMBER 2020 - The Executive Director of Corporate Services/S.151 Officer submitted a report that highlighted the current financial position based on information to 31 December 2020.

The summary estimated outturn position for the current financial year based on information to 31 December 2020 was as follows:

CATEGORY	2020/21 OUTTURN PROJECTION
HFA	
Revenue Budget	£309k underspend
Capital Programme	£3.423m expenditure against the £6.718m allocation
Pensions Account	£11.198m deficit

In arriving at the estimated outturn position for the revenue budget (an underspend of £309k) some important provisions had been made for revenue projects that would require funding to be carried forward into 2021/22. Specifically these were:

- £150k to meet the costs of the Uniform Replacement Project which would now be delivered in 2021/22;
- £400k to partially meet the Authority's likely contribution to the infrastructure replacement costs in 2021/22 for the East Coast and Hertfordshire Control Room Consortium (EHCRC) partnership;
- £100k of the grant funding issued by the Home Office to be carried forward to meet costs associated with the Grenfell Project and Protection initiatives.

This was the third set of Management Accounts for the 2020/21 financial year and the final update for the year would be brought to the Authority based on the period ending 28/2/21.

Further details on all of areas were available electronically alongside the agenda papers on the [Fire Authority's website](#).

Resolved - That the report be received.

12/21 2021/22 PRECEPT AND MEDIUM-TERM FINANCIAL PLAN 2021/22 TO 2024/25 - The Executive Director of Corporate Services/S.151 Officer submitted a report that proposed the setting of the precept for 2021/22 and the Authority's Budget for 2021/22 onwards.

The report had been prepared in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 Sections 72 to 79 and the Local Government Finance Act 2012 to allow the Authority to approve:

- The Council Tax Requirement for 2021/22;
- The Council Tax Base figure for 2021/22; and
- The basic amount of Council Tax for 2021/22.

The decision on the 2021/22 precept for Humberside Fire Authority has to be taken in the light of a number of significant factors:

- The Government had set a referendum threshold for 2021/22 of 2 per cent for Humberside Fire Authority. Therefore, any increase at or above this level would require a Humberside area-wide referendum in support. Clearly, there would be a significant cost attached to any such referendum.
- The Authority had frozen its precept in each of the years 2011/12, 2012/13, 2013/14, 2014/15 and 2015/16 and only increased it by 1.25 per cent in 2016/17, 1.6 per cent in 2017/18, 2.95 per cent in 2018/19 and 2019/20 and 1.99 per cent in 2020/21.
- The Authority had suffered a historic reduction in Government support over 2011/12 to 2020/21. Much had been done to respond to this, but the fact remained that the Authority had lost circa £11m of its funding from Government over this period. Future funding settlements beyond 2021/22 were likely to be very constrained for unprotected services such as Fire and Rescue.
- Concerns in the medium-term over council tax income and business rates income due to the COVID-19 pandemic meant that sustaining as much as possible the Authority's local income source through council tax precept was vitally important.

The Authority ran a public consultation for the 2021/22 council tax precept (an analysis of the responses was set out at Appendix E of the report). For 2021/22 options of 0 per cent and a 1.99

per cent increase were put forward. The Service had generated an excellent level of engagement on the issue and the responses in summary were as follows:

Options	Increase at 1.99%	No increase, i.e. 0%	Total
Number of responses	1,968	604	2,572
Percentage	76.5%	23.5%	100%

In broad terms the budget for 2020/21 to 2023/24 was balanced subject to:

- council tax increases of 1.99% in 2021/22 and 1.99% in 2022/23, 2023/24 and 2024/25;
- Pay awards of 2% each year of the plan from 2022/23 onwards.

High level objectives for delivering the Service's Medium-Term Financial Plan had been set as part of the current Strategic Plan 2018-21. The narrative outlined at Appendix G of the report set out in more detail the outcomes that were anticipated for each of the objectives that had been agreed for the sound running of the Service's finances.

The Authority's reserves consisted of the General Reserve (£5.758m at 1 April 2020) and a number of Earmarked Reserves created to meet specific areas of future expenditure (£5.173m at 1 April 2020).

The Authority's budget was now in a sound position with efficiencies of circa £11m over 2011 to 2019 as a response to the reductions in grant funding from Government. This had been achieved whilst simultaneously maintaining a high standard of service to the community and in particular the Authority's high response standards.

Proposed by Councillor Smith and seconded by Councillor Sherwood, and

Resolved - (a) That the 2021/22 precept be approved at a 1.99 per cent level higher than the 2020/21 level, and

(b) that Appendices A (Revenue Budget), B (Capital Programme), C (Reserves) and D (Precept), as attached at Appendix 1 of these minutes, be approved.

Voting was by way of recorded vote

For: Councillors Barfield, Briggs, Chadwick, Chambers, Dad, Davison, Dennis, Fox, Green, James, Jefferson, McMurray, Nicola, Randall, Shepherd, Sherwood, Smith and West

Against: None

Abstain: None

For: 18

Against: 0

Abstain: 0

13/21 FEES AND CHARGES 2021/22 - The Executive Director of Corporate Services/S.151 Officer and Chief Fire Officer/ Executive Director Service Delivery submitted a report that set out the proposed revised charges for 2021/22.

In accordance with relevant Fire Service Acts, Fire Authorities had the discretion to charge for special services performed (where there was no immediate threat of fire) and for services relating to training, fire safety and administration. The total income for the Fire Authority generated through these sources was circa £15k in 2019/20.

The revised charges proposed at Appendix A of the report reflected the following:

- Staff related costs - charges were normally uplifted in line with the firefighters' pay award. Given that the firefighters' pay award for 2020 was 2 per cent it was proposed that the charge is increased by 2 per cent.
- Non staff related costs - Charges uplifted in line with the Consumer Price Index (CPI) at September 2020 which was 0.5 per cent.

Fire Service Circular 17/2001 advised Fire Authorities on the charges they might levy when dealing with cases of pension sharing involving serving members of the Firefighters' Pension Scheme or pensioners. The charges for 2021/22 (as set out at Appendix B) would be increased in line with the local government pay award for 2020/21 of 2.75 per cent.

Resolved - That the revised charges as set out at Appendices A and B of the report be approved with effect from 1 April 2021.

14/21 MEMBERS' ALLOWANCES 2021/22 - The Executive Director of Corporate Services/ S.151 Officer and Monitoring Officer/ Secretary submitted a report that proposed a Members' Allowances Scheme for 2020/21.

The Local Authorities (Members' Allowances) (England) Regulations 2003 made provision for Combined Fire Authorities to establish Member Allowances Schemes from May 2003. The Authority had frozen the basic and special responsibility allowances for Members since 2008/09.

Recognising that Members of the Joint Independent Audit Committee (JIAC) for Humberside Police and the Office of the Police and Crime Commissioner for Humberside were paid an attendance allowance based on the rates set by the Home Office for attendance at Appeals Tribunals, the Authority had agreed that the Independent Co-opted Members of the Governance, Audit and Scrutiny (GAS) Committee were paid on a similar basis and that they received an annual allowance (paid monthly rather than an as attendance allowance) calculated on the same basis as that adopted for the JIAC.

Appendix 1 of the report set out the current Members' Allowances Scheme, as of 1 April 2020. The Authority was asked to consider and approve a Members' Allowances Scheme for 2021/22, a proposal of which is set out at Appendix 2 of the report. The Authority was required to have regard to the recommendations made by any Independent Remuneration Panels in relation to any Authority that had an Independent Remuneration Panel that nominated Members to the Fire Authority. The Members' Allowances Schedule for the four Unitary Authorities in Humberside were available for viewing on the respective Unitary Authorities' websites.

Proposed by Councillor Briggs and seconded by Councillor Green, and

Resolved - (a) That the basic and special responsibility allowances for Members continues to be frozen, and

(b) that the Members' Allowances Scheme for 2021/22 (as set out at Appendix 2 of the report) be approved.

Councillor Nicola wished it to be recorded that she voted against the resolution.

15/21 GENDER PAY GAP 2020/21 - The Temporary Director of People and Development submitted a report detailing the gender pay gap reporting information and supportive narrative for HFRS to meet its legislative obligations for this year's Gender Pay Gap reporting process.

Gender pay reporting legislation required employers with 250 or more employees to publish on their public-facing websites and report to the Government gender pay gap data annually. The

deadline for publication was 30 March 2021 for Public Sector Organisations (for data as of 31 March 2020).

The gender pay gap was a measure of the difference between the average earnings of men and women (irrespective of seniority). Equal pay was a legal obligation as an employer to give men and women equal pay for equal work. An organisation could have a gender pay gap without breaching equal pay provisions

The Service's gender pay gap was not as a result of equal pay issues. The Service had a gender-neutral approach to pay across all levels of the organisation. For firefighter and Control roles, terms and conditions were nationally negotiated, using role maps resulting in nationally agreed pay scales. Support roles were determined locally for pay and terms and conditions using an accredited job evaluation scheme, based on the Local Government Scheme.

The table below detail the Service's gender profile. The information provided in the gender profile table accounted for any employee in paid full remuneration as at 31 March 2020.

Work Group	Number of Staff 2020	%
Control	34	
Women	27	79%
Men	7	21%
Support Staff	230	
Women	140	61%
Men	90	39%
Operational Staff	799	
Women	50	6%
Men	749	94%
Totals	1063	
Women	217	20%
Men	846	80%

The gender profile demonstrated that there was a significantly higher proportion of men overall employed in the Service. There was a far larger volume of Operational roles within the Service and those roles were more commonly occupied by men. Women made up the larger proportion of staff in Support and Control roles.

The Gender Pay Gap 2020 in terms of mean hourly pay (measure 6a) was as follows:

	Women	Men	Gender Pay Gap
The mean hourly rate	£13.24	£15.28	13.34%

The Service's gender pay gap data over the past four years showed that there were no quick and easy fixes when it came to closing the pay gap. There were many societal reasons why more men than women tended to occupy the highest paid roles, and closing the gender pay gap for good required a meaningful shift in cultural norms more widely.

The Service had continued to work hard to address factors of attraction, recruitment and progression for women - this had been particularly challenging within a global pandemic. The Service continued to support and play a lead role within the Regional FRS Women's Mentor Programme and the Service had led on the design and implementation of the ongoing regional mentor CPD events.

The impact of COVID-19 meant that the Women in the Fire Service Training weekend was cancelled which had impacted on the Service's ability to promote this as an active way to engage with more women. There was, however, a sustained and growing active Women's Development

Network Forum and the Service's approach to Equality, Diversity and Inclusion had been refreshed which had led to emerging staff forums for Age, LGBT and Disability, with good representation from women in all areas.

The following actions were proposed for 2021:

- To continue with growing, developing and supporting Women in the Fire Service.
- To review the "Be Our Future" Campaign and ensure all Service areas undertake appropriate positive action, in a COVID secure manner, prior to and during recruitment.
- To seek and implement data reporting solutions so that the Service can comply with potential future legislative requirements such as Ethnicity and Disability pay gap reporting.

Discussion ensued on the job evaluation scheme process and support provided to women on maternity leave to ensure they were not disadvantaged with career progression and training.

The Authority acknowledged the positive direction of travel in tackling the Gender Pay Gap subject.

Resolved - (a) That the data sets be submitted to the Government Gender Pay Gap Portal, and

(b) that the easy read version of the Gender Pay Gap Report 2020/21 (as attached at Appendix A of the report) be published on the Authority's website.

16/21 HMICFRS UPDATE - The Director of Service Improvement provided the Authority with a verbal update in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service's (HMICFRS).

A recent staff survey carried out by HMICFRS as part thematic COVID-19 inspection in October 2020 had indicated an improved Service position compared with results of the round one HMICFRS inspection. However, it was pointed out the surveys were slightly different in terms of the questions asked. A document comparing the survey results was previously circulated to Members.

HMICFRS had published a thematic inspection report (on London Fire Brigade) which focussed on how the Brigade had performed post-Grenfell Phase 1 Recommendations (of which only 4 of the 29 had been able to be implemented, largely due to the impact of Covid-19). A specific Member Day would take place in the future to fully consider the outcomes of recommendations made in the Grenfell report and the Authority's current position in meeting those recommendations. By the middle of the year it was expected that all recommendations will have been actioned by the Service.

The national Annual State of Fire 2020 report was expected to be published in next few weeks.

The Service had previously been notified that as part of HMICFRS Round 2 inspections, the Service would remain in Tranch 2, with the inspection expected any time between Autumn 2021 and Spring 2022.

It was queried why the transition from Stay Put to Get Out was taking so long to implement in relation to the HMICFRS London Fire Brigade report. Whilst work was ongoing nationally to determine a definitive position, locally the HFRS had moved on this issue and issued clear guidance to all staff as an interim measure. Once the national guidance was published, the Service would further adapt its position.

Resolved - That the update be noted.

17/21 COVID-19 UPDATE - The Chief Fire Officer/Chief Executive provided a verbal update on the Service's response to and future plans relating to Covid-19.

Infection rates appeared to be plateauing across Authority area but infection rates still remained high. Sickness levels across Service had started to see a slight increase with 24 staff impacted by Covid-19. There were 15 staff who were in the extremely vulnerable category and currently working from home.

The impact of sickness levels relating to Covid-19 on Service delivery had been minimal. To date, just short of 60 fire fighters had been vaccinated.

Staff continued to provide support to the ambulance services and lateral flow testing. Staff had and currently were supporting the planning and delivery of vaccinations at KCOM Stadium and Hull City Hall.

The most recent staff impact assessments had just completed to ensure all staff were supported as best they could be during this period.

The Authority commended all staff across the Service for their work during this challenging period.

Resolved - That the update be noted.

APPENDIX A

**HUMBERSIDE FIRE AUTHORITY
REVENUE ESTIMATES 2021/22
ESTIMATE SUMMARY 1.99% PRECEPT INCREASE**

	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2024/25 £
Community Fire Safety	3,260,399	3,304,594	3,366,558	3,429,764
Fire Fighting & Rescue Operations	28,778,824	29,357,617	29,909,661	30,472,820
Management & Support Services	12,000,410	12,578,367	12,947,145	13,280,556
Corporate & Democratic Core				
Democratic Representation & Management	155,398	156,790	158,197	159,617
Corporate Management	39,495	39,890	40,288	40,691
Net Cost of Service	44,234,526	45,437,258	46,421,849	47,383,448
Interest Payable and Similar Charges	661,343	661,386	626,749	627,597
Less - Interest Receivable	(40,000)	(40,000)	(40,000)	(40,000)
Net Operating Expenditure	44,855,869	46,058,644	47,008,598	47,971,045
Amounts included in the Income & Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year :				
Depreciation and Impairment of Fixed Assets	(1,958,844)	(1,958,844)	(1,958,844)	(1,958,844)
Grants & Contributions Deferred Amortisation	-	-	-	-
Amounts not included in the Income & Expenditure Account but required by statute to be included when determining the Movement on the General Fund Balance for the year :				
Minimum Revenue Provision	791,548	1,221,369	1,271,308	1,399,287
Revenue Contributions to Capital Outlay	1,400,000	1,000,000	1,000,000	1,000,000
Transfers to or from Fund Balances that are required to be taken into account when determining the Movement on the General Fund Balance				
Contribution to/(from) General Reserve	74,197	(16,861)	(47,266)	4,564
Budget Requirement	45,162,770	46,304,308	47,273,796	48,416,052
Financed by :				
Grant Funding	17,144,339	17,230,061	17,316,211	17,402,792
Business Rates received from Local Authority	3,992,704	3,992,704	3,992,704	3,992,704
Business Rate Fund Surplus/(Deficit)	(37,979)	(190,000)	(190,000)	(50,000)
Collection Fund Surplus/(Deficit)	(84,213)	150,000	150,000	150,000
Precept	24,147,919	25,121,543	26,004,881	26,920,556
	45,162,770	46,304,308	47,273,796	48,416,052

**HUMBERSIDE FIRE AUTHORITY
REVENUE ESTIMATES 2021/22
ESTIMATE SUMMARY 1.99% PRECEPT INCREASE**

COMMUNITY FIRE SAFETY

	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2023/24 £
EXPENDITURE				
Employees				
Wholetime	615,994	625,233	637,739	650,496
Retained	12,925	13,119	13,382	13,650
Non-Operational	2,411,594	2,459,826	2,509,021	2,559,202
Indirect Employees	47,500	47,500	47,500	47,500
Premises				
Repairs & Maintenance	-	-	-	-
Transport				
Direct Transport Costs	-	-	-	-
Contract Hire & Operating Leases	-	-	-	-
Supplies & Services				
Equipment, Furniture & Materials	223,877	223,877	223,877	223,877
Catering	2,945	2,945	2,945	2,945
Printing, Stationery & General Office Expenses	2,334	2,334	2,334	2,334
Services	9,500	9,500	9,500	9,500
Communications & Computing	4,098	4,098	4,098	4,098
Expenses	14,392	14,392	14,392	14,392
Grants & Subscriptions	1,605	1,605	1,605	1,605
Miscellaneous	10,654	10,654	10,654	10,654
Support Services				
Management & Support Services	-	-	-	-
Non Pay Efficiency Savings	(5,388)	(18,858)	(18,858)	(18,858)
Capital Charges	10,349	10,349	10,349	10,349
Total Expenditure	3,362,379	3,406,574	3,468,538	3,531,744
INCOME				
Government Grants	-	-	-	-
Other Grants & Contributions	-	-	-	-
Customer & Client Receipts				
Fees & Charges	(101,980)	(101,980)	(101,980)	(101,980)
Total Income	(101,980)	(101,980)	(101,980)	(101,980)
Net Expenditure	3,260,399	3,304,594	3,366,558	3,429,764

**HUMBERSIDE FIRE AUTHORITY
REVENUE ESTIMATES 2021/22
ESTIMATE SUMMARY 1.99% PRECEPT INCREASE**

FIRE FIGHTING & RESCUE OPERATIONS

	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2023/24 £
EXPENDITURE				
Employees				
Wholetime	19,824,511	20,306,831	20,712,966	21,127,223
Retained	4,814,577	4,886,796	4,984,532	5,084,223
Control	1,276,721	1,295,872	1,321,789	1,348,225
Non-Operational	144,613	147,506	150,456	153,465
Indirect Employees	72,326	73,773	75,248	76,753
Premises				
Repairs & Maintenance	-	-	-	-
Energy Costs	-	-	-	-
Rent, Rates & Water	754,906	770,004	785,404	801,112
Transport				
Operating leases	-	-	-	-
Car Allowances & Public Transport	-	-	-	-
Supplies & Services				
Equipment, Furniture & Materials	211,906	214,221	216,652	219,205
Catering	140	140	140	140
Clothing, Uniforms & Laundry	-	-	-	-
Printing, Stationery & General Office Expenses	190	190	190	190
Services	-	-	-	-
Communications	756,464	790,464	790,464	790,464
Expenses	7,323	7,323	7,323	7,323
Grant & Subscriptions	475	475	475	475
Miscellaneous	190	190	190	190
Support Services				
Management & Support Services	-	-	-	-
Non Pay Efficiency Savings	(19,534)	(70,184)	(70,184)	(70,184)
Capital Charges	1,497,016	1,497,016	1,497,016	1,497,016
Total Expenditure	29,341,824	29,920,617	30,472,661	31,035,820
INCOME				
Government Grants	(173,000)	(173,000)	(173,000)	(173,000)
Other Grants & Contributions	(370,000)	(370,000)	(370,000)	(370,000)
Customer & Client Receipts				
Fees & Charges	-	-	-	-
Rents	(20,000)	(20,000)	(20,000)	(20,000)
Total Income	(563,000)	(563,000)	(563,000)	(563,000)
Net Expenditure	28,778,824	29,357,617	29,909,661	30,472,820

HUMBERSIDE FIRE AUTHORITY
REVENUE ESTIMATES 2021/22
ESTIMATE SUMMARY 1.99% PRECEPT INCREASE

MANAGEMENT & SUPPORT SERVICES

	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2023/24 £
EXPENDITURE				
Employees				
Wholetime	2,961,774	3,006,249	3,066,374	3,127,701
Non-Operational	4,431,147	4,516,159	4,602,855	4,691,265
Other Pension Costs	607,442	617,271	627,297	637,523
Indirect Employees inc. Training	622,437	624,408	626,420	628,472
Employee Related Insurances	311,167	326,726	343,062	360,215
Premises				
Repairs & Maintenance	1,661,273	1,741,732	1,826,397	1,915,505
Energy	-	-	-	-
Rent, Rates & Water	218,726	225,135	231,774	238,654
Other Premises Costs	28,748	28,748	28,748	28,748
Premises Insurance	79,908	83,903	88,098	92,503
Transport				
Direct Transport Costs	1,568,130	1,611,402	1,656,135	1,702,388
Contract Hire & Operating Leases	-	-	-	-
Car Allowances & Public Transport	82,878	82,878	82,878	82,878
Transport Insurance	137,813	144,704	151,939	159,536
Supplies & Services				
Equipment, Furniture & Materials	145,634	145,634	145,634	145,634
Catering	7,599	7,599	7,599	7,599
Clothing, Uniforms & Laundry	466,018	466,018	466,018	466,018
Printing, Stationery & General Office Expenses	2,370	2,370	2,370	2,370
Services	25,346	25,346	25,346	25,346
Communications & Computing	1,567,268	1,611,856	1,657,972	1,657,972
Expenses	37,550	37,550	37,550	37,550
Grants & Subscriptions	35,843	35,843	35,843	35,843
Miscellaneous	24,017	24,017	24,017	24,017
Support Services				
Support Services	199,381	199,381	199,381	199,381
Capital Charges	451,479	451,479	451,479	451,479
Non Pay Efficiency Savings	(102,347)	(366,323)	(366,323)	(366,323)
Contingency	-	-	-	-
Total Expenditure	15,571,601	15,650,085	16,018,863	16,352,274
	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2023/24 £
INCOME				
Government Grants	(3,042,149)	(2,542,676)	(2,542,676)	(2,542,676)
Customer & Client Receipts				
Sales	-	-	-	-
Fees & Charges	-	-	-	-
Rents	-	-	-	-
Other Grants and Contributions	(529,042)	(529,042)	(529,042)	(529,042)
Administration & Management recharge				
Administration & Management Recharge	-	-	-	-
Total Income	(3,571,191)	(3,071,718)	(3,071,718)	(3,071,718)
Net Expenditure	12,000,410	12,578,367	12,947,145	13,280,556

HUMBERSIDE FIRE AUTHORITY
REVENUE ESTIMATES 2021/22
ESTIMATE SUMMARY 1.99% PRECEPT INCREASE

CORPORATE & DEMOCRATIC CORE

	Budget Proposal 2021/22 £	Budget Proposal 2022/23 £	Budget Proposal 2023/24 £	Budget Proposal 2023/24 £
DEMOCRATIC REPRESENTATION & MANAGEMENT				
EXPENDITURE				
Transport				
Public Transport	249	249	249	249
Car Allowances	4,140	4,140	4,140	4,140
Supplies & Services				
Members Allowances	129,934	131,234	132,547	133,873
Travel & Subsistence	9,275	9,367	9,461	9,555
Grants & Subscriptions	11,800	11,800	11,800	11,800
Support Services				
Support Services	-	-	-	-
Departmental Administration				
Departmental Administration	-	-	-	-
Total Expenditure	155,398	156,790	158,197	159,617

CORPORATE MANAGEMENT

EXPENDITURE				
Supplies & Services				
Audit Fees	34,001	34,341	34,684	35,031
Support Services				
Support Services	5,494	5,549	5,604	5,660
Departmental Administration				
Departmental Administration	-	-	-	-
Total Expenditure	39,495	39,890	40,288	40,691

HUMBERSIDE FIRE & RESCUE SERVICE
PROPOSED CAPITAL PROGRAMME
2021/22 onwards

APPENDIX B

	Proposed Budget 2021/22 £	Proposed Budget 2022/23 £	Proposed Budget 2023/24 £	Proposed Budget 2024/25 £
Buildings				
Sundry Buildings	885,000	750,000	700,000	700,000
Spend to Save Schemes				
	885,000	750,000	700,000	700,000
Information Technology				
Core Programme	500,000	575,000	550,000	525,000
	500,000	575,000	550,000	525,000
Vehicles				
Fire Appliance	1,250,000	-	750,000	750,000
Water Support Unit	210,000	-	-	-
GP Lorry/ESU	-	-	-	360,000
Driver Training Units	-	-	140,000	-
Other Vehicles				
Light Vehicles	222,000	120,000	432,000	108,000
	1,682,000	120,000	1,322,000	1,218,000
Equipment				
Appliances	250,000	-	150,000	150,000
Other Operational Equipment	35,100	42,000	28,000	-
	285,100	42,000	178,000	150,000
	3,352,100	1,487,000	2,750,000	2,593,000
<u>Overall Financing</u>				
Loan - Other borrowing/credit arrangements	1,952,100	487,000	1,750,000	1,593,000
Capital Grant	-	-	-	-
Capital Receipts	-	-	-	-
Revenue Contributions to Capital Outlay	1,400,000	1,000,000	1,000,000	1,000,000
	3,352,100	1,487,000	2,750,000	2,593,000

HUMBERSIDE FIRE & RESCUE SERVICE
MOVEMENT IN REVENUE RESERVES - PRECEPT 1.99%

	As at 1 April 2020 £'000	In Year Movements £'000	Projected Balance at 31 March 2021 £'000	Projected Balance at 31 March 2022 £'000	Projected Balance at 31 March 2023 £'000	Projected Balance at 31 March 2024 £'000	Projected Balance at 31 March 2025 £'000
General Reserve*	5,758	353	6,111	6,185	6,168	6,121	6,126
Earmarked Reserves							
Insurance	500	-	500	500	500	500	500
The Ark - National Flood Resilience Centre	1,000	-	1,000	1,000	-	-	-
Capital Programme Funding	3,000	760	3,760	3,760	3,260	2,760	2,260
Resilience	300	-	300	300	300	300	300
ESMCP	373	(58)	315	255	195	135	-
Grenfell and Protection	-	100	100	-	-	-	-
East Coast & Hertfordshire Control Room Consortium	-	400	400	-	-	-	-
Uniform Replacement Programme	-	150	150	-	-	-	-
	<u>10,931</u>	<u>1,705</u>	<u>12,636</u>	<u>12,000</u>	<u>10,423</u>	<u>9,816</u>	<u>9,186</u>

*Surplus or Deficit on the budget is reflected in the General Reserve

APPENDIX D

Calculation of Precept 1.99% Increase

2020/21		2021/22
£		£
45,224,520	Net Revenue Budget	45,088,573
44,149	Add : Contribution to/(from) General Reserve	74,197
-	Contribution to/(from) Earmarked Reserves	-
45,268,669	Net Budget Requirement	45,162,770
(17,103,763)	Less : Exchequer Assistance Formula Grant	(17,144,339)
(4,003,519)	Less : Business Rates received from Local Authority	(3,992,704)
(432,997)	Less : Council tax net collection fund (surplus)/deficit	84,213
88,831	Less : NNDR net collection fund (surplus)/deficit	37,979
23,817,221	Amount to be raised from Tax	24,147,919
274930.40	Divided by Tax Base	273321.10
£86.63	Band D Council Tax	£88.35
1.99%	Precept Increase over Previous Year	1.99%

2020/21	Tax Band	2021/22	2021/22 Increase over -	
			Year	Month
			£p	£p
57.75	A	58.90	1.15	0.10
67.38	B	68.72	1.34	0.11
77.00	C	78.53	1.53	0.13
86.63	D	88.35	1.72	0.14
105.88	E	107.98	2.10	0.18
125.13	F	127.62	2.49	0.21
144.38	G	147.25	2.87	0.24
173.26	H	176.70	3.44	0.29

Collection Fund Balances		2021/22	Collection Fund Balances	Total
£		£	£	£
153,000	East Riding of Yorkshire	10,364,639	19,953	10,384,592
137,576	Kingston upon Hull	5,474,343	(83,238)	5,391,105
87,498	North East Lincolnshire	3,923,217	54,342	3,977,559
54,923	North Lincolnshire	4,385,721	(75,270)	4,310,451
432,997		24,147,919	(84,213)	24,063,706

HUMBERSIDE FIRE AUTHORITY
GOVERNANCE, AUDIT AND SCRUTINY COMMITTEE

22 FEBRUARY 2021

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, Davison and Green attended as observers.

Phil Shillito - Deputy Chief Fire Officer & Executive Director Service Delivery, Paul McCourt - Director of Service Delivery, Niall McKiniry - Director of Service Improvement, Steve Topham - Director of Service Support, Simon Rhodes - Head of Corporate Assurance, Martyn Ransom - Head of Finance, Jason Kirby - Temporary Head of People and Development, Mathew Buckley - Monitoring Officer/Secretary, Samm Campbell - Committee Manager, Andy McCulloch - Internal Audit (TIAA) and Ross Woodley - External Audit (Mazars) were also present.

The meeting was held remotely via video-conference (Zoom). The meeting commenced at 10.00 a.m.

PROCEDURAL

16/21 APOLOGIES FOR ABSENCE - There were no apologies for absence.

17/21 DECLARATIONS OF INTEREST - There were no declarations of interest.

18/21 MINUTES - *Resolved* - That the minutes of the meeting of the Committee held on 25 January 2021 be confirmed as a correct record.

19/21 MATTERS ARISING FROM THE MINUTES, OTHER THAN ON THE AGENDA - There were no matters arising.

GOVERNANCE

20/21 UPDATE: MATTERS ARISING/FEEDBACK FROM FIRE AUTHORITY - The Monitoring Officer/Secretary provided feedback on items considered by the Fire Authority at its meetings of 12 February 2021.

Resolved - That the update be received.

Audit

21/21 DRAFT EXTERNAL AUDIT STRATEGY MEMORANDUM 2020/21 - Ross Woodley (Mazars) submitted the draft External Audit Strategy Memorandum for 2020/21.

The presentation of the Strategy was similar to those of previous years but, as a result of the ongoing effects of the Covid-19 pandemic, the timelines would run a month later than usual. Mazars and the Service were working to a deadline of 30 September 2021 for the completion of the external audit process. The Service's accounts were due to be finalised by June 2021, after which the audit would be undertaken. As in previous years, property, plant and equipment, and changes to pension schemes would remain significant areas of priority.

Resolved - That the draft External Audit Strategy Memorandum be received.

22/21 INTERNAL AUDIT REPORT - HEALTH AND SAFETY - Andy McCulloch (TIAA) submitted a report of an audit of health and safety.

The report had been circulated following the Sub-Committee's meeting held on 25 January 2021. The audit had been undertaken by a qualified health and safety professional and concluded with three 'Important' recommendations and one 'Routine' recommendation. A Member queried TIAA's findings in relation to the "no blame" culture. The audit had concluded that a disproportionate "no blame" culture would have a negative impact on accountability and it had been recommended that the Service ensure that "no blame" culture, which would foster good rates of health and safety reporting, was balanced with a culture of personal responsibility for health and safety.

Resolved - That the report be received.

23/21 DRAFT INTERNAL AUDIT PLAN 2021/22 - Andy McCulloch (TIAA) submitted the draft Internal Audit Plan for 2021/22.

The 2020/21 internal audit process was due to conclude by 31 March 2021. Two audit activities were yet to be undertaken and some additional days, which had not been used during 2020/21 as a result of the pandemic, would be carried over for use in 2021/22. Cybercrime continued to be a significant issue for all of TIAA's internal audit clients and would be addressed in the 2021/22 Plan. The draft Plan provided details of the 13 audit activities due to be undertaken in 2021/22 as well as indicative plans for the following two years.

A Member queried Appendix D to the draft Internal Audit Plan, the Internal Audit Charter, and asked that, if it was necessary for the Committee or Fire Authority to approve it, that it be considered as a separate item.

A Member noted that TIAA intended to undertake an audit of equality, diversity and inclusion at the Service. The Committee agreed that its scrutiny of diversity and recruitment (due to be considered at the meeting to be held on 12 April 2021) should be taken into consideration during the audit process.

Resolved - (a) That the draft Internal Audit Plan 2021/22 be received, and

(b) that the Committee's scrutiny of diversity and recruitment (due to be considered at the meeting to be held on 12 April 2021) be taken into consideration during TIAA's audit of equality, diversity and inclusion as part of its Internal Audit Plan 2021/22.

PERFORMANCE, RISK AND PROGRAMME MANAGEMENT

24/21 TREASURY MANAGEMENT AND CAPITAL EXPENDITURE PRUDENTIAL INDICATORS, TREASURY MANAGEMENT POLICY STATEMENT 2021/22 AND MINIMUM REVENUE POSITION 2021/22 - The Head of Finance submitted a report summarising the Treasury Management and Capital Expenditure Prudential Indicators, Treasury Management Policy Statement 2021/22, and Minimum Revenue Provision 2021/22.

This report was the first of three received by the Committee during each year in relation to treasury management. The Service expected to spend £3.4m on capital schemes, which was a typical amount for a year without a significant building project. However, this figure also included capital projects which had slipped from the 2020/21 financial year as a result of Covid-19, including the replacement of firefighters' personal protective equipment.

The Service's borrowing as a percentage of revenue remained within its financial means and its debts remained affordable. The Committee was due to receive treasury management training on 23 April 2021 at 10:30am.

Resolved - That the report be received.

25/21 HMICFRS INSPECTION UPDATE - The Director of Service Improvement provided the Committee with a verbal update in relation to Her Majesty's Inspectorate of Constabulary and Fire and Rescue Service's (HMICFRS).

The national thematic report focussed on Covid-19 and the reports resulting from its individual inspections of each fire and rescue service had been published by HMICFRS on 22 January 2021. Since the Committee's previous meeting, HMICFRS had published a report on the progress made by London Fire Brigade in relation to the Grenfell Tower Inquiry's Phase One Recommendations. The Inspectorate's annual State of Fire and Rescue report was expected to be published in March 2021. However, the six recommendations made within the Inspectorate's State of Fire and Rescue report, published in 2019, had not yet been addressed by the Government.

Resolved - That the update be received.

SCRUTINY PROGRAMME

26/21 GAS COMMITTEE SCRUTINY PROGRAMME 2020/21 - The Committee Manager submitted a report summarising the Committee's Scrutiny Programme 2020/21.

Resolved - (a) That the updates be received, and

(b) that a workshop be held in April 2021 to consider items for the 2021/22 Scrutiny Programme.

27/21 ANY OTHER BUSINESS - COMMITTEE MEMBERSHIP - Mr M Allingham and Mr C Vertigans' terms of office were due to expire on 31 March 2021, making the current meeting their final one as Members of the Committee. Councillor Briggs, Chair of the Fire Authority, and Mr D Chapman, Chair of the Committee, registered their thanks for Mr M Allingham and Mr C Vertigans' valuable and effective contributions to the Service spanning more than eight years. In particular, Mr D Chapman added his thanks for their support of him as Chair of the Committee and their diligence during periods of change for the Committee. The Deputy Chief Fire Officer and Director of Service Improvement added their thanks to Mr M Allingham and Mr C Vertigans' on behalf of all officers.

TREASURY MANAGEMENT AND CAPITAL EXPENDITURE PRUDENTIAL INDICATORS, TREASURY MANAGEMENT POLICY STATEMENT 2021/22 AND MINIMUM REVENUE PROVISION (MRP) FOR 2021/22

SUMMARY

1. This report sets out the Prudential Indicators for Treasury Management and Capital and the Treasury Management Policy Statement proposed for adoption for the financial year 2021/22. The Authority's Constitution requires that the Policy Statement is approved by the full Fire Authority and this responsibility cannot be delegated.
2. This report also outlines the recommended policy to be adopted in respect of creating the Minimum Revenue Provision (MRP) for 2021/22, in line with the statutory requirements set out in The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008.

RECOMMENDATIONS

3. Members approve the Treasury Management Strategy Statement for 2021/22 onwards as set out at Appendix 1.

BACKGROUND

4. Treasury Management, as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice 2017 is:

'The management of the organisation's investments and cash-flows, its banking and money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.
5. An updated version of the Code was published in December 2017; this strategy statement has been prepared in accordance with the requirements of the new Code.

TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS

6. The Local Government Act 2003 and supporting regulations require the Authority to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set, on an annual basis, a range of Prudential and Treasury Indicators for the next three years to ensure that its capital investment plans are affordable, prudent and sustainable. This report details the proposed indicators relating to the Authority's Treasury Management activities, capital expenditure and external debt for 2021/22 for Members' consideration and approval.
7. The suggested strategy for 2021/22 in respect of the following aspects of the treasury management function is based upon the S.151 Officer's views on interest rates, supplemented with leading market forecasts provided by the Authority's treasury

management advisors and support from the treasury management team within Hull City Council. The strategy covers:

- limits in force which will limit the treasury risk and activities of the Authority;
 - the Treasury Management and Prudential Indicators;
 - the current treasury position;
 - prospects for interest rates;
 - the borrowing requirement and strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling;
 - the investment strategy;
 - creditworthiness policy;
 - the MRP strategy;
 - policy on use of external service providers
8. The 2003 Act, revised Investment Guidance issued 2010 and the updated CIPFA Code also require that Members give consideration to the Authority's Annual Investment Strategy, setting out how investments will be managed and the priorities for security and liquidity of those investments as well as the Annual Borrowing Strategy; these have also been incorporated into this report.
9. In addition, it is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Authority to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital decisions. This therefore means, that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:
- a. increased interest charges from additional borrowing and;
 - b. increased running costs from new capital projects

are limited to a level that is affordable within the projected income of the Authority.

STRATEGIC PLAN COMPATIBILITY

10. Treasury Management is an integral part of the financial management of the Authority with Prudential Indicators providing a framework for the Authority to monitor key elements of its financial position. Utilising approved Borrowing and Investment Strategies, the Executive Director of Corporate Services/S.151 Officer will seek to minimise borrowing costs and maximise investment income whilst adopting a prudent approach to the Authority's exposure to market risks, especially given the current economic situation.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

11. The approach outlined within the report is aimed at achieving effective and efficient management of the Authority's financial resources and reflects a prudent approach to the management of financial risk for the Authority.

LEGAL IMPLICATIONS

12. The Authority must comply with the requirements of the CIPFA Code of Practice on Treasury Management 2017 and the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2017. This report ensures such compliance.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

13. No direct issues arising from this report.

CORPORATE RISK MANAGEMENT IMPLICATIONS

14. The formulation and application of a prudent Treasury Management Policy and MRP provision ensures that the Authority effectively manages financial risks such as exposure to interest rate changes and liquidity risk whilst minimising borrowing costs and maximising investment income. It further ensures that sufficient levels of resource are set aside for the repayment of debt. Effective treasury management is key to making the best use of the Authority's financial resources and thus the successful delivery of its Strategic Plan.

HEALTH AND SAFETY IMPLICATIONS

15. No direct issues arising.

COMMUNICATIONS ACTIONS ARISING

16. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

17. The report and the Strategy document have been considered by the Governance, Audit and Scrutiny Committee at their meeting on 22 February 2021.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

18. 2021/22 Budget and Precept and Medium-Term Financial Plan 2021/22 to 2024/25 – Report to Fire Authority 12 February 2021
Treasury Management Mid-year Update Report 2020/21 – Report to Fire Authority December 2020
CIPFA Prudential Code (Revised 2011) and November 2012 and 2017 update
The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and 2017.

RECOMMENDATIONS RESTATED

19. Members approve the Treasury Management Strategy Statement for 2021/22 onwards.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Corporate Services/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/JP 26 February 2021



Treasury Management Strategy Statement Minimum Revenue Provision Policy Statement and Annual Investment Strategy Humberside Fire Authority 2021/22



HUMBERSIDE
Fire & Rescue Service

INTRODUCTION

Background

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that the Authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet a risk or cost objectives.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Reporting requirements

The Authority is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Authority. This role is undertaken by the Governance, Audit and Scrutiny Committee.

Capital Strategy

In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. From 2019-20, all local authorities are required to prepare an additional report, a Capital Strategy report, which is intended to provide the following:-

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

The aim of this report is to ensure that all members on the Authority fully understand the overall strategy, governance procedures and risk appetite. The Capital Strategy is set out at Appendix 8 of this report.

Treasury Management Strategy for 2021/22

The strategy for 2021/22 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Authority;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny. Training will be arranged as required.

Treasury management consultants

The Authority uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2024/25

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital expenditure – Indicator 1

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Total	3.423	6.647	1.487	2.750	2.593

Other long-term liabilities. The above financing need excludes other long-term liabilities, such as PFI and leasing arrangements, which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital receipts	-	-	-	-	-
Capital grants	-	-	-	-	-
Capital reserves	-	0.500	0.487	0.500	0.500
Revenue	0.785	1.400	1.000	1.000	1.000
Net financing need for the year	2.638	4.747	-	1.250	1.093

The Authority's borrowing need (the Capital Financing Requirement) – Indicator 2

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority had £0.966m of such schemes within the CFR as at 31st March 2020.

The Authority is asked to approve the CFR projections below:

£m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Capital Financing Requirement					
Underlying CFR	18.873	22.843	21.639	21.637	21.351
Other LT Liabilities*	0.951	0.936	0.919	0.900	0.880
Total CFR	19.824	23.779	22.558	22.537	22.231
CFR as a % of BR	44.09%	52.65%	48.72%	47.67%	45.92%
Movement in CFR	1.953	3.955	(1.221)	(0.021)	(0.306)

Movement in CFR represented by					
Net financing need for the year (above)	2.638	4.747	-	1.250	1.093
Less MRP/VRP and other financing movements	(0.685)	(0.792)	(1.221)	(1.271)	(1.399)
Movement in CFR	1.953	3.955	(1.221)	(0.021)	(0.306)

This table shows CFR increasing to 53% of our Budget Requirement (BR) in 2021/22 before falling to 46% in the period 2022/23 to 2024/25.

*IFRS16 Leases comes into effect from 2022/23. The impact of this is yet to be established and will be reviewed throughout the year.

Core funds and expected investment balances – Indicator 3

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Fund balances / reserves	12.636	12.000	10.423	9.816	9.186
Capital receipts	0.030	0.030	0.030	0.030	0.030
Total core funds	12.666	12.030	10.453	9.846	9.216
Working capital*	(2.500)	(2.500)	(2.500)	(2.500)	(2.500)
(Under)/over borrowing	(1.976)	(5.775)	(4.470)	(4.967)	(4.523)
Expected investments	8.190	3.755	3.483	2.379	2.193

*Working capital balances shown are estimated year-end; these may be higher mid-year

TREASURY MANAGEMENT PRUDENTIAL INDICATORS 2021/22 – 2024/25

The capital expenditure plans set out in this section provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

The Authority's estimated treasury portfolio position at 31 March 2021, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
External Debt					
Debt at 1 April	13.530	16.896	17.069	17.169	16.669
Expected change in Debt	3.366	0.173	0.100	(0.500)	0.159
Other long-term liabilities (OLTL)	0.966	0.951	0.936	0.919	0.900
Expected change in OLTL	(0.014)	(0.016)	(0.017)	(0.018)	(0.020)
Actual gross debt at 31 March	17.848	18.004	18.008	17.570	17.708
The Capital Financing Requirement	19.824	23.779	22.558	22.537	22.231
Under / (over) borrowing	1.976	5.775	4.470	4.967	4.523

Within the prudential indicators there are a number of key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Executive Director of Corporate Services & S.151 Officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Treasury Indicators: limits to borrowing activity

The operational boundary – Indicator 4

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	21.600	21.600	21.600	21.600
Other long term liabilities	3.500	3.500	3.500	3.500
Total	25.100	25.100	25.100	25.100

The authorised limit for external debt – Indicator 5

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Authority. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all authorities' plans, or those of a specific authority, although this power has not yet been exercised.
2. The Authority is asked to approve the following authorised limit:

Authorised limit £m	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt	27.600	27.600	27.600	27.600
Other long term liabilities	3.500	3.500	3.500	3.500
Total	31.100	31.100	31.100	31.100

Prospects for interest rates

The Authority has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. The following table gives our central view.

Link Group Interest Rate View 9.11.20													
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

Additional notes by Link on this forecast table: -

- Please note that we have made a slight change to our interest rate forecasts table above for forecasts for 3, 6 and 12 months. Traditionally, we have used LIBID forecasts, with the rate calculated using market convention of 1/8th (0.125%) taken off

the LIBOR figure. Given that all LIBOR rates up to 6m are currently running below 10bps, using that convention would give negative figures as forecasts for those periods. However, the liquidity premium that is still in evidence at the short end of the curve means that the rates actually being achieved by local authority investors are still modestly in positive territory. While there are differences between counterparty offer rates, our analysis would suggest that an average rate of around 10 bps is achievable for 3 months, 10bps for 6 months and 20 bps for 12 months.

- During 2021, Link will be continuing to look at market developments in this area and will monitor these with a view to communicating with clients when full financial market agreement is reached on how to replace LIBOR. This is likely to be an iteration of the overnight SONIA rate and the use of compounded rates and Overnight Index Swap (OIS) rates for forecasting purposes.
- We will maintain continuity by providing clients with LIBID investment benchmark rates on the current basis.

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16th December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31.12.20: as this has now occurred, these forecasts do not need to be revised.

Gilt yields / PWLB rates

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment and borrowing rates

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for

PWLB borrowing for different types of local authority capital expenditure. *(Please note that Link has concerns over this approach, as the fundamental principle of local authority borrowing is that borrowing is a treasury management activity and individual sums that are borrowed are not linked to specific capital projects.)* It also introduced the following rates for borrowing for different types of capital expenditure: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
- **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
- As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.
- While this Authority will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

Borrowing strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Executive Director of Corporate Services & S.151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity, or a sudden increase*

in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the Authority at the next available opportunity.

Policy on borrowing in advance of need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as the 100 bps increase in PWLB rates only applied to new borrowing rates and not to premature debt repayment rates.

All rescheduling will be reported to the Authority, at the earliest meeting following its action.

New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Approved Sources of Long and Short Term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

ANNUAL INVESTMENT STRATEGY

Investment policy – management of risk

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Authority’s investment policy has regard to the following: -

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

The Authority’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 4 under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Non-specified investments limit.** The Authority has determined that it will limit the maximum total exposure to non-specified investments as being 10% of the total investment portfolio.
6. **Lending limits,** (amounts and maturity), for each counterparty will be set through applying the matrix table in the creditworthiness policy.

7. **Transaction limits** are set for each type of investment in the creditworthiness policy.
8. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**.
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
10. This authority has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.

Creditworthiness policy

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

The Executive Director of Corporate Services & S.151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Authority for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Authority will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA-

and have, as a minimum, the following Fitch, Moody's and Standard & Poor's credit ratings (where rated):

- i. Short Term – F1;
- Banks 2 – Part nationalised UK bank – Natwest Group. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above;
- Building societies - The Authority will use all societies which:
 - i. Meet the ratings for banks outlined above;
- Money Market Funds – £1m limit (each). Subject to £3m maximum;
- Local authorities, Police and Fire and Crime Commissioners - £2m limit (each);
- Debt Management Office (DMO) - £no limit.

Use of additional information other than credit ratings. Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Authority's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long-term Rating (or equivalent)	Money Limit	Transaction Limit	Time Limit
Individual Banks 1&2 higher quality	F1+	£3m	£3m	364 days
Individual Banks 1&2 medium Quality	F1	£2m	£2m	364 days
Individual UK Building societies	F1+	£3m	£3m	364 days
Individual UK Building societies	F1	£2m	£2m	364 days
Local authorities/Police, Fire and Crime Commissioners		£2m	£2m	364 days
Money Market Funds	AAA	£1m (each)	£1m (each)	liquid

The proposed criteria for specified and non-specified investments are shown in the appendices for approval.

Country and sector limits

Due care will be taken to consider the country, group and sector exposure of the Authority's investments.

The Authority has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit

criteria as at the date of this report are shown in the appendices. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

In addition:

- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations.

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by what, if any, deal the UK agrees as part of Brexit.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

Negative investment rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

Investment risk benchmarking

This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of 3 month LIBID uncompounded.

End of year investment report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

Day to day Treasury Management

Kingston Upon Hull City Council manage the Authority's treasury management functions under the terms of a service level agreement in accordance with the approved Annual Treasury Management Strategy.

APPENDICES

1. Prudential and treasury indicators and MRP statement
2. Interest rate forecasts
3. Economic background
4. Treasury management practice 1 – credit and counterparty risk management
5. Approved countries for investments
6. Treasury management scheme of delegation
7. The treasury management role of the section 151 officer
8. Capital Strategy

THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2021/22 – 2024/25 AND MRP STATEMENT

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital expenditure

Capital expenditure £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Total	3.423	6.647	1.487	2.750	2.593

Minimum revenue provision (MRP) policy statement

The Authority is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the Authority to approve **an MRP Statement** in advance of each year. A variety of options are provided to authorities, so long as there is a prudent provision. The Authority is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1);
- **Based on CFR** – MRP will be based on the CFR (option 2).

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3a);
- **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4).

These options provide for a reduction in the borrowing need over approximately the asset's life.

As a result of guidance that was recently issued a review was undertaken during 2020/21 to move to the annuity method (option 3b).

The annuity method is now widely used as it makes provision for an annual charge to revenue that takes account of the time value of money (whereby £100 in 10 years time is less of a burden than paying £100 now). The charges produced by the annuity method result in a consistent charge over the life of the asset taking into account the real value of the annual charges when they fall due. The method also reflects the fact that assets deteriorate and deterioration is slower in the early years and accelerates towards the latter end of the life of the assets. This approach conforms to the

MHCLG requirement to make a prudent provision over a period which is broadly commensurate with the period that the capital expenditure provides benefit. The annuity calculation method results in lower MRP payments in the early years but higher payment in later years but has the advantage of linking MRP to the flow of benefits from an asset where these are expected to be in later years.

The proposal if adopted will be subject to external audit as part of the annual accounts process.

Repayments included in annual PFI or finance leases are applied as MRP.

The Authority has historically made Voluntary Revenue Provisions (VRP) of £772k.

Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators:

Ratio of financing costs to net revenue stream – Indicator 6

This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

%	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Ratios	4.62%	6.23%	6.14%	6.05%	6.17%

The estimates of financing costs include current commitments and the proposals in this budget report.

Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Authority is asked to approve the following treasury indicators and limits:

Maturity structure of fixed interest rate borrowing 2021/22 – Indicator 7		
	Lower	Upper
Under 12 months	0	15%
12 months to 2 years	0	15%
2 years to 5 years	0	30%
5 years to 10 years	0	60%
10 years and above	0	80%

Interest rate forecasts

Market Rates											
Equities					Currencies			Commodities		Risk Indicators	
	FTSE 100	DOW	NIKKEI	STX 600	£/\$	€/£	€/€	Brent	Gold	VIX	MOVE
Level	6,489.33	31,148.24	29,388.50	409.54	1.3728	1.1405	1.2037	59.82	1,815.70	20.8700	47.2000
Change	-0.22%	0.30%	2.12%	0.00%	0.46%	-0.24%	0.69%	0.85%	1.12%	-4.13%	-0.11%
Interest Rates										Average LIBID / LIBOR Rates	
O/n	1W	1M	3M	6M	9M	12M	24M	36M	48M	60M	SONIA
0.05	0.05	0.05	0.05	0.05	0.1	0.15	0.2	0.3	0.4	0.5	0.0484
PWLB (Includes Certainty Rate)							Forward Rates				
1y	5y	10y	25y	50y	3M/3M FWD	3M/6M FWD	3M/9M FWD	6M/12M FWD			
0.77	0.96	1.35	1.92	1.76	0.00	-0.02	-0.03	0.22			
Interest Rate Forecasts											
Bank Rate	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22			
Link	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%			
Cap Econ	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%			
5Y PWLB RATE											
Link	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%	0.90%	0.90%			
Cap Econ	0.85%	0.90%	0.90%	0.95%	0.95%	0.95%	0.95%	0.95%			
10Y PWLB RATE											
Link	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%			
Cap Econ	1.25%	1.25%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%			
25Y PWLB RATE											
Link	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%			
Cap Econ	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%			
50Y PWLB RATE											
Link	1.30%	1.40%	1.40%	1.40%	1.40%	1.50%	1.50%	1.50%			
Cap Econ	1.65%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%			

Appendix 3

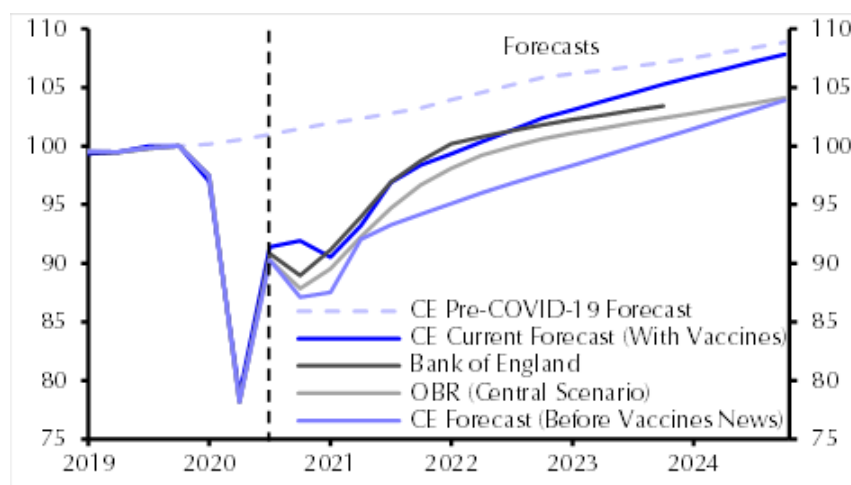
ECONOMIC BACKGROUND

- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.
- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
 - The economy would recover to reach its pre-pandemic level in Q1 2022
 - The Bank also expected there to be excess demand in the economy by Q4 2022.
 - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor due to base effects from twelve months ago falling out of the calculation, and so is not a concern. Looking further ahead, it is also unlikely to be a problem for some years as it will take a prolonged time for spare capacity in the economy, created by this downturn, to be used up.
- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial

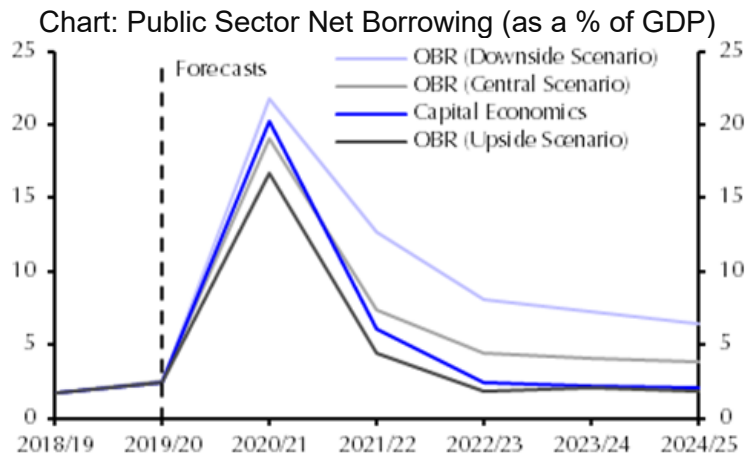
impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.

- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. While the one month second national lockdown that started on 5th November caused a further contraction of 5.7% m/m in November, this was much better than had been feared and showed that the economy is adapting to new ways of working. This left the economy 'only' 8.6% below the pre-crisis level.
- Vaccines – the game changer.** The Pfizer announcement on 9th November of a successful vaccine has been followed by approval of the Oxford University/AstraZeneca and Moderna vaccines. The Government has set a target to vaccinate 14 million people in the most at risk sectors of the population by 15th February; as of mid-January, it has made good, and accelerating progress in hitting that target. The aim is to vaccinate all adults by September. This means that the national lockdown starting in early January, could be replaced by regional tiers of lighter restrictions, beginning possibly in Q2. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines have radically improved the economic outlook so that it may now be possible for GDP to recover to its pre-virus level as early as Q1 2022. These vaccines have enormously boosted confidence that **life could largely return to normal during the second half of 2021**. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for when life returns to normal.
- Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant risk is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development, and vaccine production facilities are being ramped up around the world.

Chart: Level of real GDP (Q4 2019 = 100)



This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade, would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.



- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a **reversal of globalisation** as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, **digital services** are one area that has already seen huge growth.
- **Brexit.** The final agreement of a trade deal on 24.12.20 has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, "Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case." So, while vaccines are a positive development, in the eyes of the MPC at least, the economy is far from out of the woods in the shorter term. The MPC, therefore, voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -

- An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
- The furlough scheme was lengthened from the end of March to the end of April.
- The Budget on 3.3.21 will lay out the “next phase of the plan to tackle the virus and protect jobs”. This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to “somewhat less than £80bn”. It stated that in its assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.
- **US.** The Democrats gained the presidency and a majority in the House of Representatives in the November elections: after winning two key Senate seats in Georgia in elections in early January, they now also have a very slim majority in the Senate due to the vice president’s casting vote. President Biden will consequently have a much easier path to implement his election manifesto. However, he will not have a completely free hand as more radical Democrat plans may not be supported by all Democrat senators. His initial radical plan for a fiscal stimulus of \$1.9trn, (9% of GDP), is therefore likely to be toned down in order to get through both houses.
- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. The latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, individual states might feel it necessary to return to more draconian lockdowns.
- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and declining in December, and retail sales dropping back. The economy is set for further weakness into the spring. **GDP growth** is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- After Chair Jerome Powell unveiled the **Fed’s adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *“it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee’s assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time.”* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary “trap” like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The FOMC’s updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some

expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

- The Fed's meeting on **5 November** was unremarkable - but at a politically sensitive time around the elections. At its **16 December** meeting the Fed tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials still projecting that **inflation** will only get back to 2.0% in 2023, the vast majority expect the Fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – which will also have an influence on gilt yields in this country.
- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has seriously affected many countries. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With **inflation** expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB's December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank's forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this

area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

- **Japan.** A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That's huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan's relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being available in the coming months, the government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.
- **World growth.** World growth will have been in recession in 2020 and this is likely to continue into the first half of 2021 before recovery in the second half. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

Summary

Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand and the pace of recovery in their economies.

If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

INTEREST RATE FORECASTS

Brexit. The interest rate forecasts provided by Link in paragraph 3.3 were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand and the pace of recovery of the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for "weaker" countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments**. Italy, Spain, Austria, Sweden, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.

Appendix 4**TREASURY MANAGEMENT PRACTICE – CREDIT AND COUNTERPARTY RISK MANAGEMENT****SPECIFIED INVESTMENTS:**

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

	Minimum ‘High’ Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies	F1	In-house

Term deposits with nationalised banks and banks and building societies

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
UK part nationalised banks	UK sovereign rating or Short-term F1, Sovereign rating AA-	In-house	50%	364 days
Banks part nationalised by high credit rated (sovereign rating) countries – non UK	Sovereign rating or Short-term F1, Sovereign rating AA-	In-house	50%	364 days

Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -

1. Money Market Funds	AAA rated	In-house
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Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Authority. To ensure that the Authority is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

NON-SPECIFIED INVESTMENTS: The Authority will not make investments longer than 1 year

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Authority adopted the Code on 15/02/2010 and will apply its principles to all investment activity. In accordance with the Code, the Executive Director of Corporate Services and S.151 Officer has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments;
- The principles to be used to determine the maximum periods for which funds can be committed;
- Specified investments that the Authority will use. These are high security (i.e. high credit rating, although this is defined by the Authority, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year;
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, housing association, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.
5. A body that is considered of a high credit quality (such as a bank or building society For category 5 this covers bodies with a minimum Short Term rating of F1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, and in accordance with the Code, the Authority has set additional criteria to set the time and amount of monies which will be invested in these bodies.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The Authority will not use these types of investments.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Executive Director of Corporate Services & S.151 Officer, and if required new counterparties which meet the criteria will be added to the list.

Appendix 5

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

Appendix 6

TREASURY MANAGEMENT SCHEME OF DELEGATION

Fire Authority

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy;
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment;
- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*

CAPITAL STRATEGY

1. Introduction

- 1.1 There is a new requirement on local authorities (including fire authorities) to prepare a capital strategy each year, which sets out our approach to capital expenditure and financing at a high level. The requirement to prepare a strategy arises from Government concerns about a small number of authorities borrowing substantial sums (relative to their budget) to invest in commercial property, often outside the area of the authority concerned.
- 1.2 There is also a new requirement on local authorities to prepare an investment strategy, which specifies our approach to making investments other than day to day treasury management investments (the latter is included in our treasury management strategy, as in previous years). Given that HFA makes no such investments, a strategy has not been prepared.
- 1.3 This Appendix sets out the proposed capital strategy for approval.

2. Capital Expenditure

- 2.1 The Authority's capital expenditure plans are approved by the HFA, as part of the budget report each year.
- 2.2 The capital programme is usually restricted to:-
 - (a) Investment in operational buildings – e.g. fire stations and administrative offices;
 - (b) Renewal of operational fleet;
 - (c) New and replacement firefighting equipment;
 - (d) Investment in ICT.
- 2.3 The Authority's Constitution sets out the delegations to the Chief Fire Officer & Chief Executive on the delivery of the capital programme.
- 2.4 Capital expenditure on **buildings**, where funded from the capital programme, is principally directed to maintaining the fitness of the operational estate. Major property investments are considered as part of the overall estates strategy and are approved annually at the December HFA meeting.
- 2.5 Expenditure on the **renewal of the operational fleet** is directed by the replacement programme approved by the HFA. This is considered and approved each year at the December HFA meeting.
- 2.6 Capital expenditure on **firefighting equipment** ensures equipment is replaced when it has reached the end of its useful life or has become technologically obsolescent. It also enables the Service to invest in new technology.
- 2.7 Capital expenditure on **ICT** is determined by the ICT replacement programme which is approved annually at the December HFA meeting.
- 2.8 Monitoring of capital expenditure is carried out by the Strategic Leadership Team; Governance, Audit and Scrutiny Committee and the HFA. Reports are presented on four occasions during the year and at outturn.
- 2.9 HFA does not capitalise expenditure, except where it can do so in compliance with proper practices: it does not apply for directions to capitalise revenue expenditure.

2.10 Forecast capital expenditure is:-

End of:	£000
20/21	3,423
21/22	6,647
22/23	1,487
23/24	2,750
24/25	2,593

3. Financing of Capital Expenditure

- 3.1 HFA funds capital expenditure from the revenue budget, capital receipts and prudential borrowing.
- 3.2 Prudential borrowing is used to fund capital expenditure, within the limits prescribed within the Annual Treasury Management Strategy Statement. This is reviewed annually for affordability.
- 3.3 HFA measures its capital financial requirement, which shows our underlying need to borrow for a capital purpose. This is shown in the table below:-

End of:	Underlying CFR	Other LTL	Total CFR
	£000	£000	£000
21/22	22,843	936	23,779
22/23	21,639	919	22,558
23/24	21,637	900	22,537
24/25	21,351	880	22,231

- 3.4 Projections of actual debt are part of the treasury management indicators in the Annual Treasury Management Strategy Statement.

4. Debt Repayment

- 4.1 HFA makes charges to the budget each year to repay debt incurred for previous years' capital spending. This is known as "Minimum Revenue Provision" (MRP). The general principle is that HFA seeks to repay debt over the period for which taxpayers enjoy the benefit of the spending it financed. MRP is calculated as:

- a) 4% of the CFR at the end of the preceding financial year; and
- b) Based on the useful asset life using the annuity method

5. Commercial Activity

- 5.1 Government guidance now requires us to specify our policy towards non-financial investments.
- 5.2 HFA makes no such investments.



Humberside Fire and Rescue Service

Audit Strategy and Annual Internal Audit Plan

2021/22

March 2021

Overview

Introduction

The Audit Plan for 2021/22 has been informed by consideration of the key issues and risks facing the service following discussion with senior management and our understanding of risk more widely affecting Fire Authorities and Fire and Rescue Services. The resultant plan will ensure that coverage for the year is focussed on the key audit risks, and will enable a robust annual Head of Internal Audit Opinion to be provided.

Key Emerging Themes

This year will continue to be another challenging year for Fire Authorities and Fire and Rescue Services in terms of funding, balancing budgets, service delivery and dealing with the ongoing impact of the COVID-19 pandemic. We have identified a number of key areas which require consideration when planning internal audit coverage.

COVID-19: The impact of the pandemic will carry through into 2021/22, continuing the pressure on fire and rescue service resources and the knock-on effect of carried-forward leave and sickness absences.

Transition out of the EU: Whilst the UK and the EU have reached agreement on trade, there will be continued uncertainties around staffing and supply chains. EU, EEA or Swiss citizens will need to apply to continue living in the UK, and those arriving from January may need to apply for a visa. The recognition of professional qualifications also needs to be addressed.

Cyber-crime: A continuing theme and fire and rescue services need to take steps to assure themselves over the robustness of their overall arrangements. Cyber-crime has continued to increase in complexity and scale with fraudulent activity seeing a significant increase during the Covid-19 pandemic.

Providing Assurance during the COVID-19 pandemic

We have successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. This may have resulted in gaps in control or exposures that previously didn't exist.

We have carried out extensive research to establish the Root Cause Indicators (RCI) which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation's governance, risk and control framework.

The RCIs include identifying the extent to which COVID-related factors are the cause of the identified exposure.

Further details in relation to RCIs can be found at Appendix A.

Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2021/22 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control as required by TIAA's charter (Appendix D). The reviews have been identified from your assurance framework, risk registers and key emerging themes.

Internal Audit Plan

Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2021/22, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing Humberside Fire and Rescue Service and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing Humberside Fire and Rescue Service.

Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix B) and the Annual Plan (Appendix C) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Governance, Audit and Scrutiny Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Humberside Fire and Rescue Service. This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where Humberside Fire and Rescue Service agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Executive Director of Service Support and S151 Officer and will be clearly set out in the terms of reference for the additional review(s).

Release of Report

The table below sets out the history of this plan.

Date plan issued:	12 th February 2021
Date revised plan issued:	12 th February 2021
Date 2nd revised plan issued:	2 nd March 2021

Appendix A: Providing Assurance

Corporate Assurance Risks

We consider two corporate assurance risks – Directed and Delivery. Underneath these corporate risks sit six Root Cause Indicators (RCI). We have carried out extensive research to establish the RCI which underpin the reasons for any weaknesses identified by our Internal Audit work in an organisation’s governance, risk and control framework. The benefits of adopting this new approach is that it enables management and Audit Committees to clearly understand and focus on the significant issues arising from our work. For each audit assignment, we will provide a RCI for each of our findings in that area.



Directed Risk: Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Root Cause
Indicator

Governance Framework	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.
Risk Mitigation	The documented process aligns with the mitigating arrangements set out in the corporate risk register.
Compliance	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.



Delivery Risk: Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Root Cause
Indicator

Performance Monitoring	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.
Financial Constraint	The process operates within the agreed financial budget for the year.
Resilience	Good practice to respond to business interruption events and to enhance economic, effective and efficient delivery is adopted.

Appendix B: Rolling Strategic Plan

Review Area	Type	2021/22	2022/23	2023/24
Governance and Risk Management				
National Operational Guidance Phase 3 and 4	Assurance	✓		
Data Quality – Risk Information	Assurance	✓		
Partnerships	Assurance		✓	
Risk Management Health Check	Appraisal		✓	
Anti-Fraud	Assurance		✓	
Business Planning	Assurance			✓
Performance Management	Assurance			✓
Health & Safety	Assurance			✓
Finance				
Key Financial Controls	Compliance	✓	✓	✓
Procurement	Assurance		✓	
Payment Cards	Assurance			✓
Workforce				
HR – Grievance Arrangements	Assurance	✓		
Productivity – Shift System	Assurance	✓		
Equality, Diversity and Inclusion	Assurance	✓		
Out of Hours Arrangements	Assurance	✓		
HR Management – Training	Assurance		✓	
HR - Recruitment Management	Assurance			✓
Operational Performance & Infrastructure				
Enforcement	Assurance	✓		
Fleet Management – Fuel	Assurance		✓	

Review Area	Type	2021/22	2022/23	2023/24
Estate Management – Delivery	Assurance		✓	
Fleet Management – Procurement	Assurance			✓
Business Safety	Assurance			✓
Contingency	TBC	✓		✓
ICT				
Disaster Recovery	Assurance		✓	
ICT Cyber Security	Assurance			✓
Management and Planning				
Follow Up	-	✓	✓	✓
Strategy and Plan	-	✓	✓	✓
Annual Report	-	✓	✓	✓
Audit Management	-	✓	✓	✓
	Total Days	65	60	60

Appendix C: Annual Plan – 2021/22

Quarter	Review	Type	Days	Scope
1	National Operational Guidance Phase 3 and 4	Assurance	6	The review follows on from the review of Phase One and Two in 2020/21 and will consider the implementation of Phase 3 and 4 of the Service's action plan.
1	Productivity – Shift System	Assurance	6	The review will consider the ongoing trial of the 24 hour day Self-rostering shift system to determine if the expected project benefits in relation to the public, efficiency and costs and staff morale have been demonstrated.
1	Equality, Diversity and Inclusion	Assurance	4	The review considers the arrangements that HFRS has put into place, which demonstrate that the Service operates fairly and equally in its operations. The review will also consider how policies and processes have been embedded into the everyday working practices of HFRS and consider interaction both internally and externally.
1	Enforcement	Assurance	4	The review considers the arrangements for enforcement plans to provide assurance that the highest risks are appropriately prioritised and that proportionate monitoring and evaluation is being carried out.
2	Out of Hours Arrangements	Assurance	6	The review will seek to provide assurance that there is adequate out of hour's arrangements for urgent protection work.
2	Data Quality – Risk Information	Assurance	6	The review considers the quality assurance of recording processes for RBIP, 72d and protection activities including transition into new recording system
3	Grievance Arrangements	Assurance	4	The review will consider the arrangements for the operation of the grievance procedure at HFRS and will focus on the effectiveness of the process and the appropriateness the evidence held to support grievances. The review will also consider whether the level of trends or patterns in relation to submitted grievances are being considered and actions are being taken to address concerns.

Quarter	Review	Type	Days	Scope
4	Key Financial Controls	Assurance	8	<p>The review will assess the adequacy and effectiveness of the internal controls in place for managing the following key financial systems.</p> <ul style="list-style-type: none"> • Creditor Payments; • Payroll; • Treasury Management; • Debtors; • General Ledger; and Pensions
3 -4	Contingency (targeted on inspection outcomes)	N/A	10	A review of the Annual Plan will be undertaken in September 2021 to determine the areas that will be covered in two more audits in the second half of the year.
4	Follow-up	Follow up	3	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the organisation is implementing recommendations, and providing reports to the Governance, Audit and Scrutiny Committee.
1	Annual Planning	Management	2	Assessing the organisation's annual audit needs.
4	Annual Report	Planning/Reporting	1	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1-4	Audit Management	Planning/Reporting	5	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Governance, Audit and Scrutiny Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
Total days			65	

Appendix D: Internal Audit Charter

The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Humberside Fire and Rescue Service and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Governance, Audit and Scrutiny Committee.

The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Humberside Fire and Rescue Service's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

Scope

All Humberside Fire and Rescue Service activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Humberside Fire and Rescue Service management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the Authority, Governance, Audit and Scrutiny Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Humberside Fire and Rescue Service and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Humberside Fire and Rescue Service and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the Chair of the Authority, the Chair of the Governance, Audit and Scrutiny Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Humberside Fire and Rescue Service management.

Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Humberside Fire and Rescue Service's requirements.

Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Humberside Fire and Rescue Service and additional time will be required to carry out such testing. Humberside Fire and Rescue Service is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

Liaison with the External Auditor

We will liaise with Humberside Fire and Rescue Service's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

Reporting

Assignment Reports: A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA's audit charter and PSIAS/IIA standards.

Progress Reports: Progress reports will be prepared for each Governance, Audit and Scrutiny Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

Follow Up Reports: We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

Annual Report: An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA's audit charter and the Global IIA standards. The Annual Report will include a summary opinion of the effectiveness of Humberside Fire and Rescue Service's governance, risk management and operational control processes based on the work completed during the year.

Other Briefings: During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of planned audits.	100%
	Audits completed in time allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	100%
	Final report issued within 10 working days of receipt of responses.	100%
Professional Standards	Compliance with TIAA's audit charter and PSIAS/IIA Standards.	100%

Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

Governance, Audit and Scrutiny Committee Responsibility

It is the responsibility of the Governance, Audit and Scrutiny Committee to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Governance, Audit and Scrutiny Committee is also approving the Internal Audit Charter.

Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Audit Strategy Memorandum

Humberside Fire Authority

Year ending 31 March 2021

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- 07 Our commitment to independence
- 08 Materiality and misstatements

Appendix – Key communication points

This document is to be regarded as confidential to Humberside Fire Authority. It has been prepared for the sole use of the Authority and the Governance, Audit and Scrutiny Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



Humberside Fire Authority and Governance, Audit and Scrutiny Committee
Humberside Fire and Rescue Service Headquarters
Summergroves Way
Hull. HU4 7BB

2 March 2021

Dear Sirs / Madams

Mazars LLP
Salvus House

Aykley Heads

Durham DH1 5TS

Audit Strategy Memorandum – Year ending 31 March 2021

We are pleased to present our Audit Strategy Memorandum for Humberside Fire Authority for the year ending 31 March 2021. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities;
- providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Humberside Fire Authority which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 0191 383 6300.

Yours faithfully

Signed: 

Gavin Barker

Mazars LLP

01

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Humberside fire Authority for the year to 31 March 2021. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.



Audit opinion

We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or the Authority, as those charged with governance, of their responsibilities.



Going concern

The Authority is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. The Executive Director of Corporate Services is responsible for the assessment of whether it is appropriate for the Authority to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence, and conclude on the appropriateness of the Executive Director of Corporate Services use of the going concern basis of accounting in the preparation of the financial statements and the adequacy of disclosures made.



Value for money

We are also responsible for reaching a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.



Electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.



Fraud

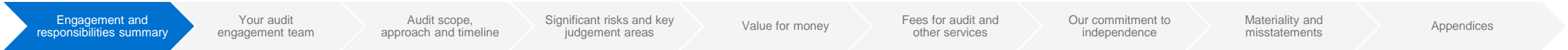
The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key staff as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.



Reporting to the NAO

We report to the NAO on the consistency of the Authority's financial statements with its Whole of Government Accounts (WGA) submission. We do this by issuing an assurance certificate which confirms that the Authority is below the threshold set by the NAO.



02

Section 02:

Your audit engagement team

2. Your audit engagement team



Gavin Barker, CPFA

Director and Engagement Lead

Gavin.Barker@mazars.co.uk

0191 383 6300



Ross Woodley, CPFA

Manager

Ross.Woodley@mazars.co.uk

0191 383 6303

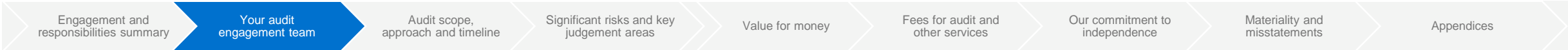


Louise Allison, ACA

Team Leader and Assistant Manager

Louise.Allison@mazars.co.uk

0113 394 5312



03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

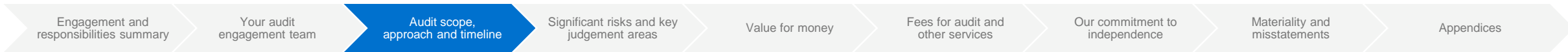
Audit approach

Our audit approach is a risk based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.



3. Audit scope, approach and timeline

Planning February 2021

- Planning visit and developing our understanding of the Authority
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review
- Documenting systems and controls
- Performing walkthroughs

Completion September 2021

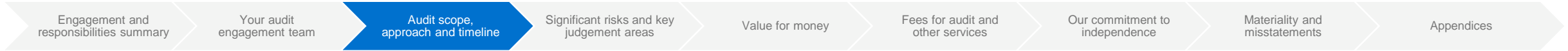
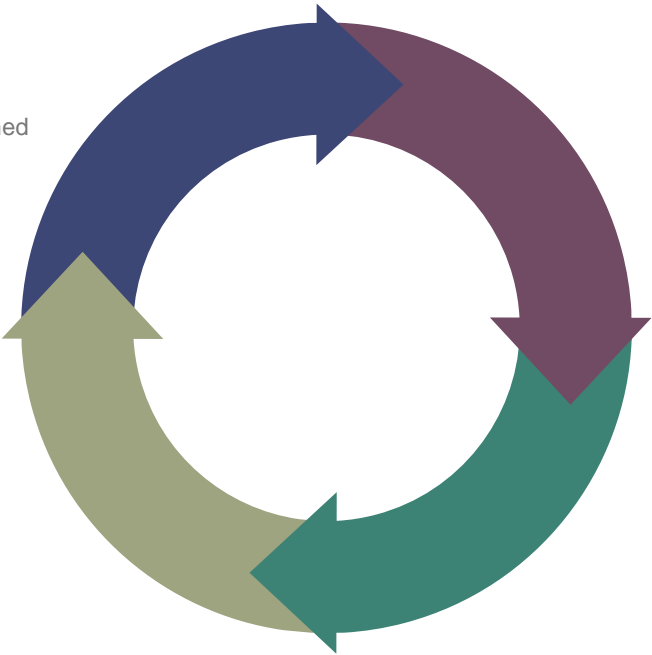
- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Authority and Governance, Audit and Scrutiny Committee
- Reviewing subsequent events
- Signing the auditor's report

Interim March 2021

- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Fieldwork June to September 2021

- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting



3. Audit scope, approach and timeline

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will liaise with internal audit to consider the progress and findings of their work prior to the commencement of any controls testing.

If we decide to place reliance on the work on internal audit, we will evaluate the work performed by your internal audit team and perform our own audit procedures to determine its adequacy for our audit.

Management’s and our experts

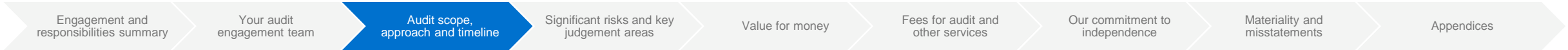
Management makes use of experts in specific areas when preparing the Authority’s financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management’s expert	Our expert
Defined benefit liability	Government Actuary’s Department (FFPS) and Hymans Robertson (LGPS).	NAO’s Consulting Actuary (PWC)
Property, plant and equipment valuation	Carter Jonas	
Financial instruments	Link Asset Services	

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Authority that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. The table below summarises the service organisations used by the Authority and our planned audit approach.

Items of account	Service organisation	Audit approach
Processing the payroll system underpinning expenditure figures and remuneration disclosures within the financial statements.	East Riding of Yorkshire Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We will review and document the controls in place for production of the financial statements and also within the material financial information systems.
Processing the treasury management system underpinning loans and investment figures and financial instrument disclosures within the financial statements.	Hull City Council	We are also the auditor of the Council and have direct access to accounting records and staff. Accordingly, we can substantively test the financial statements in the same way as if the Authority did not rely on a service organisation. We will review and document the controls in place for production of the financial statements and also within the material financial information systems.



04

Section 04:

**Significant risks and other key
judgement areas**

4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.

Enhanced risk

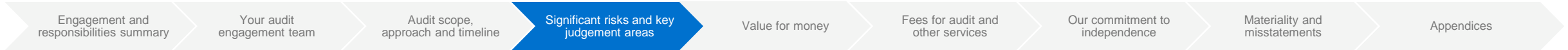
An enhanced risk is an area of higher assessed risk of material misstatement ('RMM') at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

- key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
- other audit assertion risks arising from significant events or transactions that occurred during the period.

These should include all areas of judgement and significant estimation uncertainty reported by the Accounting Officer in the financial statements, which would be expected to give rise to enhanced audit risks as relevant.

Standard risk

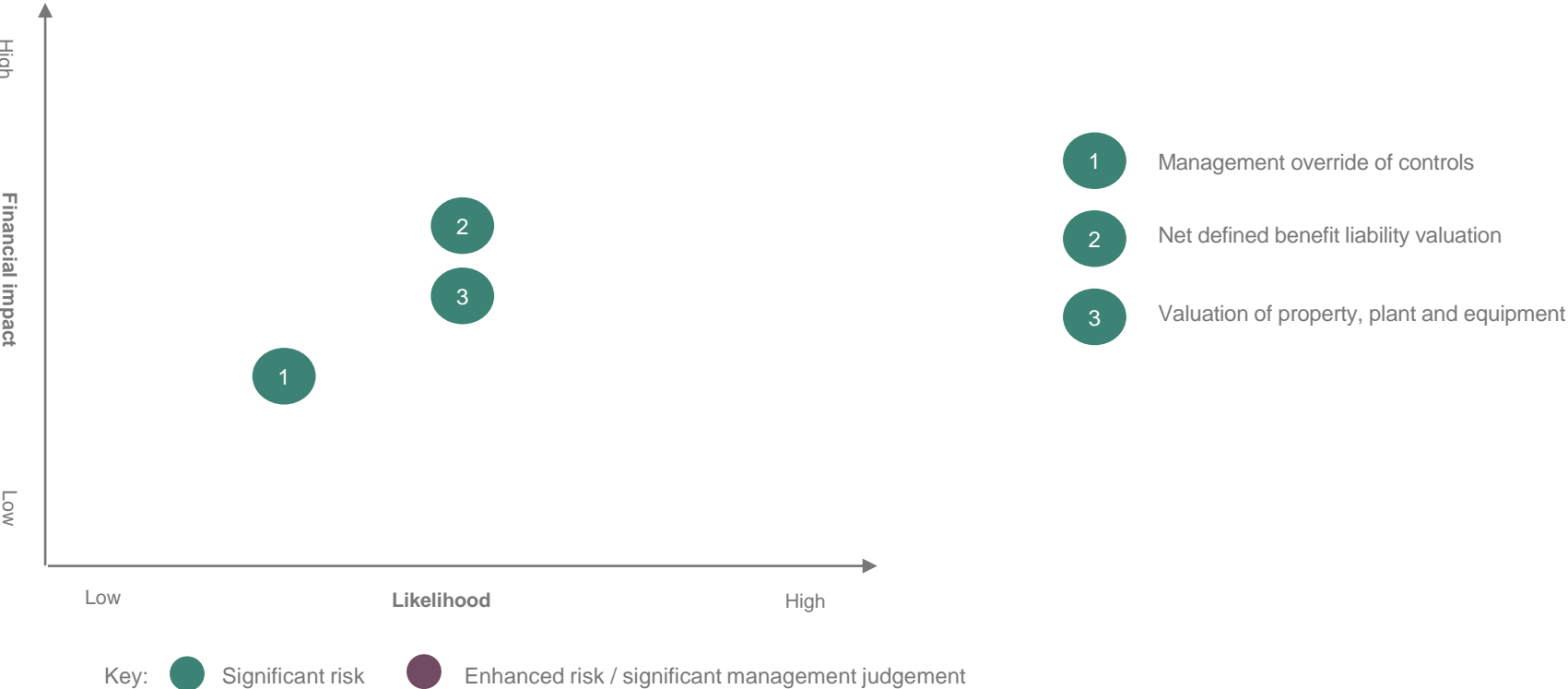
This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.



4. Significant risks and other key judgement areas

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Authority. We have summarised our audit response to these risks on the next page.

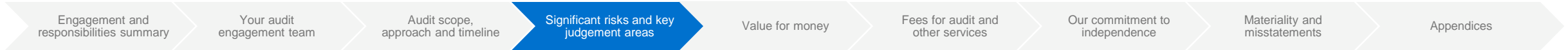


4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Authority and Governance, Audit and Scrutiny Committee.

	Description	Fraud	Error	Judgement	Planned response
1	<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.</p>	●	○	○	<p>We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.</p> <p>We will use a computer audit analytical technique (CAAT) to efficiently identify journals with risk characteristics and test 100% of such adjustments to the financial ledger.</p>



4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	Net defined benefit liability valuation The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures, both assets and liabilities, can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions. Moreover, in 2019/20 the local government pension assets were subject to material valuation uncertainty and due to the ongoing COVID-19 pandemic there is a risk that this might recur in 2020/21. This results in an increased risk of material misstatement.	○	●	●	We will discuss with key contacts any significant changes to the pension estimates. In addition to our standard programme of work in this area, we will evaluate the management controls you have in place to assess the reasonableness of the figures provided by the Actuary and consider the reasonableness of the Actuary's output, referring to an expert's report on all actuaries nationally. We will review the appropriateness of the key assumptions included within the valuations, compare them to expected ranges and review the methodology applied in the valuation. We will consider the adequacy of disclosures in the financial statements. We will also seek assurance from the audit of East Riding Pension Fund.
3	Valuation of property, plant and equipment The financial statements contain material entries on the Balance Sheet as well as material disclosure notes in relation to the Authority's holding of PPE. Although the Authority uses a valuation expert to provide information on valuations, there remains a high degree of estimation uncertainty associated with the revaluation of PPE due to the significant judgements and number of variables involved in providing revaluations. We have therefore identified the valuation of PPE to be an area of significant risk.	○	●	●	We plan to address this risk by considering the Authority's arrangements for ensuring that PPE values are reasonable and will engage our own expert to provide data to enable us to assess the reasonableness of the valuations provided by the external valuer. We will also assess the competence, skills and experience of the valuer. We plan to discuss methods used with the valuer and examine test valuations. We will use indices provided by our own expert to confirm the assets not revalued are unlikely to have materially changed in value. We will test a sample of revaluations in year to valuation reports and supporting calculation sheets and ensure the calculations are correct and source data agrees with floor plans.

Engagement and responsibilities summary

Your audit engagement team

Audit scope, approach and timeline

Significant risks and key judgement areas

Value for money

Fees for audit and other services

Our commitment to independence

Materiality and misstatements

Appendices

05

Section 05: **Value for Money**

5. Value for Money

The framework for Value for Money work

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

The new Code of Audit Practice (the Code) has changed the way in which we report our findings in relation to Value for Money (VFM) arrangements from 2020/21. Whilst we are still required to be satisfied that the Authority has proper arrangements in place, we will now report by exception in our auditor’s report where we have identified significant weakness in those arrangements. This is a significant change to the requirements under the previous Code which required us to give a conclusion on the Authority’s arrangements as part of our auditor’s report.

Under the new Code, the key output of our work on VFM arrangements will be a commentary on those arrangements which will form part of the Auditor’s Annual Report.

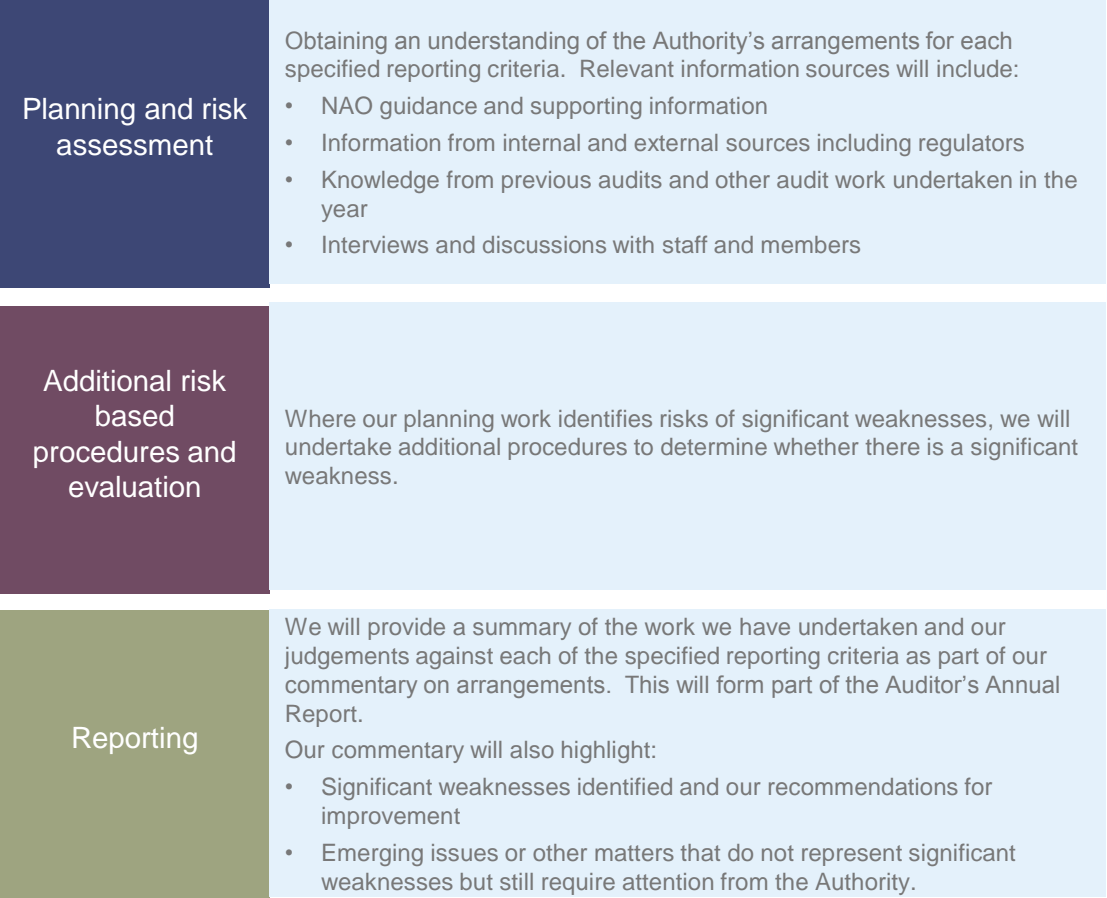
Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

- 1. **Financial sustainability** – how the Authority plans and manages its resources to ensure it can continue to deliver its services
- 2. **Governance** – how the Authority ensures that it makes informed decisions and properly manages its risks
- 3. **Improving economy, efficiency and effectiveness** – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Authority’s arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Authority and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.



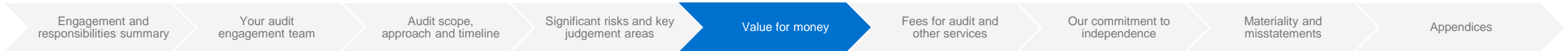
5. Value for Money

Identified risks of significant weaknesses in arrangements

The NAO’s guidance requires us to carry out work at the planning stage to understand the Authority’s arrangements and to identify risks that significant weaknesses in arrangements may exist.

Due to the late release of the NAO’s Auditor Guidance Note and supporting information to auditors, we have not yet fully completed our planning and risk assessment work. We will report the results of our planning and risk assessment work to the Governance, Audit and Scrutiny Committee in April 2021.

Although we have not fully completed our planning and risk assessment work, we have held discussions with management and reviewed the Medium Term Financial Plan. We have not identified any significant weaknesses in arrangements from this initial planning and risk assessment.



06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

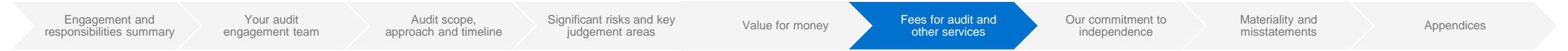
Fees for work as the Authority’s appointed auditor

In the Annual Audit Letter that we presented to the Governance, Audit and Scrutiny Committee in January 2021 and the Authority in February 2021 we explained that due to increased regulatory pressures there would be additional recurring fees of £4,966 as well as some one-off fees in respect of extra work arising from the COVID-19 pandemic. We are still awaiting approval from Public Sector Audit Appointments Limited for these fees, but we have included them in the table below for transparency.

In Section 5 we explained that we are still completing our planning and risk assessment in respect of the VFM Conclusion. We will communicate any fee implications to you when this work is complete.

Area of work	2020/21 Proposed Fee	2019/20 Actual Fee
Delivery of audit work under the NAO Code of Audit Practice	24,561	24,561
Recurring increases in the base audit fee arising from regulatory pressures	4,966	4,966
One-off fee increases for 2019/20 specific issues		2,052
Total audit fees *	29,527 *	31,579

- The revised Code of Audit Practice is likely to lead to additional audit work to support the new value for money conclusion and the changes in reporting requirements. It is currently unclear exactly what impact this will have on the work required and fees. We have consequently not reflected any impact in the proposed fee. We will update management, the Governance, Audit and Scrutiny Committee and the Authority as the position is clarified.



07

Section 07:

Our commitment to independence

7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

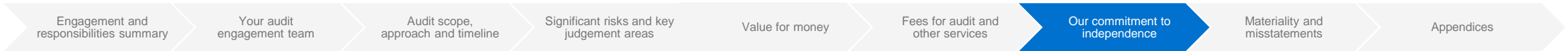
- All partners and staff are required to complete an annual independence declaration;
- All new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;
- Rotation policies covering audit engagement partners and other key members of the audit team; and
- Use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Gavin Barker in the first instance.

Prior to the provision of any non-audit services Gavin Barker will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

No threats to our independence have been identified.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.



08

Section 08:

Materiality and other misstatements

8. Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Initial threshold £'000s
Overall materiality	1,500
Performance materiality	1,200
Trivial threshold for errors to be reported to the Authority and Governance, Audit and Scrutiny Committee.	45

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and
- Will make reasonable economic decisions on the basis of the information in the financial statements.

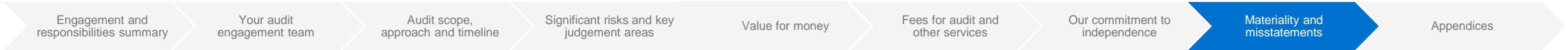
We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of 2% of gross expenditure. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to the Authority and Governance, Audit and Scrutiny Committee. We consider that gross expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.



8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 2% of gross revenue expenditure at the surplus / deficit level after excluding exceptional items and revaluation and impairment gains and losses. Based on the 2019/20 financial statements we anticipate the overall materiality for the year ending 31 March 2021 to be in the region of £1.5m (£1.4m in the prior year).

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

Misstatements

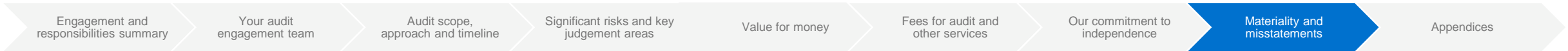
We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Authority and Governance, Audit and Scrutiny Committee that is consistent with the level of triviality that we consider would not need to be

accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £45,000, based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Gavin Barker.

Reporting to the Authority and Governance, Audit and Scrutiny Committee

The following three types of audit differences will be presented to the Authority and Governance, Audit and Scrutiny Committee.

- summary of adjusted audit differences;
- summary of unadjusted audit differences; and
- summary of disclosure differences (adjusted and unadjusted).





Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) ‘Communication with Those Charged with Governance’ and ISA 265 (UK) ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Audit Strategy Memorandum;
- Our Audit Completion Report; and
- Auditor’s Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

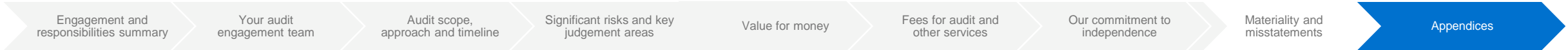
Key communication points at the planning stage as included in this Audit Strategy Memorandum

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit;
- Significant audit risks and areas of management judgement;

- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements; and
- Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

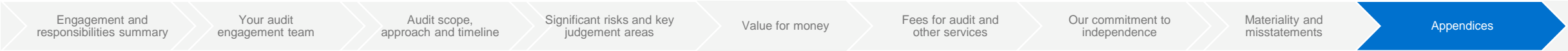
- Significant deficiencies in internal control;
- Significant findings from the audit;
- Significant matters discussed with management;
- Our conclusions on the significant audit risks and areas of management judgement;
- Summary of misstatements;
- Management representation letter;
- Our proposed draft audit report; and
- Independence.



Appendix: Key communication points

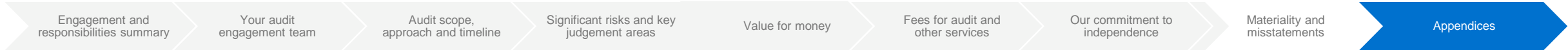
ISA (UK) 260 ‘Communication with Those Charged with Governance’, ISA (UK) 265 ‘Communicating Deficiencies In Internal Control To Those Charged With Governance And Management’ and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: <ul style="list-style-type: none">• Uncorrected misstatements and their effect on our audit opinion;• The effect of uncorrected misstatements related to prior periods;• A request that any uncorrected misstatement is corrected; and• In writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: <ul style="list-style-type: none">• Enquiries of the Authority and Governance, Audit and Scrutiny Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity;• Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and• A discussion of any other matters related to fraud.	Audit Completion Report and discussion at the Authority and Governance, Audit and Scrutiny Committee Audit Planning and Clearance meetings



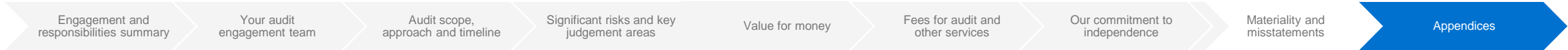
Appendix: Key communication points

Required communication	Where addressed
<p>Significant matters arising during the audit in connection with the entity’s related parties including, when applicable:</p> <ul style="list-style-type: none"> • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity. 	Audit Completion Report
<p>Significant findings from the audit including:</p> <ul style="list-style-type: none"> • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to the Authority and Governance, Audit and Scrutiny Committee in the context of fulfilling their responsibilities. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report



Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of the Authority and Governance, Audit and Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that Authority and Governance, Audit and Scrutiny Committee may be aware of.	Audit Completion Report and Authority and Governance, Audit and Scrutiny Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> Whether the events or conditions constitute a material uncertainty; Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and The adequacy of related disclosures in the financial statements. 	Audit Completion Report
Reporting on the valuation methods applied to the various items in the annual financial statements including any impact of changes of such methods	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report



Gavin Barker, Director – Public Services

gavin.barker@mazars.co.uk

Mazars

Salvus House
Aykley Heads
Durham
DH1 5TS

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

SERVICE PERFORMANCE AND RISK REPORT

QUARTER 3 (1 October 2020 – 31 December 2020)

1. PERFORMANCE SUMMARY:

Performance Indicator	Quarter 3 Total Number	Upper Threshold (UCL3)	October		November		December	
			Monthly Total	Threshold Performance	Monthly Total	Threshold Performance	Monthly Total	Threshold Performance
SPI 2.2 Total Deliberate Fires	91	50	39	11	30	20	22	18
SPI 2.3 Accidental Dwelling Fires	83	39	29	10	27	12	29	10
LPI 2.3c Other Accidental Fires	22	17	6	11	9	8	7	10
SPI 2.4 Deliberate Secondary Fires	374	219	132	87	166	53	76	146
SPI 2.5b False Alarms Non- Domestic	301	116	111	5	97	19	92	24

Indicator	Descriptor	Total	Aspirational Targets
SPI 1	Fatalities from fire	1	0
SPI 1.1	Total Casualties	7	0

Response Performance	
First Engine Response	10% Better than target of 90%
Second Engine Response	10.52% Better than target of 80%

Strategic Risk	Update	Risk Level
Further Reduction in External Financial Support <i>A further reduction in external financial support for the 4yrs from 2018/19 to 2021/22. Risk affecting whether the Authority can balance its budget.</i>	The spending review announced on 25 November indicates flat cash for Fire and Rescue Services and a 2% precept / council tax cap for 2021/22. A public sector “pay pause” has been recently announced. A report went to Humberside Fire Authority on 7 Dec which sets out a balance budget for 2021/22, subject to the local Government finance settlement.	Critical
Emergency Services Network <i>The Emergency Services Network (ESN) is the government's chosen option to replace the Airwave system, which 107 police, fire and ambulance services in England, Scotland and Wales (the emergency services) use for communications between control rooms and the field.</i>	A Tactical Group has been formed to oversee the local delivery projects which form part of the overall ESN Programme.	Critical
Outcome of Grenfell Report <i>Action required by HFRS following the outcomes from the Grenfell Report</i>	Talk group arrangements have been implemented in the Control Room. A Smoke Curtain procurement exercise has taken	High

	place in conjunction with Yorkshire and Humberside Fire and Rescue Services and a Grenfell case study e-learning module has been produced. Staff consultation is taking place on the suitability of Breathing Apparatus Comms. A Local Resilience Forum Interoperability Task and Finish Group is to be established to consider multi-agency recommendations.	
Coronavirus Pandemic <i>Risk of critical staff shortage and/or closure of workplace(s) resulting from exposure to Coronavirus from direct infection or cross contamination</i>	The Influenza Management Team are currently sitting twice a week with ability to scale up as necessary. Current impact in relation to staff absence is being well managed and we have low levels of staff absence. COVID-secure arrangements are in place with active monitoring across the Service. Staff are still working from home where possible. HFRS is currently working with Public Health to roll out lateral flow testing for HFRS staff with the potential for a trial before the end of the year and further expansion early in the New Year.	

Strategic Projects Update	
National Operational Guidance, Emergency Services Network, Response to Grenfell.	Summary of progress for each of the Strategic projects stated is provided in section 5 of this report

Complaints Quarter 3 - October - December 2020				
Type	Total Number	Upheld	Not Upheld	Outstanding
Driving of Service Employees	1	1	0	0
Conduct of Service Employees	2	0	1	1
Damage to Property	2	0	2	0
Social Media	0	0	0	0
Crime or Anti-Social Behaviour	0	0	0	0
Online HR Services	0	0	0	0
Customer Service	0	0	0	0
Other	1	0	1	0
	6	1	4	1

Current and Previous Quarter Comparison				
Current Quarter (3) Total	6	1	4	1
Previous Quarter (2) Total	9	4	5	0

Compliments & messages of thanks
12 compliments and messages of thanks were received and posted on our Website: Click here to view

2. RECOMMENDATIONS

That Members consider the report's detail and take assurance from the Service's proactive approach to performance and risk management.

3. BACKGROUND

3.1 Regular performance and risk reviews are undertaken internally to jointly review any issues at Strategic Leadership Team (SLT), and Project level. SLT provide the oversight of Projects and, therefore, there are two levels of risk register; one for Strategic Risks and separate register for individual projects.

3.2 Detailed in the table below is the ownership of performance and risk:

Type	Group	Responsibilities
Strategic	Strategic Leadership Team	Strategic Objectives Strategic Risk Register
	Directors	Director Workstream Objectives Directorate Risk Register
Tactical	Heads of Function	Function Workstream Objectives Directorate Risk Register
Tactical & Delivery	Project Owners	Project risks and Performance Management

3.3 The Strategic Leadership Team in conjunction with the Tactical Leadership Team, Head of Corporate Assurance and GAS Committee provides an internal scrutiny function for Strategic Risks and Service Performance Indicators.

3.4 All performance and risk information is managed through automated systems which enable managers at all levels to have access to information which is as up to date as possible, and in many instances is live information.

3.5 The Strategic Risk Register is publicly accessible via the Service website [Our-performance](#). Members can also view the Action Plans relating to any performance or identified risks electronically at meetings through the Corporate Information Portal.

4. PERFORMANCE SUMMARY NARRATIVE

Performance is very good and generally well below upper threshold limits. Incidents have been lower than usual since the pandemic began in 2020. From April 2020 to January 2021, primary fires are down by 19% and secondary fires are down by 18%. This has meant the rate of accidental and deliberate fires is below our expected thresholds. Special service incidents have not reduced at the same rate as we are providing more support to other agencies, for example to gain entry to dwellings for the Ambulance Service. While still lower than last year, and within our threshold limits, we have seen an increase in the number of false alarms in non-domestic premises. We believe this to be driven by closed or empty businesses or those where the responsible person is not on site and therefore call challenge has not always been possible.

5. STRATEGIC PROJECTS

5.1 National Operational Guidance (NOG):

Q3 Update: The focus at present is on putting documentation in place to ensure we can evidence that HFRS has embedded NOG into everything we do. This involves a change in how we deliver training and the way that operational staff access incident information. Training packages have been developed for the introduction of equipment manuals. 4 new overarching policies have been created and ready for consultation; these policies will replace over twenty policies that are currently in circulation covering all operational activities. A monthly interactive NOG newsletter is being developed to provide updates and tutorials.

5.2 Emergency Services Network

Q3 Update: A Tactical Group has now been formed within HFRS to co-ordinate how the work is scheduled through the three phases of Mobilisation, Transition and Live Services, and will link to the regional and national plans. There has been a delay to the planned completion date of the national project, from 2024 to 2025.

5.3 Response to Grenfell

Q3 Update: A procurement exercise is taking place to purchase hardware to enable video footage to be viewed from aircraft. Electronic evacuation boards and new operational pre-plans have been produced for high rise residential buildings within the Service area. Training packages have been created for Control in relation to immediate building evacuation. A monthly newsletter is produced to provide staff updates and information. Guidance is to be produced on fighting fires in tall buildings building based on NOG and national best practice. A joint procurement exercise is being explored with Emergency Preparedness to purchase gas detection equipment for each engine.

6. FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

Any area of improvement in performance without an increase in resources adds value for money and the proactive management of risks is important to ensure financial stability.

7. LEGAL IMPLICATIONS

None arising directly.

8. EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

None arising.

9. PERFORMANCE AND RISK MANAGEMENT IMPLICATIONS

This report details the information for Members to provide assurance as to the proactive management of performance and risk by the Service. This report has previously been before the Governance Audit and Scrutiny Committee.

10.HEALTH AND SAFETY IMPLICATIONS

Performance against the second engine response standard directly contributes to the Health and Safety of operational crews.

11.COMMUNICATION ACTIONS ARISING

None arising.

12.DETAILS OF CONSULTATION AND/OR COLLABORATION

None applicable.

13.BACKGROUND PAPERS AVAILABLE FOR ACCESS

Appendices 1 & 2 accompanying this report.

14.RECOMMENDATIONS RESTATED

That Members consider the report's detail and take assurance from the Service's proactive approach to performance and risk management.

Officer Contact: GM Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

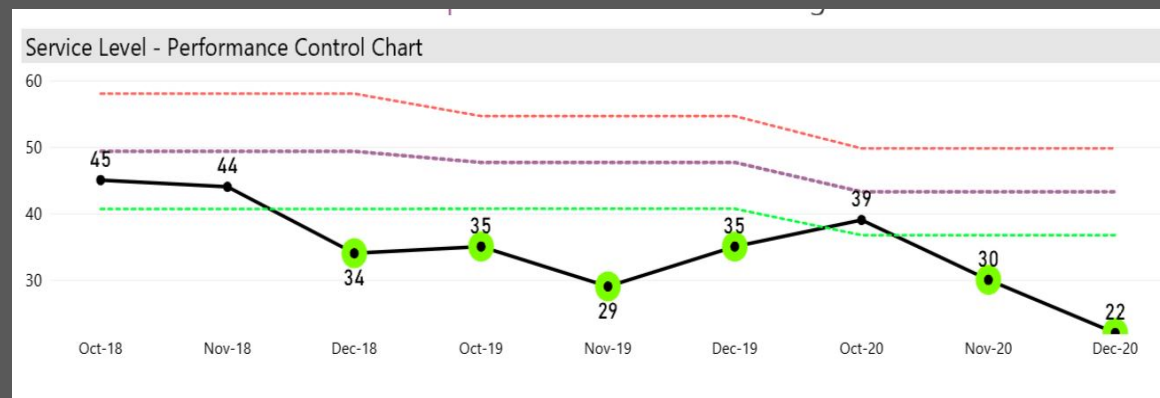
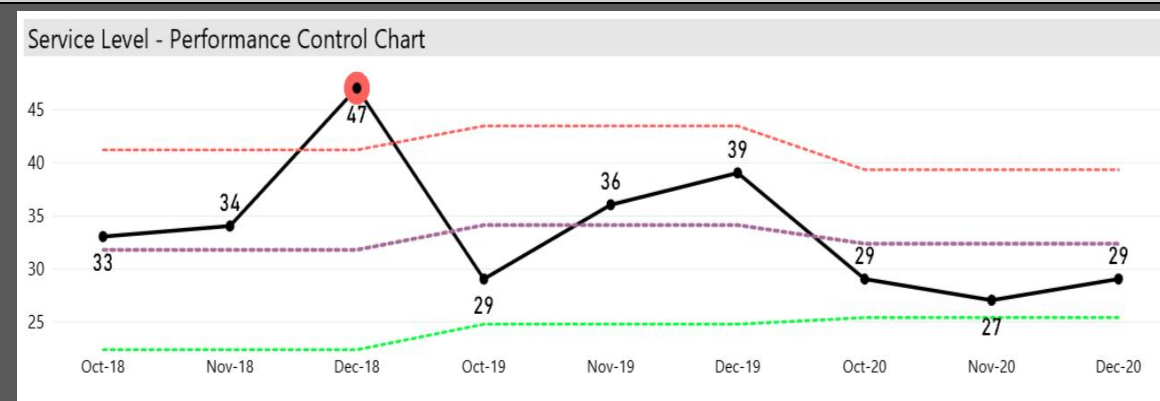
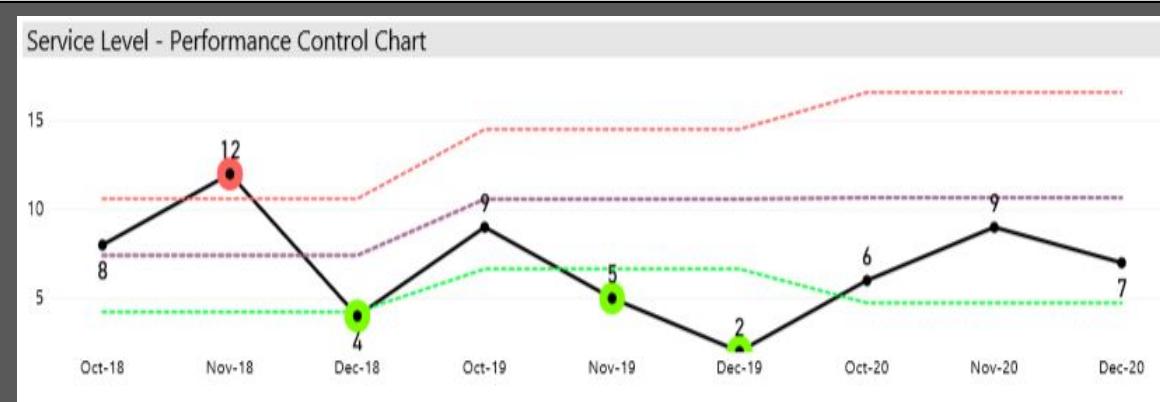
Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

February 2020

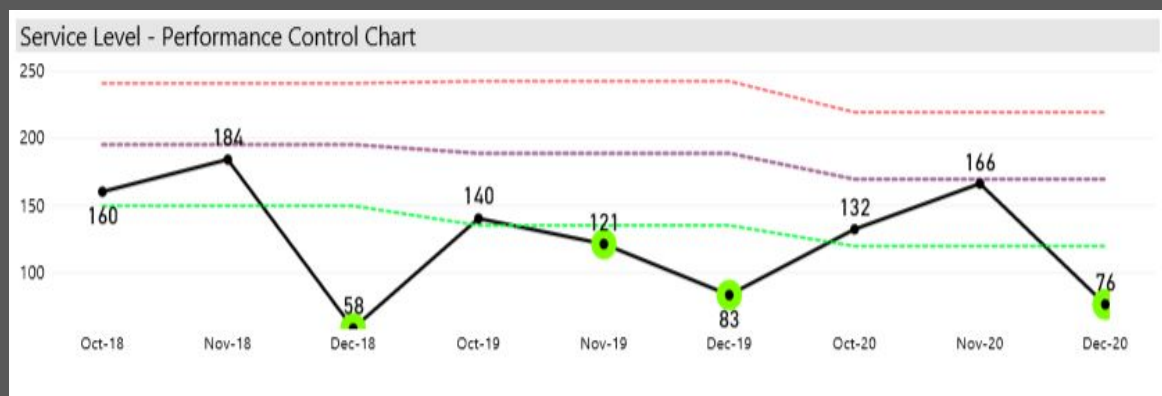
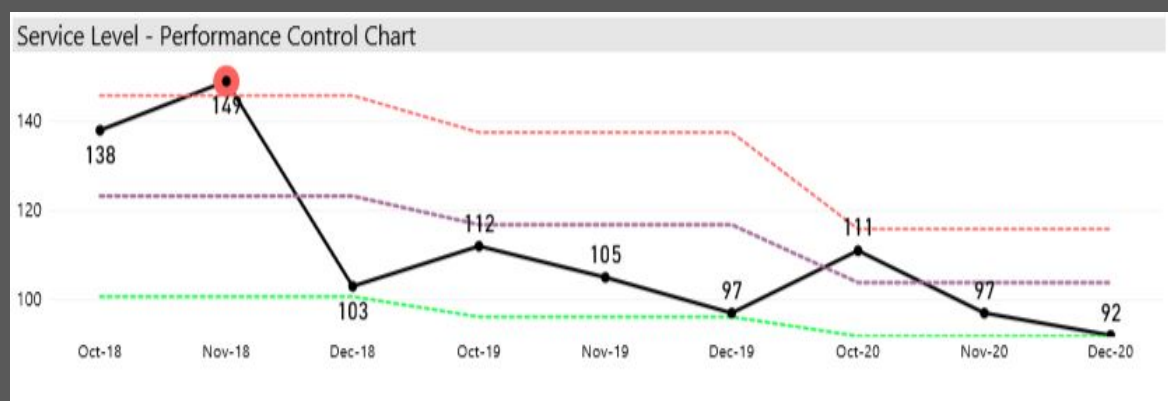
Quarter 3
Service Performance and Risk Report
1 October 2020 – 31 December 2020

Performance Chart Descriptor

Based on data trends, our performance should be between the red and green lines
 Red circles shows performance is a concern that needs addressing (we need to act)
 Green circles shows performance is positive and should be replicated (we need to learn)
 The Purple line shows the data average

SPI 2.2 Total Deliberate Fires (3-year comparison)

SPI 2.3 Accidental Dwelling Fires (3-year comparison)

LPI 2.3c Total Other Accidental Fires (3-year comparison)


Quarter 3
Service Performance and Risk Report
1 October 2020 – 31 December 2020

SPI 2.4 Deliberate Secondary Fires

SPI 2.5b False Alarm Non-Domestic

Response Performance (Q3 2020)
SPI 2 Standard of 1st Engine in Attendance is met

Actual – 100%

Objective - 90%

SPI 2.1 Standard of 2nd Engine in Attendance is met

Actual – 90.52%

Objective - 80%

Average First Engine attendance times for the Service (hh:mm:ss)
Average 1st Engine attendance time – Dwellings

Actual – 00:06:00

Average 1st Engine attendance time - RTC

Actual – 00:07:40

Average Second Engine attendance times for the Service (hh:mm:ss)
Average 2nd Engine attendance time – Dwellings

Actual – 00:07:54

Average 2nd Engine attendance time – RTC

Actual – 00:10:01

Quarter 3
Service Performance and Risk Report
1 October 2020 – 31 December 2020

Rescues	
Overall Total Number	238
Type	Rescues
Effecting entry/exit	88
Other (e.g. assisting other agencies and suicides)	16
Other rescue/release of persons (e.g. from height, in machinery)	53
RTCs	21
Removal of objects from people / people from objects	22
PRIMARY FIRE	13
Rescue or evacuation from water	2
Medical Incident - First responder	10
Lift Release (to children/elderly and medical cases)	7
Other Transport incidents (e.g. children locked in vehicles)	6
Medical Intervention	
*Falls Team	265
Emergency First Responder calls attended	360

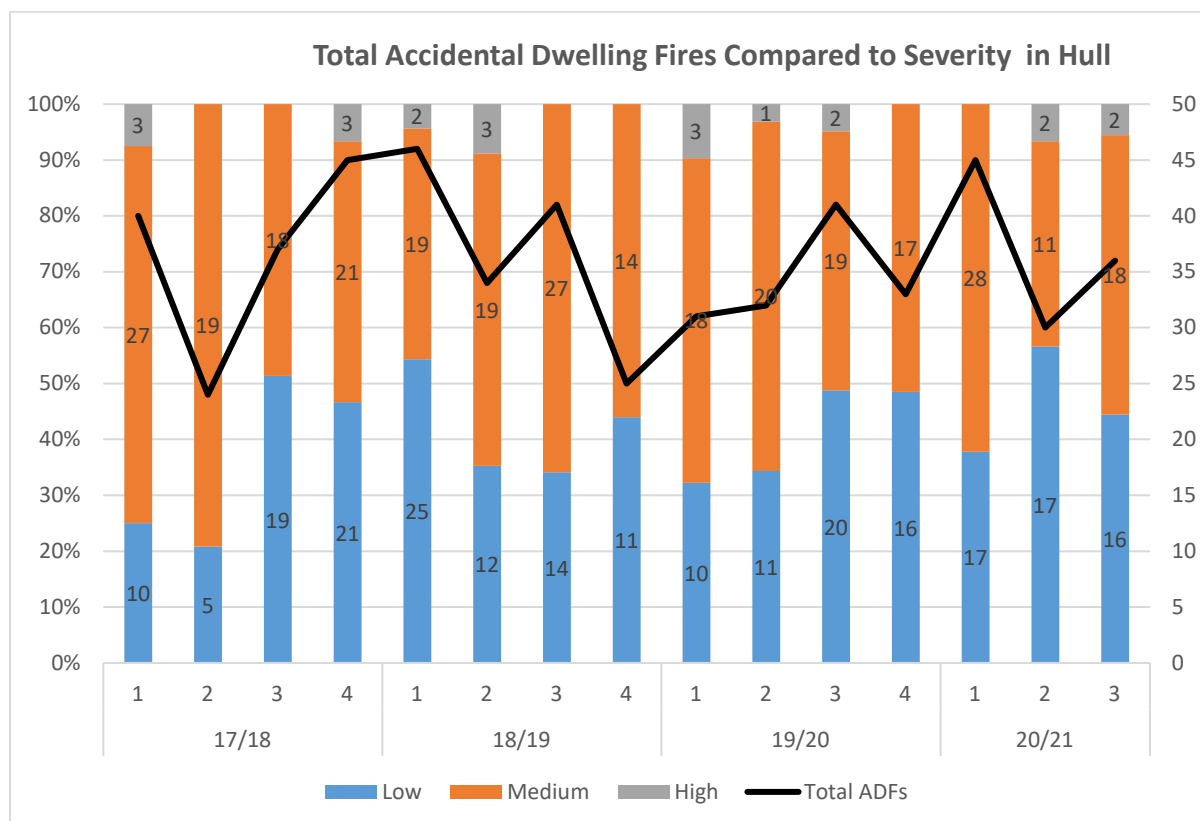
*Please note that Falls Team attend Emergency Fire Responder Incidents also.

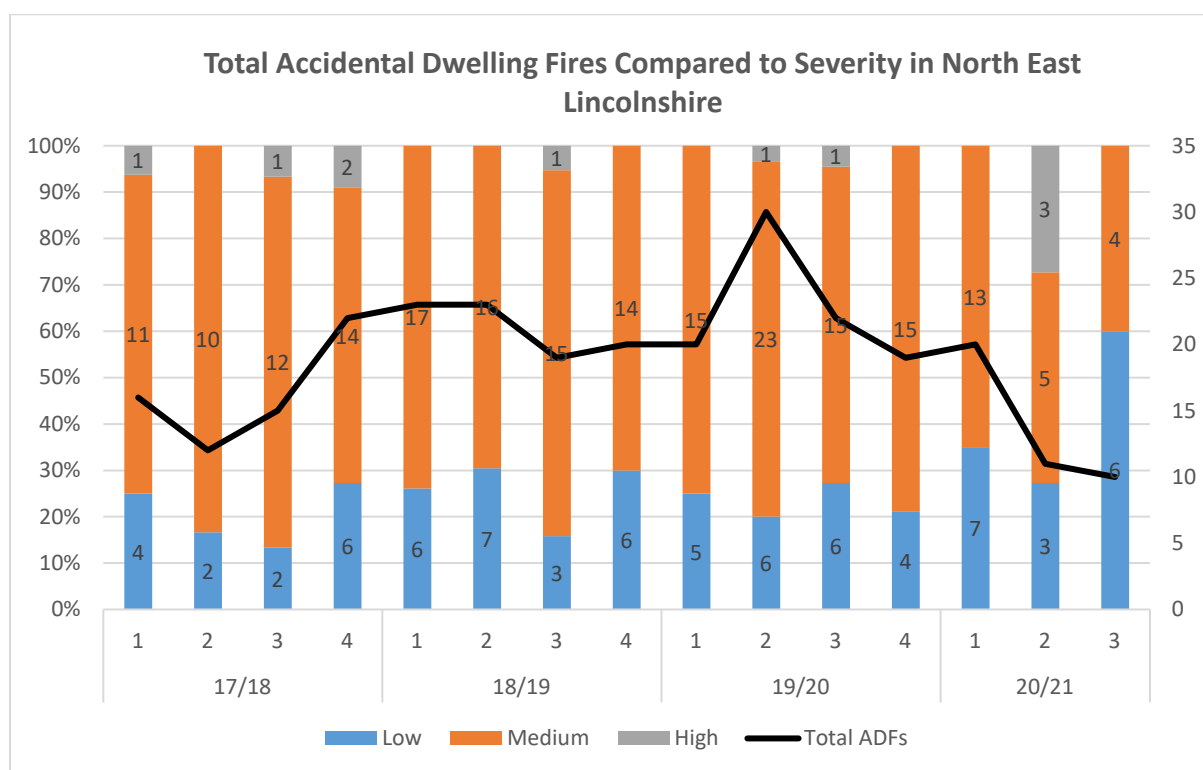
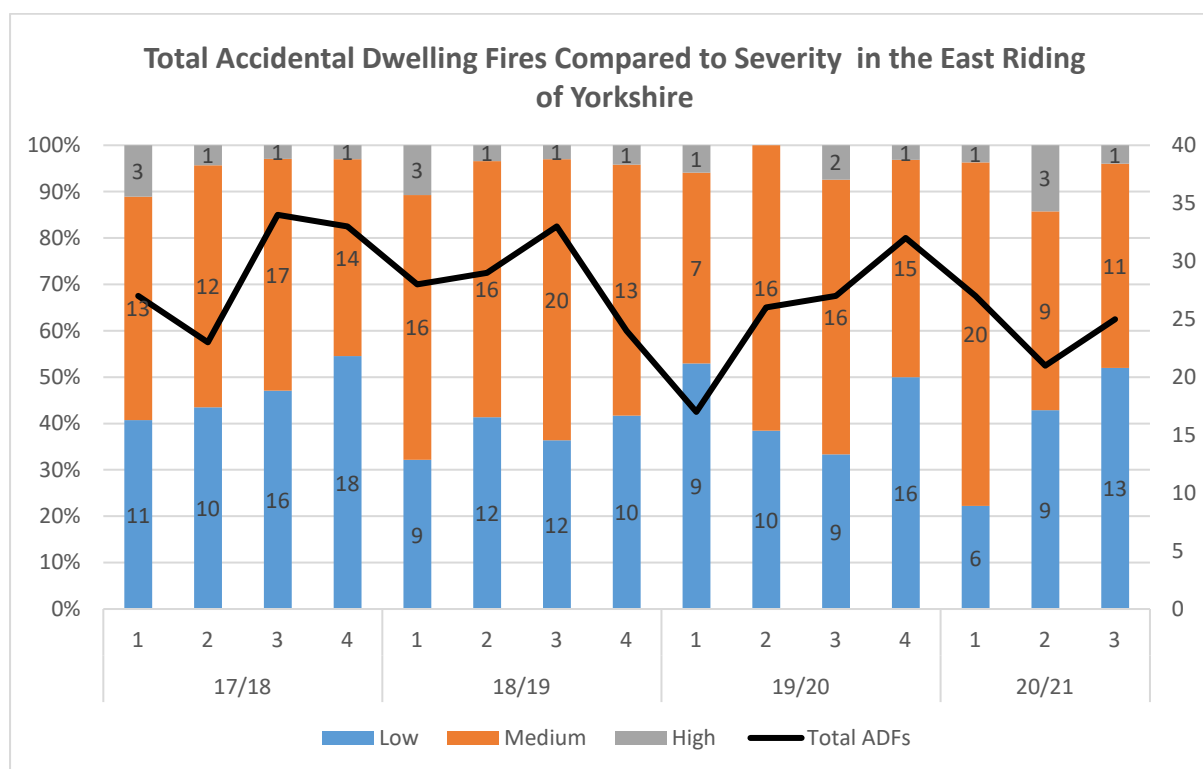
Accidental Dwelling Fires

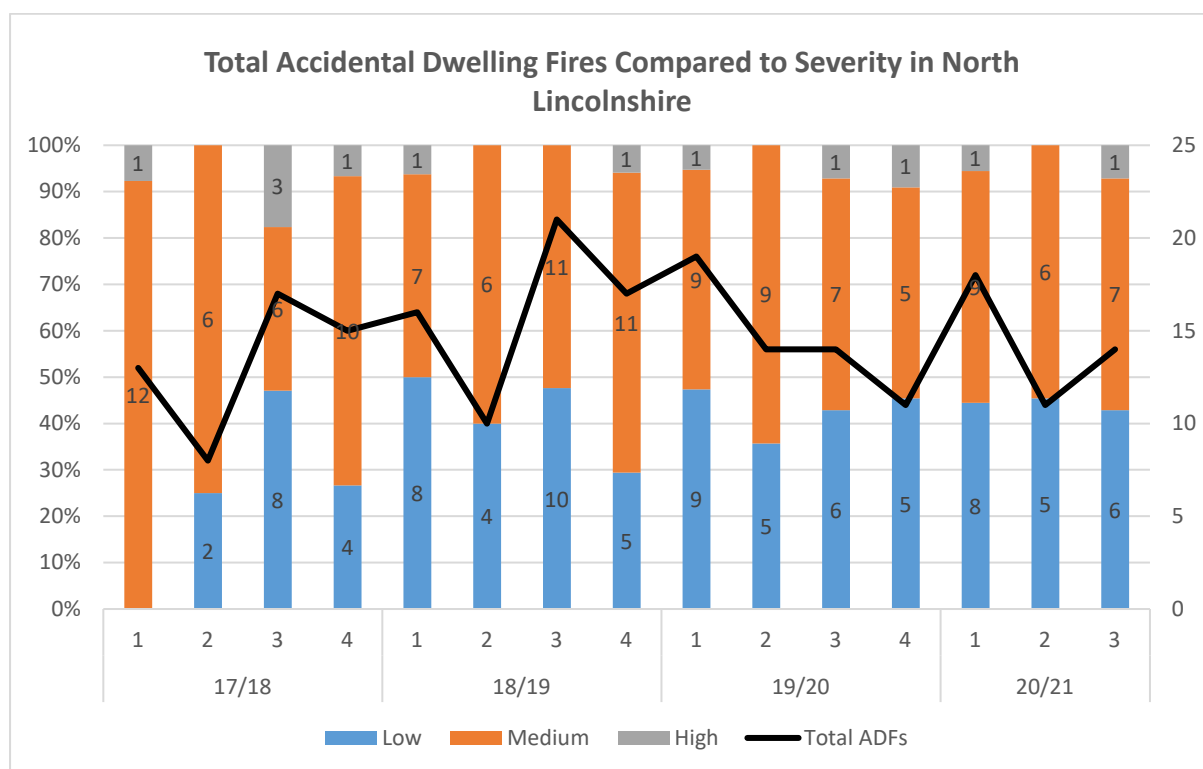
The charts below show the severity level for Accidental Dwelling Fire incidents over the last three years and for this year to the end of quarter three. The number of incidents in quarter three was lower this year compared to the same quarter last year in all the areas except North Lincolnshire where there was the same number of incidents. The recent trend for accidental dwelling fires has been mainly flat in every area except North East Lincolnshire where there has been a sustained downward trend since Q2 2019/20.

There was only 4 high severity fires across the Service during quarter three.

Note: The charts show the number of accidental dwelling fires within each severity category for each quarter of 2017/18, 2018/19, 2019/20 and 2020/21 to Q3.







OPERATIONAL ASSURANCE - QUARTER 3 REPORT (OCTOBER – DECEMBER 2020)

1. SUMMARY

This is the 3rd Quarter 2020/21 report on Operational Assurance (OA). Appendix 1 provides a summary of the statistical data.

Each assessment undertaken is broken down into three key areas: safety critical (SCC), areas of concern (AOC) and exceptional practice (EP). Safety critical reporting reduced from 3 to 1 when compared with the same quarter from the previous year. Area of concern reporting increased by 29% (26 to 37). Exceptional practice returns fell with a 60% reduction in reporting (114 to 45). As mentioned in the report from the previous quarter, as the Health, Safety and Environment team strive for more near miss reports and fewer accidents, in OA, the team strives for high area of concern reporting and fewer reports of safety critical concerns. This is reflected positively by the increase in this area in this quarter.

In this quarter the OA team carried out tactical debriefs for the A15 LGV fire which involved Ammonium Persulphate, the Haltemprice Crematorium fire and the protracted Energy Works incident. Reports have already been produced for the A15 and Haltemprice incidents and the recommendations will be discussed at the next Change Team meeting. The report for the Energy Works incident is currently being formulated.

Once the report has been produced it will be shared with our waste fire tactical advisors as there is national interest regarding this particular site and the innovative systems it uses to produce energy. The Service also received the accident report from the tragic event in Mid and West Wales FRS that resulted in the fatality of a firefighter. The OA team has been working in coordination with the training section and the health and safety team to ensure that the Service learns the necessary lessons from this incident.

As the team strives to continually improve OA, therefore, firefighter safety, they had planned to visit watches and stations in order to promote the OA process. The section has welcomed a new Station Manager to the team, bolstering the capacity to prepare for and carry out these visits. However, due to the current resurgence in Covid-19 cases these visits have been temporarily put on hold. It is likely that these updates will have to take place over Microsoft Teams.

This quarter also saw the launch of a new thematic review. This review will focus on the appropriate use of PPE and Covid-19 control measures during incidents and exercises. The review is taking place between 12/11/2020 and 28/02/2020. Once completed a full report will be compiled along with recommendations for improvement and any good practices that have been identified.

The second edition of the National Operational Learning (NOL) Newsletter, titled "Operational News" was published this quarter. This new innovation included various information regarding the Service's water assets, drone capabilities, new equipment, fire contaminants, and a HS&E incident. The NOL info notes that the team has received were also included in the publication. This newsletter was very well received by our operational personnel once again. Work will begin on the third edition once the section has the capacity to do so.

The team have considered all information and action notes that they have received from both NOL and Joint Organisational Learning (JOL), and some have been posted to PDRPro and others have been looked at in terms of procedural changes for the Service. The section received both NOL and JOL action notes regarding the outcomes of the Grenfell inquiry, these have been disseminated appropriately to the Grenfell Project team and Service Control. Replies have also been sent to the national FRS JOL lead within the allotted timescale.

More recently the Service also received a JOL action note pertaining to the new marauding terrorist attack (MTA) joint operating procedures. Again, these have been allocated to the NILO's, MTA lead and the Training section to ensure all specialist and non-specialist responders are updated appropriately.

In this quarter the OA team chaired the second Change Team Meeting. This was very well attended and equally well received once again. Discussed at this meeting were both NOL and JOL action notes, debrief recommendations and learning from operational assurance assessments. These were allocated to individuals with a timescale for completion by the section heads that were present.

2. RECOMMENDATION

That Members take assurance from the Service's proactive management of Operational Assurance.

3. BACKGROUND

For further details on the 3rd quarters operational assurance assessment data, please see the snapshot report at Appendix 1.

4. STRATEGIC PLAN COMPATIBILITY

The monitoring of operational assurance information is a crucial part of the Strategic Plan; Maintain a positive health and safety environment, compliant with legislation and provide operational assurance. The Service must also capture and share organisational learning as part of the strategic plan as well as ensuring firefighter competency is maintained (operational preparedness), and that the Service continues to work seamlessly with other emergency services (through multi-agency debriefs).

5. FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

None.

6. LEGAL IMPLICATIONS

None.

7. EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

None.

8. CORPORATE RISK MANAGEMENT IMPLICATIONS

None.

9. HEALTH AND SAFETY IMPLICATIONS

This report provides the opportunity for an additional level of scrutiny of Health and Safety information.

10. COMMUNICATION ACTIONS ARISING

None.

11. DETAILS OF CONSULTATION AND/OR COLLABORATION

None.

12. BACKGROUND PAPERS AVAILABLE FOR ACCESS

Operational Assurance policy.

13. RECOMMENDATIONS RESTATED

That Members take assurance from the Service's proactive management of Operational Assurance outcomes.

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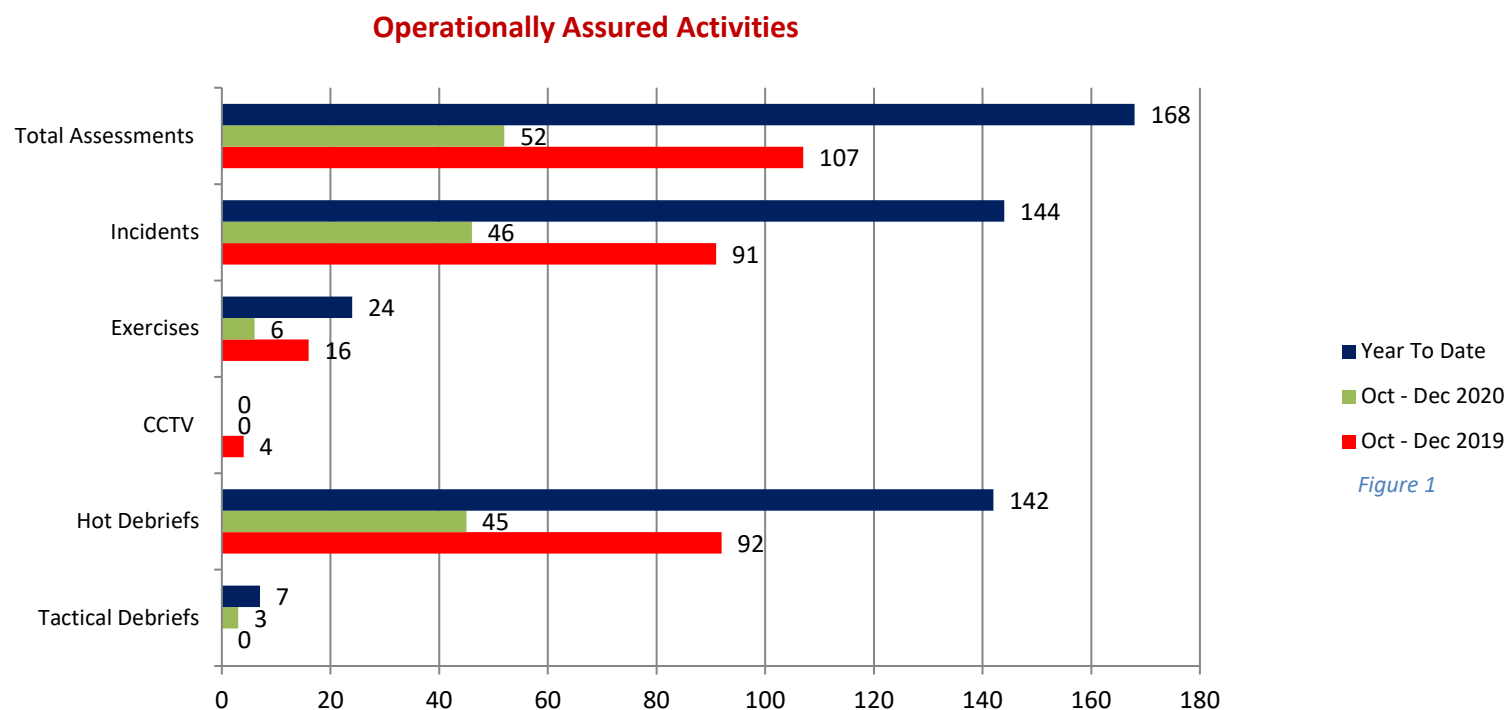
Officer Contact: Niall McKiniry ☎ 01482 567166
Director of Service Improvement

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

NM

12/2020

3rd Quarter (October – December 2020) Operational Assurance Performance



The chart above shows the number of incidents and debriefs that have been assured, for this period (October - December 2020) alongside a comparison for the same quarter from the previous year as well as the total for each category for the year to date. The total number of activities assured have decreased by 51.4% compared to last year's quarter, this once again, is due largely to the fact there were more incidents across the Service in the same quarter of the previous year. The section has carried out seven tactical debriefs to date by the close of this quarter, with a further debrief planned for the beginning of January. The OA team has been working tirelessly to facilitate these debriefs as well as identifying recommendations and formulating reports.

3rd Quarter (October – December 2020) Operational Assurance Performance



Breakdown of Key Areas

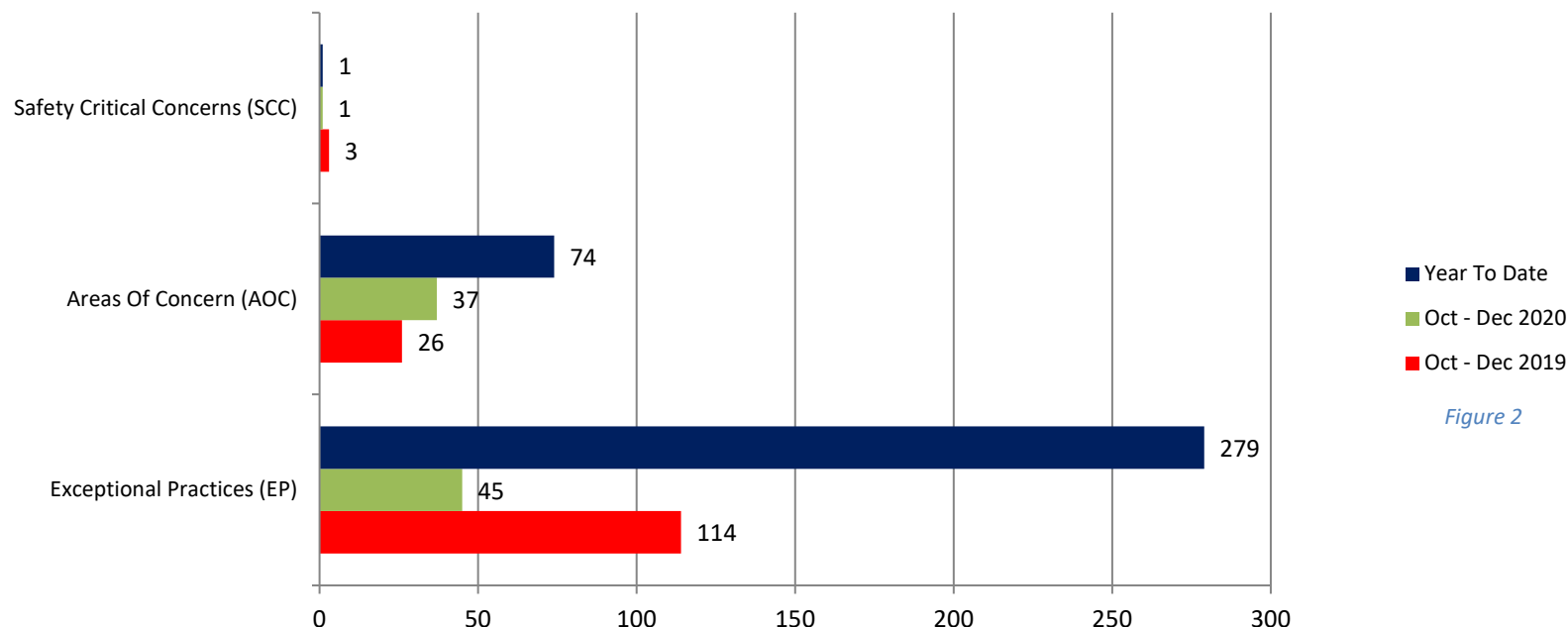


Figure 2

Assurance activities are broken down into three areas; safety critical concerns, areas of concern and exceptional practice. The number of safety critical concerns identified has reduced, and areas of concern reported have increased. However, exceptional practices reporting has decreased by 60% from 114 to 45. Once again, the vast majority of reports of areas of concern and exceptional practices have been highlighted through Service Control. The increase in reporting areas of concern alongside a reduction in safety critical concerns is a positive outcome. The Health, Safety and Environment team strive for more near miss reports and fewer accidents, in OA, the team strives for high area of concern reporting and fewer reports of safety critical concerns.

3rd Quarter (October – December 2020) Operational Assurance Performance



Further Breakdown of Key Areas

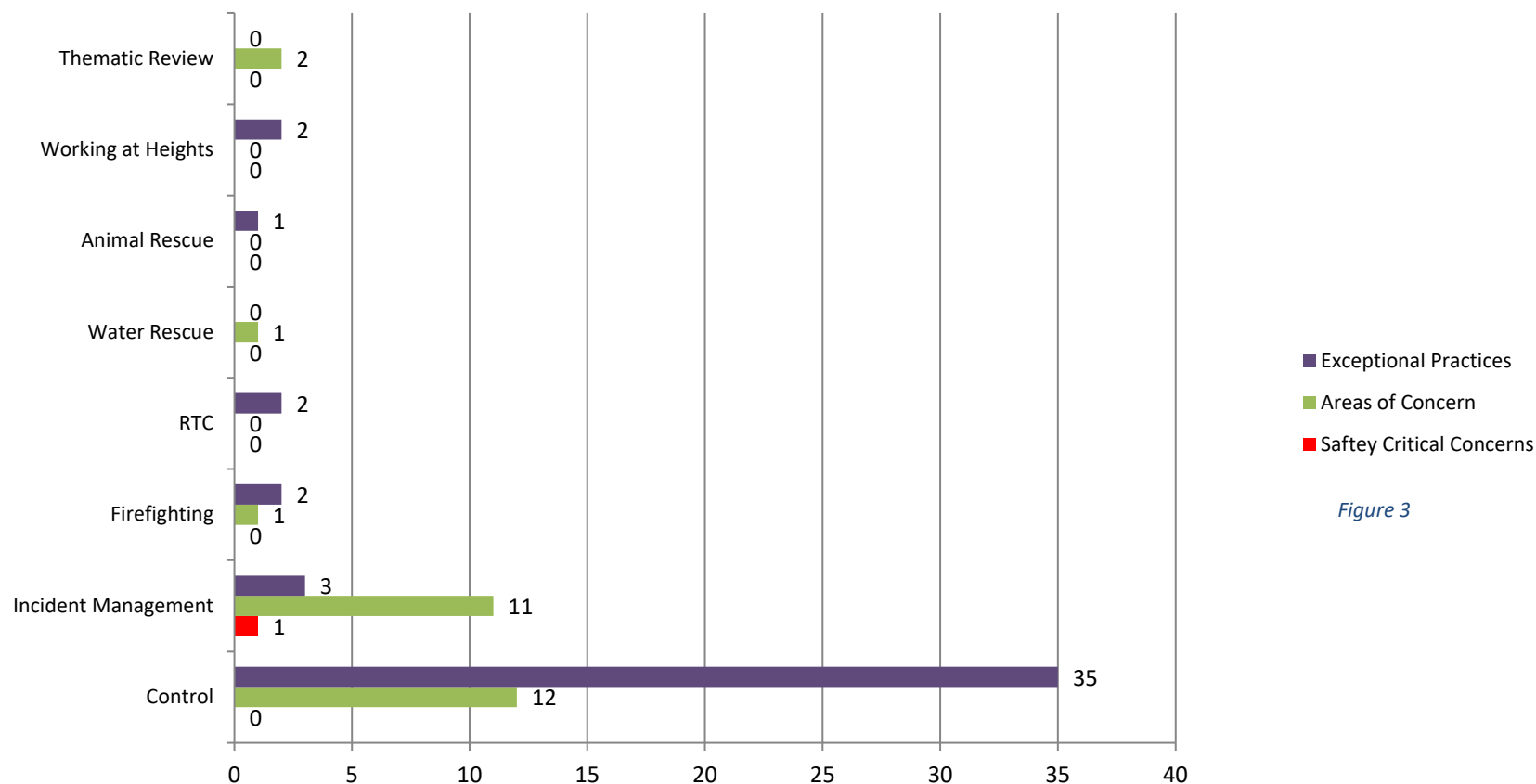


Figure 3

The safety critical concern during this quarter pertained to an Incident Commander being unaware of the location of the command support appliance during an incident. This was immediately rectified when brought to their attention by the attending Flexi Duty System (FDS) officer. Of the areas of concern reported, the most prominent that have required further action were in regards to prison incident protocols, Aerial Ladder Platform (ALP) procedures, and the National Operational Guidance (NOG) scenarios on the Mobile Data Terminals (MDT).

Internal Learning

Operational Assurance Assessment Learning

- I. Prison Incident Protocols – This OA assessment request that the protocol for prison incidents be reviewed. Current procedures require the crews to request permission from the FDS officer before entering. The issue being that the officer is usually still on route and so does not have enough situational awareness to make such a decision.
- II. ALP Procedures – This assessment came from an over the border exercise with North Yorkshire. Crews brought to the team's attention a number of procedures carried out by NYFRS in regard to ALP use and requested that we consider implementing them.
- III. NOG Scenarios on MDT – This incident highlighted an issue with some of the MDT's which meant that the newly adopted NOG Scenarios were not able to be viewed. This was immediately allocated to WM Barratt, who is managing in charge of the implementation.

Tactical Debriefs

A15 Debrief

During the A15 debrief a number of key themes were discussed including environmental protection, the flexi duty system watch manager role, the Service drone, and incident command. An OA assessment was completed by the Incident Commander soon after the incident, highlighting two key learning points prior to the debrief taking place which were acted upon very quickly. These pertained to the lack of drainage information available for this roadway and the benefits of formal Hazmat training for Watch Managers required to carry out the support role. Both of these were appropriately allocated to the correct individual to investigate and so were only briefly discussed at the debrief.

Haltemprice Crematorium Debrief

On 1st of October crews were mobilised to reports of a cremator on fire at Haltemprice Crematorium in Willerby. This would prove to be a particularly difficult incident and if not for the concerted efforts of the crews involved the attached church would surely have been lost. This was reflected in the debrief questionnaires as 50% of the areas identified were good practices.

Energy Works Debrief

This debrief took place in December and the report is currently being completed. The incident itself was ongoing for one week and involved multiple agencies as well as a multitude of difficulties. The themes discussed at the debrief were incident command, operational discretion, communications and the use of the on-site staff. Once the report has been produced it will be shared with our waste fire tactical advisors as there is national interest regarding this particular site and the innovative systems it uses to produce energy.

After each tactical debrief, a report is formulated and the recommendations finalised. Once this has been approved it is taken to the Change Team meetings in order to allocate the recommendations to the most appropriate people along with a timescale for completion.

External Learning

Mid and West Wales Fire and Rescue Service (MWWFRS) Boat Accident Fatality

In December the Service received the accident report from the MWWFRS boat accident that resulted in the tragic death of a firefighter during a training exercise. The OA section has fully considered the entirety of the report and the recommendations that were included. The section is working closely with the Service powerboat lead and Training section to ensure that we have identified the necessary lessons and have a plan in place for proposing the key recommendations from this event for action.

NOL Action Note

The Service received one NOL action note in this quarter. This pertained largely to high-rise procedures and so was immediately passed on to the Grenfell project team as well as Service Control as the two main interested parties when it comes to the areas of work that were highlighted by the action note.

JOL Action Notes

Emergency Services Inter Control Talkgroup – This action note required the Service to ensure relevant control room staff are trained and competent in the use of the inter control talkgroup. The Station Manager in charge of Service Control was allocated the recommendations made by the action note. These have now been implemented and the OA manager has already responded to the FRS national lead with the actions that have been taken by HFRS.

National Police Air Service (NPAS) – The action required from this note was that the Service ensures call handling staff within HFRS are aware of the scope and capabilities of NPAS. Once again the Control Station Manager has been allocated this task and they are currently in the process of implementing the recommendations. The Service is required to respond to the action note by 31/03/2021.

Marauding Terrorist Attack (MTA) Joint Operating Procedures (JOP) Version 2 – This action note required strategic leads from HFRS to ensure that all relevant groups receive an awareness input / briefing on the MTA JOPs 2, with the support of in-service MTA Leads. Leads should also note that a series of awareness-raising videos will be created and will be released in due course. A plan has been put in place through joint working with the Service NILO's and the Training section in order to update learning packages. The Service responded to this action note within the allotted timescale.

Joint Organisational Learning (JOL) Lessons Identified and Notable Practices

During this quarter the OA team took seven JOL Lessons Identified (LI) and Notable Practices (NP) to the Change Team meeting for allocation. These were as follows:

- I. Virtual TCG's
- II. Covid-19 Debrief
- III. Communication in Covid PPE
- IV. NILO Training
- V. Mental Health
- VI. Medical Episodes Whilst Swimming
- VII. Airbag Activations in Water

3rd Quarter (October – December 2020) Operational Assurance Performance



Posted Learning Notifications

The Operational Assurance Team have captured learning outcomes and communicated appropriate actions where necessary through notifications on the PDRPro competence recording system. This method provides an accountable record of understanding which every individual must confirm. The following examples highlighted the following areas;

- I. IEC CPR Covid-19 Procedures – This was published in order to remind operational staff of the correct procedures and PPE to be worn when carrying out CPR during the current Covid-19 pandemic. This was published in conjunction with the IEC and trauma lead from the Training section.
- II. IRMP Questionnaire – This was published on behalf of Corporate Communications in order to boost engagement with the questionnaire regarding the proposed new Integrated Risk Management Plan.
- III. New Thematic Review – This notice was posted in order to inform staff of the new thematic review that would be carried out by the OA section. This review focusses on the appropriate use of PPE and Covid-19 control measures.
- IV. BA Cylinder Ratchet Mechanism – This was published on behalf of the Fleet and Equipment section in relation to a small number of defective cylinders that had been identified and communicated to Interspiro.

Operational News

This quarter also saw the publication of the long awaited 2nd edition of the newsletter. As previously mentioned this was the product of a joint venture between OA and Emergency Preparedness. This version featured articles on the Service drone, NOL information notes we had received, new equipment in the Service, damage to hydraulic rescue cutters, the high-volume pump and water support unit, Initial Operational Response and an update on the fire contaminants project. This was once again very well received; work will begin on the third version as soon as the section has capacity to do so.

Change Team Meeting

During this quarter the OA section chaired the second Change Team meeting. Items discussed at this meeting included NOL action and info notes, JOL action notes and LI and NP's, OA assessments, Stroud Crescent debrief and Snaith flooding debrief. All recommendations were discussed and allocated by the section heads who are in the best position to make a judgement on this as well as the timescale for completion.

Thematic Review

During this pandemic HFRS would like to have assurance that operational crews are adhering to Covid-19 related control measures in order to keep them safe whilst attending incidents and exercises. Therefore, the new thematic review focusses on this area as well as the use of appropriate PPE.

The questions being asked are as follows:

- I. Is social distancing being maintained where practical?
- II. Where social distancing cannot be maintained, are time restrictions considered? (Such as when attending an RTC or bariatric incident)
- III. Are correct protection barriers to the face maintained at all times (face covering, Type IIR, FFP3, RPE) and are they appropriate for the situation?

This review will take place between 12/11/2020 and 28/02/2020 after which a full report will be produced detailing the findings and producing recommendations.

Forward Look

- A plan had been put together to visit all stations and watches in the new year along with Health and Safety, however, due to the ongoing pandemic is now likely to be delivered over Microsoft Teams. The introduction of the new Station Manager has increased the OA team's capacity to do this. The section will provide crews with an update on what Operational Assurance (OA) is and does and how to best utilise it as well as embedding the need for near misses to be reported to improve firefighter safety.
- The section has created criteria for the peer assessment of exercises with a view to trial and implement in the new year. The idea is not only to assess the quality of the exercise but to also assess the standard of the Operational Assurance assessment carried out by the Station or Watch Manager. The OA team can then provide feedback to the personnel involved. Hopefully, this will improve the standard of OA assessment returns which, in turn, will maximise the learning opportunities from operational exercises.
- Once the aforementioned thematic review has been completed, a report will be drafted, and the findings and recommendations will be taken to the Change Team meeting. This means the Service will have an accurate representation of the current appropriate use of PPE and Covid-19 controls and be able to actively identify areas of improvement that can then be acted upon by implementing the recommendations.

Officer Contact:

Niall McKiniry ☎01482 567166

Director of Service Improvement

Humberside Fire and Rescue Service,

Summergroves Way,

Kingston upon Hull.

Health, Safety & Environmental Report - Quarter 3 (October - December 2020)

SUMMARY

1. This is the 3rd Quarter 2020/21 report on Health, Safety and Environment. Appendix 1 provides a summary of the statistical data.
2. During this reporting period, the Service adapted to the regularly changing government restrictions due to the global Covid-19 pandemic. This changed the delivery of Service-wide activities in all sections. During this quarter, it has led to an increase in reported health and safety events. There were 22 accidents recorded (Figs 1 & 2) that resulted in personal injury compared to 13 for the same period last year. This is an increase of just over 69%. Most of this increase was due to the requirements to report Covid-19 workplace transmissions in line with the latest advice from the Health and Safety Executive (HSE).
3. The number of accidents reported was slightly above the three-year rolling average of 20 for quarter three. It is an increase from the number of reported injuries or ill-health for quarter two last year but still in line with the previous three-year average (Fig 3). However, this should be taken in the context of having to report Covid-19 workplace transmissions and the Service operating in an exceptional environment where the delivery of Service functions has adapted in response to the Covid-19 pandemic.
4. All the accidents this quarter were sustained by operational crews either Fulltime or On-Call firefighters and Flexi Duty System Officers. This is representative of our employees and the more hazardous nature of the activities carried out by operational staff. It also reflects the nature of the Covid-19 restrictions as most non-operational staff were working from home or had limited duties. Operational staff still delivered essential work and operational training during the Covid-19 restrictions.
5. Accidents relating to Routine Activities make up the highest number of total injuries reported (11). This is a 175% increase in the number reported during the same quarter last year (4). Training activity accidents had also increased by 133% in comparison to the same period the previous year. Injuries arising from Special Services activities have increased but not significantly. There has been a reduction in accidents relating to physical training activities, Fire and Road Traffic Collisions (RTC) compared to the previous year.
6. This quarter near miss reporting (35) was similar to the same period last year (37). The amount reported this quarter exceeds the reports we have received through the previous two quarters. This is a positive indicator of a proactive and responsible safety culture and how the Health, Safety and Environment team have worked to encourage reporting. Even though the Service has been working in new and flexible ways due to Covid-19 restrictions, it is positive to see staff are still reporting both accidents and near misses.

RECOMMENDATIONS

7. That Members take assurance from the Service's proactive management of Health and Safety.

BACKGROUND

8. During this quarter, the HSE released updated guidance on the reporting of Covid-19 as a reportable Occupational Disease in line with the RIDDOR 2013 legislation. This resulted in the Section reporting nine occurrences as accidents and RIDDOR's. This has affected the statistics for this quarter by significantly increasing the number of accidents and causes reported for the quarter.
9. Reported injuries and illness during Routine Activities were up 175% compared to the same period last year. This is not a true reflection of this accident category as nine of the accidents were reports of Covid-19 transmission in the workplace. There were two other routine activity accidents included one relating to cleaning activities where an object struck them, and the other related to the carrying of equipment in the fire station.
10. Training accidents were significantly up 133% compared to the same quarter last year. Five of the seven reported accidents were related to the same water rescue refresher course. Four of the students developed sickness after attending the course and one injured their shoulder. The other two training incidents were related to manual handling activities during training courses. There were also three incidents relating to Special Service activities. There was no common trend in the cause for these accidents they include slips, trips and falls, cut on, by a sharp objects and violent behaviour. All other accident categories have reduced or stayed at zero, when compared to the same quarter last year.
11. There was one injury relating to each of the following causes. "Cut on/by a sharp object" this occurred at a Special Service incident where a thorn injured the individual's hand through the glove. "Hit by a moving, flying or falling object" this happened when the retractable charging lead fell from its housing striking the individual on the head. "Slipped, tripped or fell on the same level" occurred when an individual slipped on a wet floor attending a flooding incident. "Hit something fixed or stationary" happened during water rescue training when the individual hit part of the course during the descent as part of the training.
12. Positively near miss reports (Fig 6) have stayed consistent compared to the same quarter for last year with only two fewer reports. They are more than 50% greater than the number of reported accidents. If you remove the Covid-19 related incidents, it shows a reporting of more than two near misses for every accident which occurred. This is despite the ongoing Covid-19 pandemic and regular changes to government restrictions during this period. The reporting of significantly more near misses than accidents indicates a positive safety culture within HFRS emphasising reporting of events that have the potential to cause injury before they do. This is an area promoted continuously by the Health, Safety and Environment Section, near misses are treated with an equal degree of seriousness as accidents. They are investigated accordingly to enable proactive control measures to be implemented.
13. The Health, Safety and Environment Section continue to undertake research in several areas reflecting the Services positive approach. These include:
 - Covid-19 pandemic response – The Health, Safety and Environment Section continues to be heavily involved with supporting the Service's response to the ongoing Covid-19 pandemic. The Section is working closely with Occupational Health to develop and review documented guidance for all staff. The continual review of Covid-19 specific risk assessments is undertaken to support Service Delivery with operational activities and to assist partner agencies, for example offering aid to both local Ambulance Services in patient transport and the provision of staff to help local authorities delivering essential items. The reviews also reflect the continual government changes to advice and guidance which affect how the Service delivers frontline functions whilst

ensuring HFRS staff are protected from infection.

- During this quarter, the Health, Safety and Environment Section has continued where possible the delivery of training courses to all staff in a Covid-secure environment. This is an essential part of maintaining the positive culture we are developing in HFRS by providing staff with the knowledge and information to identify hazards and risks whilst taking appropriate actions to control and report the issues. During the next quarter the section is going to be exploring alternative ways of delivering training through electronic methods to maintain training during the Covid-19 pandemic.
- Humberside Police – The Joint Health and Safety Service (JHSS) continues to offer guidance and advice to Humberside Police during the Covid-19 pandemic. The JHSS has been working closely with their training departments to better understand the operational requirements of Humberside Police and how we can influence cultural change at the start of Police careers.
- Sustainability and environmental management – The section has worked with Emergency Preparedness to deliver additional water supplies in 5-litre refillable containers to crews to ensure they are self-sufficient at incidents in an environmentally friendly way.

17. Details of the Service's Health, Safety and Environment outcomes for this quarter 2020/21 are contained in Appendix 1

STRATEGIC PLAN COMPATIBILITY

18. The monitoring of Health, Safety and Environmental information is a part of the Strategic Plan to:
- Maintain a positive health and safety environment, compliant with legislation and provide operational assurance.
 - Implement measures to ensure environmental sustainability.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

19. None.

LEGAL IMPLICATIONS

20. None.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

21. None.

CORPORATE RISK MANAGEMENT IMPLICATIONS

22. None.

HEALTH AND SAFETY IMPLICATIONS

23. This report provides the opportunity for an additional level of scrutiny of Health and Safety information.

COMMUNICATION ACTIONS ARISING

24. None.

DETAILS OF CONSULTATION AND/OR COLLABORATION

25. None.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

26. Health and Safety Policy Statement.

RECOMMENDATIONS RESTATED

27. That Members take assurance from the Service's proactive management of Health and Safety.

N McKINIRY

Officer Contact: Niall McKiniry ☎ 01482 567166
Director of Service Improvement
Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

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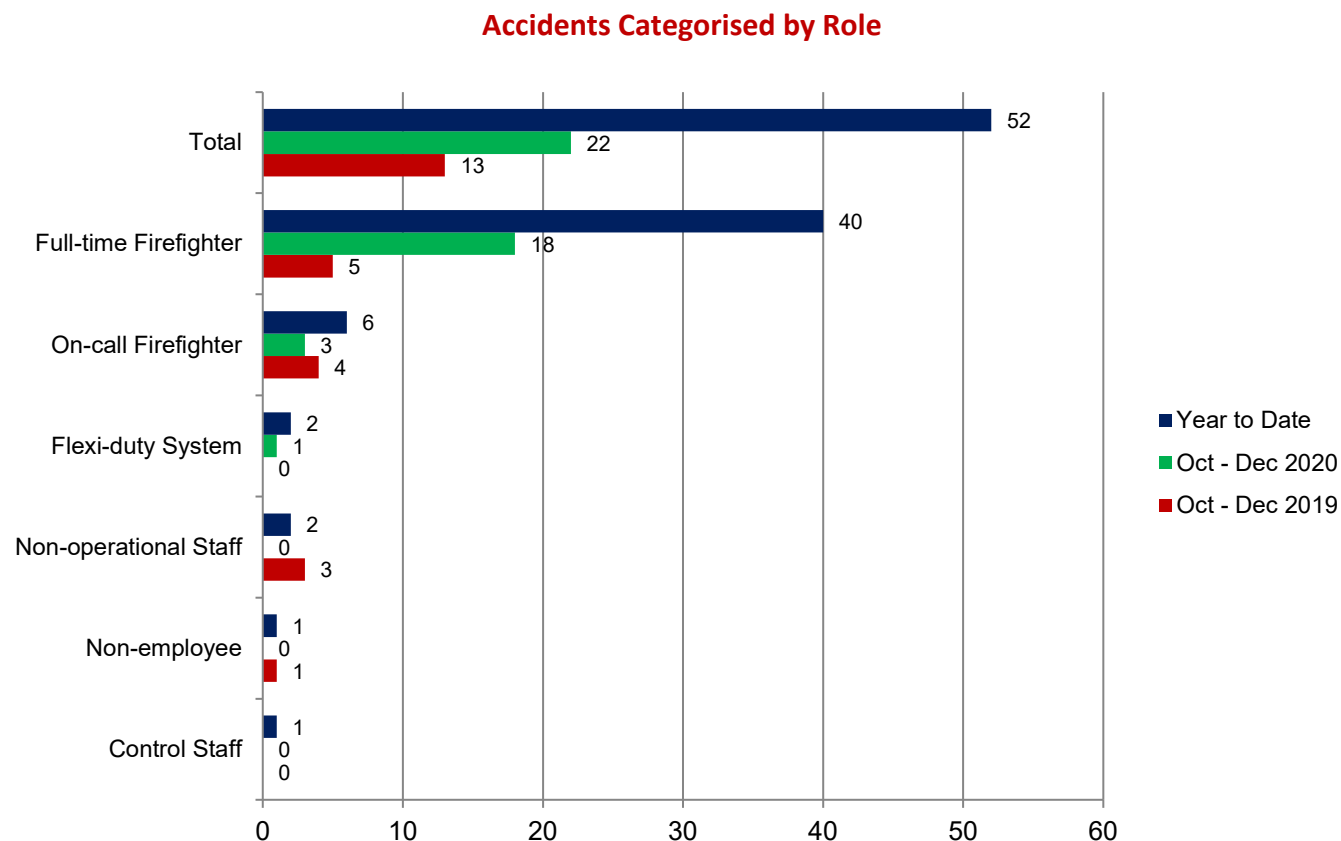


Figure 1

The chart above shows the *role* of those involved in accidents, for the period (October – December 2020) alongside a comparison for the same quarter from the previous year and a year to date total. The total number of reported accidents for the quarter (22) is 69% higher than the previous year (13). There has been a 260% increase in accidents involving Full-Time Firefighters and accidents involving On-Call Firefighters has dropped by 25% compared to last year, Flexi-duty System Officers have increased by one accident. All other categories have reported no accidents this quarter which is either a reduction on last year or remained the same. ***N.B. The data for this quarter should be read in the context of measure undertaken due to the Covid-19 pandemic?***

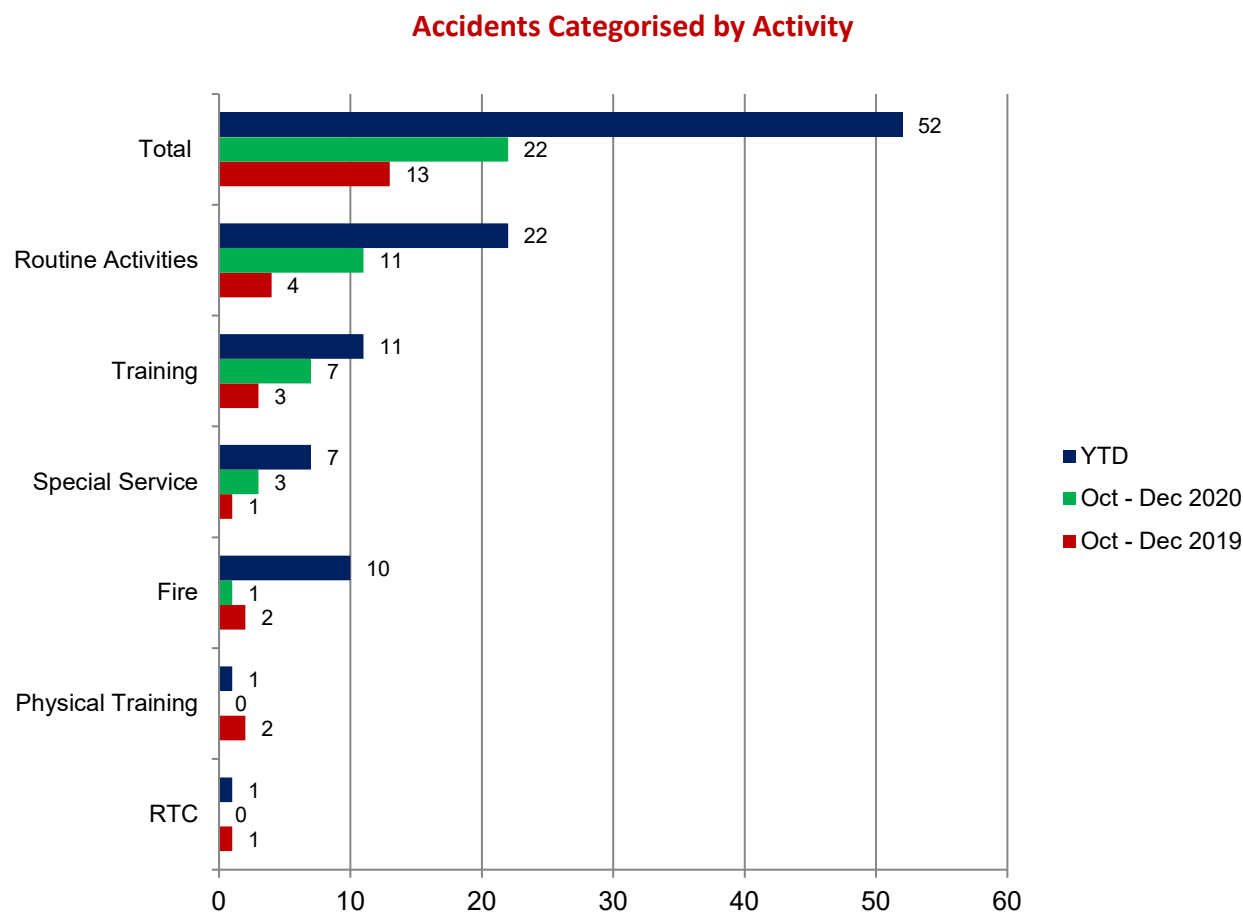


Figure 2

The chart above relates to the activities undertaken at the time of the recorded accident. Reported injuries or ill-health during routine activities were the most common in this quarter though this figure increased by 175% compared to the same quarter last year. Training accidents were not the highest number reported in terms of activity but showed a significant increase of more than 133% compared to the same quarter for last year. Special Service accidents also increased by two occurrences compared to the previous year, but all other areas have shown a decrease in contrast to last year.

Average of Q3 Accidents for the Past Three Years



Figure 3

Reported accidents (22) are 10% above the three-year rolling average (20), which is the second highest in three years. This data takes into account the accidents relating to Covid-19 transmissions. The data indicates a good reporting culture and without the Covid-19 incidents, a positive health and safety performance this quarter.

Cause of Injury due to Accident

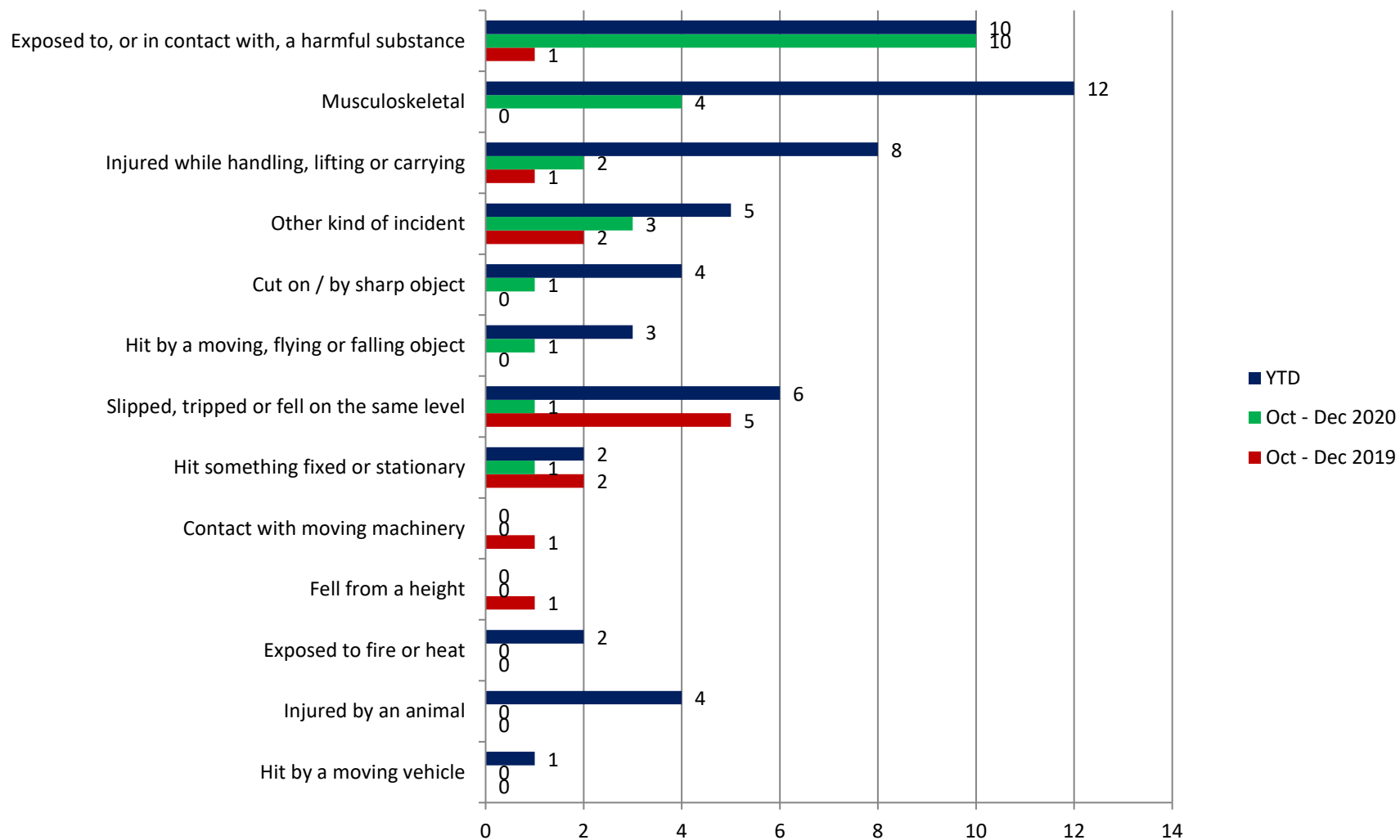


Figure 4

Figure 4, on the previous page, shows the cause of accidents for this quarter compared against the same period from the previous year. The most common cause of injuries is “Exposed to, or in contact with, a harmful substance ” nine of these incidents were related to Covid-19 exposures. With “Musculoskeletal” and “Injured whilst handling, lifting or carrying” the next most prevalent. Three of these occurrences were recorded as both “Musculoskeletal” and “Injured while handling, lifting or carrying” and occurred during Fulltime Firefighters performing routine activities.

N.B. Injured persons can record multiple causes on the initial reporting form; hence the cumulative total is more than 22.

Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR)

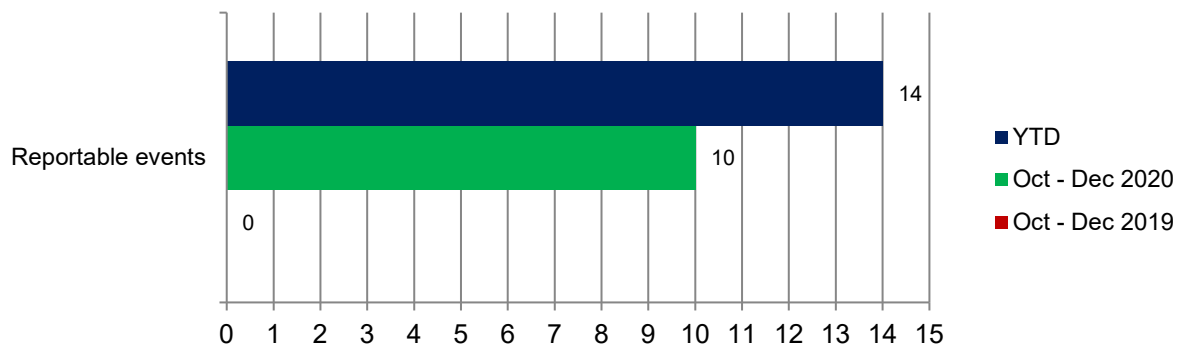


Figure 5

During this quarter, there have been ten accidents reportable under RIDDOR 2013, nine of them were due to changes to the RIDDOR reporting requirements around Covid-19 with the HSE classifying it as a reportable occupational disease when there is reasonable evidence that it was caused by a workplace transmission. The other RIDDOR report was due to a sickness absence of more than seven days for the individual concerned. This was sustained by a full-time firefighter whilst attending a water rescue refresher. The required online reports to the Health and Safety Executive were made within the appropriate timescales and investigated accordingly. The Health, Safety and Environment Team continue to react to such events by implementing modified and improved control measures wherever possible to try and reduce future incidents of this type.

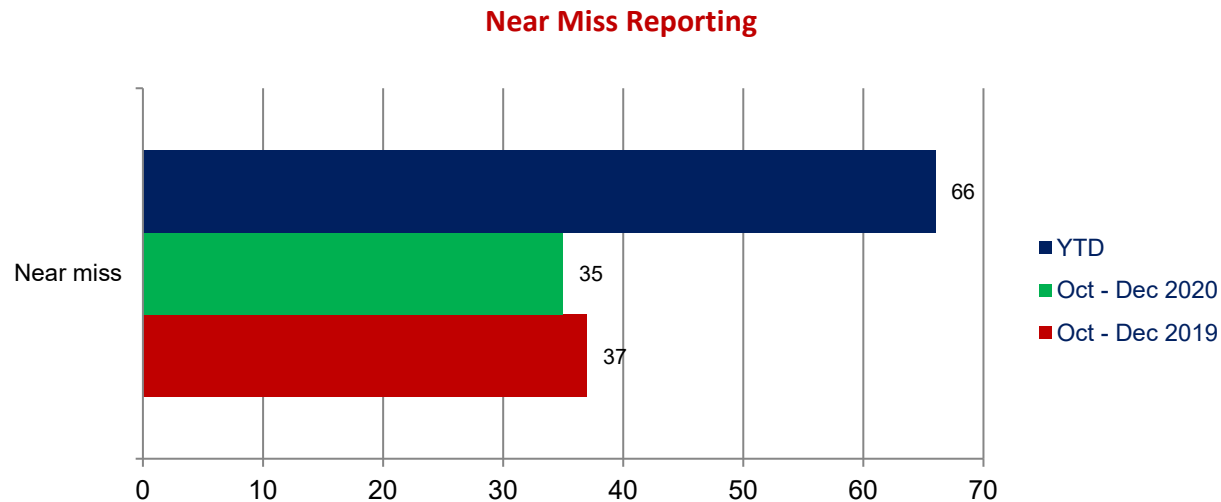


Figure 6

Near miss, reports are encouraged to proactively identify potentially harmful events before any injury occurs. Positively, near miss reporting is almost identical to the same period last year and the total reports this quarter (35) are more than the number reported through the previous two quarters (31). This demonstrates a positive reporting culture in Service, the increase during the quarter is in line with the amount of near misses we expect to receive every quarter. This may reflect that during this quarter we had a more usual Service delivery and training arrangements due to relaxing of Covid restrictions. The Health, Safety and Environment Team have resumed some health and safety training which we have reaffirmed with staff the importance of reporting near miss events across the Service.

Forward Look

Key current areas being addressed are:

- The continual provision of professional guidance and support for both Humberside Fire and Rescue Service and Humberside Police in relation to the Covid-19 pandemic.
- Ongoing reviews of risk assessments and guidance in relation to the Covid-19 pandemic.
- Further development of environmental policy and delivery of environmental working group.
- Investigation of health and safety training packages which can be delivered online due to on-going pandemic.
- Investigation of new methods of delivery of health and safety information such as video clips and podcasts.
- Review and update of the Health and Safety Legal register
- Continuation of Covid station audits across all site with the support of the FBU, where practical due to covid restrictions.
- Online sessions with stations to ensure continual engagement during lockdown situations.
- Development and progression of agreed policies with Humberside Police.
- Attending Public Order, Officer Safety, Firearms and Taser training events and visiting custody suites to develop our understanding of different activity areas for Humberside Police.
- Working collaboratively with Officer Safety Training team to promote and shape a positive health and safety culture.

**ABSENCE MANAGEMENT - QUARTER 3 REPORT
(OCTOBER - DECEMBER 2020)**

SUMMARY

1. This report provides an update to Members with regard to absence management for the period 1 October 2020 to 31 December 2020. In keeping with the previous approach, absence remains a key area of focus for the Service.

RECOMMENDATIONS

2. That Members note the content of the report and take assurance that absence is being managed fairly, consistently, and appropriately in the Service and necessary follow-up actions are taken to address short and long-term absence issues.

ABSENCE MANAGEMENT REPORTING

3. Table 1 below shows the performance during this period against the target by staff group with 3 staff groups being significantly below target and 1 area of focus slightly above target due to long term absence in that area.
4. In quarter 3 of 20/21, there continues to be a significant decrease overall, and in each contract group of sickness absence. In total there have been 2191.24 fewer days of absence compared to the same period in 19/20, which is only 63.27% of the absence experienced in the same period last year.
5. It is worth noting that quarter 3 included the Covid-19 tier 3 period and the continued 'Covid safe' working practices and as such may well have influenced the absence levels for Quarter 3 of 20/21 compared to Quarter 3 of 19/20 (Covid related absence is provided in Table 4). The impact of this on the absence levels continues to be limited due to actions taken to protect the workforce and maintain service delivery through 'Covid Safe' measures being put into place at all of our premises and through safe working processes. Strict protocols of self-isolation have been adopted when there has been a risk that employees have been exposed to any persons either symptomatic or testing positive. Where possible the employee has provided with meaningful work to enable them to work from home throughout the isolation period.
6. Table 2 shows that both full-time attendance at 96.62% (against a target of 95%) and Support Staff attendance at 97.96% (against a target of 97%) are both ahead of target, meaning that the majority of the workforce during this period have had full attendance. This is exceptional performance particularly given the additional challenges of improving and maintaining attendance during a pandemic.
7. Whilst the level of absence in control is marginally above target as far as the headline figures refer in Table 1 and Table 2, this is due to a small amount of staff having long term absence issues. As there are only 29.21 staff on the Control establishment, long-term absence can quickly skew the figures disproportionately. That said, 94.65% of control staff had full attendance during this period which is a 5.53% improvement versus the same quarter last year.

Table 1

	Sum of Days Lost	Establishment	Average Duty Days Lost per person	2020/21 annual target per person	YTD (annual divided by 12 x current month number)
Control	202.00	29.21	7.35	8.70	6.52
Fire Staff	711.55	174.29	3.99	10.00	7.50
On Call	796.65	348	2.28	7.00	5.25
Full Time	2066.00	443.5	4.65	7.00	5.25
total	3776.20	995	3.79		

Table 2

	Quarter 3 2018/19	Quarter 3 2019/20	Quarter 3 2020/21	Target attendance
Full time	96.06%	95.46%	96.62%	95%
Control	95.86%	89.42%	94.65%	95%
Fire Staff	96.52%	94.79%	97.96%	97%

8. Table 3 shows the top four reasons for absence for all staff groups during the period and shows that, once again, mental health conditions are the top reason for absence. Work continues by the Service in raising awareness of mental health and encouraging staff to be open about the impact of mental ill-health on individuals. Mental health is now extremely high profile in the media and staff continue to be encouraged to raise and seek assistance for mental health issues.
9. The Service continues to support staff experiencing mental health conditions with initiatives such as the Blue Light Champions, Critical Incident Support, and publicising potential internal and external routes where staff may seek support. The recent addition of the Employee Assistance Programme (EAP) further allows staff to access confidential counselling for a variety of personal and work-related issues as paragraph 10 refers.
10. Occupational Health has established a new interactive portal and worked with a clinical psychologist to develop a staff wellbeing toolkit as well as resources around psychological wellbeing. In September 2020 the Service launched an EAP which is accessible to all staff for financial, legal, and relationship advice as well as wellbeing and provision of counselling.
11. Throughout the pandemic, HFRS has run three rounds of individual staff risk assessment where mental health support is explored with each employee by their manager, and all are reminded of the range of services available to them. A fourth-round is due to run in the next quarter.
12. Table 3 shows the comparison of long-term and short-term absence against the top four reported medical conditions and shows that mental ill-health continues to account for the highest levels of long-term absence. As referred to in paras 8, 9, 10, and 11 above, work continues to address this issue.
13. Tables 3 also shows a number of staff are suffering from back, knee, and lower limb musculoskeletal conditions which are often inherent in an aging workforce undertaking work of a physically demanding nature. All of these issues are being managed and supported as appropriate to each individual case.

Table 3

CLG Category	Short Term days lost	Long Term days lost	Total duty days lost
Mental Health Anxiety/Depression	21.57	1005.80	1027.37
Musculo Skeletal Back	119.96	325.42	445.38
Musculo Skeletal Knee	33.14	347.68	380.82
Musculo Skeletal Shoulders	35.44	244.44	279.88

14. Table 4 shows the number of employees by group who have been affected by Covid19, both directly and indirectly during quarter 3. Absences due to Covid19 are still very low compared with other FRS, largely due to the measures instigated by HFRS at the outset of the lockdown to protect our staff and preserve service delivery standards. Where staff have tested positive for Covid19, we have been able to minimise the spread by following our protocols closely, thus limiting the impact on service delivery to our communities. It is also worth noting that with the exception of front-line staff, the majority of employees who have needed to self-isolate and quarantine have been able to work from home.

Table 4

	No of employees	No of employees	No of employees	No of employees	No of employees
	Confirmed Covid	Self Isolation Symptoms of Covid	Self Isolation – Household symptoms	Self-isolation – team, watch and Test and Trace	Quarantine – returning to the UK from an affected area
Control	0	7	7	5	1
Fire Staff	2	27	31	23	0
On Call	0	35	65	46	4
Full Time	3	72	109	102	6
Total	5	141	212	176	11

DISTRICT AND DEPARTMENT CASE REVIEW PROCESS

15. The department and district-focused case review system continues to empower managers to both seek support and manage their own local absence issues more appropriately and effectively.
16. Managers are supported by HR Service Partners and OH Advisors who provide assistance to review and progress cases on a monthly basis. This tri-partite approach provides regular focused management of absence cases and ensures all parties are appropriately supported.
17. Monthly summary meetings are held with the Head of HR on all absence and modified duties to ensure a consistent approach is adopted across the service and to provide the opportunity to identify common themes.
18. Occupational Health services, internal support for maintaining operational fitness, and counselling services are all utilised according to individual needs. This integrated approach seeks to make the best use of all available health resources, support staff during periods of ill health, and support their return to work (where possible) in the most effective way. The OH Physician is now being more effectively utilised to help with complex long-term cases.

COMPARISON WITH THE SAME PERIOD LAST YEAR

19. Table 5 shows a comparison of absence in the same period last year with this year and it is clear to see that in quarter 3 of 20/21 there has been a sustained and significant decrease in sickness absence in each contract group across the year.
20. In total there have been 2191.24 fewer days absence compared to the same period in 19-20, which is 63.27% of the total absence days at this point in 2019/20.
21. The pandemic appears to have a significant and positive impact upon the overall absence rates. The Service has completed three rounds of individual staff impact assessments and these have all indicated that many staff have enjoyed working at home and have enjoyed a better work-life balance as a result; it is reasonable to

assume that this may have had a positive impact on staff health. As we return to a blended approach of home and office working, the absence percentage will continue to be measured and over time we will be able to assess whether this is a lasting positive impact.

22. Another welcome side effect of the pandemic is likely to be that handwashing protocols, social distancing, and the wearing of masks not only limits the spread of Covid19 but also limits other common infectious complaints such as colds, flu, and norovirus and it is reasonable to assume this has also contributed to a reduction in sickness absence, particularly during quarter 3.
23. A further area of positive impact is likely to be the increased focused attention that Managers, supported by the HR Service Partners are bringing to bear on long term sickness absence and other staff who have been on modified duties for extended periods.
24. The Absence Policy has also been reviewed and issued for consultation. It aims to provide a clearer, more consistent framework for managers and employees on the services available and the processes that will be followed to support employees back to work and full operational duties promptly; particularly in respect of managed periods of modified duties.

Table 5

	2020/21 Sum of Duty Days Lost	2019/20 Sum of Duty Days Lost	difference between contract groups 20/21 – 19/20
Control	202.00	421.00	-219
Support Staff	711.55	1779.22	-1067.67
On-Call	796.65	929.22	-132.57
Full-Time	2066.00	2838.00	-772.00
Grand Total	3776.20	5967.44	-2191.24
Number of sickness absence days difference to the previous year	2191.24		

25. The biannual fitness testing process aims to identify and support all operational staff with general fitness and muscular-skeletal issues. An additional member of staff has been appointed to support both the fitness testing program and the range of remedial support that can be offered to staff to regain their operational fitness. OH have reviewed and secured an improved physiotherapy/rehabilitation service provision for staff to support recovery and rehabilitation.
26. Whilst this program was interrupted by Covid19, several essential return to work fitness tests were carried out remotely, observing the need to preserve social distancing measures. Full fitness testing resumed in September 2020.
27. The new Employee Assistance Program (EAP) was launched to provide all staff with a valuable range of counselling and supportive services which will in-turn assist with mental health issues and related absence. This replaces the previous ad hoc approach to accessing external counselling where demand has increased significantly since the mental health agenda was given more prominence. It will also be a more targeted yet economical approach in the way we support our staff.
28. Training for Critical Stress Incident Management (which was postponed due to Covid19) was launched in August 2020 and continues. This allows a diverse cadre of trained staff from across the service to debrief and defuse following incidents and

situations that employees may have found traumatic. This is another service that we can provide to staff that is expected to have a positive impact on mental health and related absence.

29. HR continues to work closely with Occupational Health and managers to support all staff during periods of absence and modified duties.

STRATEGIC PLAN COMPATIBILITY

30. Effective management of sickness absence is a key enabler towards achieving all of our Strategic Objectives and supports the Value Our People workstream.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

31. Management of sickness absence and the retention of personnel through effective attendance have a positive impact on both the finances of the Service and the resources available for deployment.

LEGAL IMPLICATIONS

32. The fair management of absence with a consistent approach to the management of cases and the use of reasonable adjustments to support staff back into the workplace decreases the risk of Employment Tribunals being brought against the Authority and the loss of these cases when they happen.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

33. The fair management of absence cases supports the delivery of equality of opportunity and ensures that staff suffering from ill health are treated equally regardless of gender, disability, and other protected characteristics.
34. The introduction of new ways of consistently managing absence represents the use of HR best practice across the Service.

CORPORATE RISK MANAGEMENT IMPLICATIONS

35. Appropriate management of absence reduces the risk of related corporate issues being raised.

HEALTH AND SAFETY IMPLICATIONS

36. Appropriate management of absence reduces the risk of negative health and safety implications.

COMMUNICATION ACTIONS ARISING

37. Managers are being regularly communicated with in relation to absence through a coaching approach by the HR Service Partners and regular meetings with the Director of HR and the DCFO.

DETAILS OF CONSULTATION

38. None directly arising.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

39. None.

RECOMMENDATIONS RESTATED

40. That Members note the content of the report and take assurance that absence is being managed fairly, consistently, and appropriately in the Service and that actions taken are having a positive impact on absence management figures.

J KIRBY

Officer Contact: Ruth Gilmour
Head of HR

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

RG
20 January 2021

PAY POLICY STATEMENT 2021-22

SUMMARY

1. This report provides a proposed Pay Policy Statement for Humberside Fire Authority for 2021/22, as required by the Localism Act 2011, for approval by the Fire Authority.
2. The Act introduced senior staff pay transparency into local authorities with a requirement that authorities prepare a Pay Policy Statement for each financial year. A statement for Humberside Fire Authority was first produced for 2012/13 and approved by the Fire Authority at its meeting on 17 April 2012 (Minute 3839 refers).
3. The Authority agreed at that time that the Pay Policy Statement should be reviewed annually by officers and that any proposed amendments would be brought before the full Authority for consideration.
4. The proposed statement for 2021/22 reflects the pay details for the current Strategic Leadership Team (SLT) posts. Should HFA approve any subsequent amendments to the SLT structure an updated Pay Policy Statement will be brought back to the full authority for consideration as per recommendation 5(c).

5. RECOMMENDATIONS

- (a) That the draft Pay Policy Statement for 2021/22 at Appendix 1 be approved;
- (b) That the Chief Fire Officer & Chief Executive be authorised to make factual adjustments to the Policy during the course of 2021/22, for example, in reflection of the impact of any pay awards arising for different employment groups during the year;
- (c) That any other proposed amendments to the Policy during 2021/22 be brought before the full Authority for consideration.

BACKGROUND

6. The Localism Act 2011 introduced senior staff pay transparency into local authorities. In this regard, Humberside Fire Authority must prepare a Pay Policy Statement for each financial year. The first statement was required and produced for 2012/13.
7. The Secretary of State is permitted to issue guidance to which the Authority must have regard when drawing up its Statement. The current guidance was published by the Department for Communities and Local Government in March 2015. This states that Statements must be approved by Full Council or a meeting of Members in the case of a Fire Authority and cannot be delegated to a sub-committee. The Authority may, by resolution, amend the Statement at any time. As soon as reasonably practicable after approving or amending the Statement, the Authority must publish the Statement or amended Statement in such manner as it sees fit (which must include publication on its website).

8. The Act requires that, amongst other things, the Statement sets out an Authority's policy on the remuneration of its Chief Officers. The definition of 'Chief Officers' in local authorities is not limited to Heads of Paid Service or statutory Chief Officers. It also includes those who report directly to them (non-statutory Chief Officers), to their direct reports (Deputy Chief Officers) and, in the case of a Fire Authority, a Deputy Chief Fire Officer.
9. In addition, the guidance suggests that authorities consider whether, in the light of their own context and reward structure, it is appropriate to extend the scope of the Pay Policy Statement to include highly paid staff who would not come within the definition of 'Chief Officers'.

CONTENT OF PAY POLICY STATEMENT

10. Under Section 38 of the Act, the Statement must set out the Authority's policies for the financial year relating to:
 - (a) the remuneration of its highest paid staff;
 - (b) the remuneration of its lowest-paid employees; and
 - (c) the relationship between:-
 - (i) the remuneration of its Chief Officers, and
 - (ii) the remuneration of its employees who are not Chief Officers.
11. The statement must also state:-
 - (a) the definition of "lowest-paid employees" adopted by the Authority for the purposes of the Statement; and
 - (b) the Authority's reasons for adopting that definition.
12. In addition, the Statement must include the Authority's policies relating to
 - (a) the level and elements of remuneration for each Chief Officer;
 - (b) remuneration of Chief Officers on recruitment;
 - (c) increases and additions to remuneration for each Chief Officer;
 - (d) the use of performance-related pay for Chief Officers;
 - (e) the use of bonuses for Chief Officers;
 - (f) the approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the Authority; and
 - (g) the publication of and access to information relating to remuneration of Chief Officers
13. The Authority may also include within the Statement, its policies for the financial year relating to other terms and conditions applying to its Chief Officers.

14. The guidance states that authorities should include the organisation's pay multiple – the ratio between the highest paid employee and the median average earnings across the organisation.
15. Other aspects of the Statement referred to in the guidance but not explicitly covered in the Act include an authority's policy regarding reward for Chief Officers previously employed by the Authority who are re-engaged following receipt of a severance or redundancy payment.

HUMBERSIDE FIRE AUTHORITY PAY POLICY STATEMENT

16. A draft Pay Policy Statement for 2021/22 has been produced in compliance with the legislative requirements and having regard to the DCLG guidance. The Statement can be found at Appendix 1.
17. The proposed Statement complies with the legislative requirements and reflects the revised structure of the Strategic Leadership Team (SLT) as agreed by the Humberside Fire Authority on 16th February 2015.
18. Should HFA approve any subsequent amendments to the SLT structure an updated Pay Policy Statement will be brought back to the full authority for consideration as per recommendation 5(c).

STRATEGIC PLAN COMPATIBILITY

19. Not directly applicable although the Pay Policy Statement can contribute in demonstrating achievement against the Strategic Plan objectives 'Make appropriate use of public money' and 'Maintain sound financial control and resilience'.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

20. None arising directly. The Pay Policy Statement will provide transparency in senior staff remuneration.

LEGAL IMPLICATIONS

21. Production and publication of the Statement will fulfil the Authority's relevant statutory obligations under the Localism Act 2011.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

22. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

23. None arising directly.

HEALTH AND SAFETY IMPLICATIONS

24. None arising.

COMMUNICATION ACTIONS ARISING

25. The Pay Policy will be published on the Service's website.

DETAILS OF CONSULTATION

26. Not applicable.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

27. None.

28. RECOMMENDATIONS RESTATED

- (a) That the draft Pay Policy Statement for 2021/22 at Appendix 1 be approved;
- (b) That the Chief Fire Officer & Chief Executive be authorised to make factual adjustments to the Policy during the course of 2021/22, for example, in reflection of the impact of any pay awards arising for different employment groups during the year;
- (c) That any other proposed amendments to the Policy during 2021/22 be brought before the full Authority for consideration.

Jason Kirby

Officer Contact: Jason Kirby ☎ 07817 248089
Temp Director of People & Development

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

JK/MAS
08 February 2021

HUMBERSIDE FIRE AUTHORITY PAY POLICY STATEMENT 2021/22

INTRODUCTION

1. This Statement has been produced with due regard to the Guidance issued by the Secretary of State under Section 40 of the Localism Act 2011.
2. This Statement extends to all members of the Strategic Leadership Team (SLT) whether or not they meet the definition of a 'Chief Officer' as set out in the Act.
3. SLT comprises the Chief Fire Officer/Chief Executive, the Deputy Chief Fire Officer/Executive Director of Service Delivery, Executive Director of Corporate Services/S.151 Officer and four Directors.
4. All SLT members are employed by the Authority and not retained under a contract for services.

REMUNERATION OF: CHIEF FIRE OFFICER AND CHIEF EXECUTIVE (CFO), DEPUTY CHIEF FIRE OFFICER/EXECUTIVE DIRECTOR OF SERVICE DELIVERY (DCFO), DIRECTORS (OPERATIONAL X 3)

5. The CFO, DCFO and the three Directors are employed under contracts of employment on the terms and conditions as set out in the National Joint Council for Brigade Manager of Local Authority Fire and Rescue Services Constitution and Scheme of Conditions of Employment (Gold Book), as supplemented by the Authority's local terms and conditions as amended from time to time.
6. The process for determining the pay of the CFO is set out in the Gold Book as follows:

The NJC will publish annually recommended minimum levels of salary applicable to chief fire officers/chief executives employed by local authority fire and rescue authorities.

There is a two-track approach for determining levels of pay for Brigade Manager roles. At national level, the NJC shall review annually the level of pay increase applicable to all those covered by this agreement. In doing so, the NJC will consider affordability, other relevant pay deals and the rate of inflation at the appropriate date. Any increase agreed by the NJC will be communicated to fire authorities by circular.

All other decisions about the level of pay and remuneration to be awarded to individual Brigade Manager roles will be taken by the local Fire and Rescue Authority, who will annually review these salary levels.

7. The CFO's salary as at 1 April 2021 is £149,548.
8. The DCO's salary is determined by Humberside Fire Authority as 85% of the CFO's salary and is £127,118 as at 1 April 2021.
9. The Directors' salary is determined by Humberside Fire Authority as 55% of the CFO's salary and is £82,252 as at 1 April 2021.

10. Each officer is provided with a motor vehicle for the performance of their duties.
11. No bonuses are paid.
12. Appropriate professional fees and subscriptions are paid.
13. There is no performance related pay scheme
14. A restricted range of legitimate and evidenced expenses may be claimed. Wherever possible, the Service will centrally procure travel and accommodation, e.g. rail tickets and hotel accommodation, to achieve best value.

REMUNERATION OF: - EXECUTIVE DIRECTOR OF CORPORATE SERVICES/S151 OFFICER, DIRECTOR (NON-OPERATIONAL x 1)

15. The post-holders are employed under a contract of employment on the terms and conditions set out in National Joint Council for Local Government Services National Agreement as supplemented by the Authority's local terms and conditions as amended from time to time.
16. The Executive Director of Corporate Services/S151 Officer's salary is determined by Humberside Fire Authority as 70% of the CFO's salary and is £104,684 as at 1 April 2021.
17. The non-operational Director's salary is determined by Humberside Fire Authority as 48% of the CFO's salary and is £71,784 as at 1 April 2021.
18. No bonuses are paid.
19. Appropriate professional fees and subscriptions are paid.
20. There is no performance related pay scheme.
21. A restricted range of legitimate and evidenced expenses may be claimed. Wherever possible, the Service will centrally procure travel and accommodation, e.g. rail tickets and hotel accommodation, to achieve best value.

REMUNERATION OF ALL OTHER EMPLOYEES

22. All other employees are paid in accordance with nationally agreed rates under relevant national schemes of conditions of service and the Authority's grading structures.
23. For the purposes of this Policy Statement, "lowest-paid" employees are defined by reference to the lowest graded posts on the support staff salary pay scale as these are the posts with the lowest level of remuneration. The lowest-paid post attracts a starting salary of £17,842. The CFO is paid 8.38 times more than the lowest paid employee.
24. The median average pay in the Service is £34,930. The CFO is paid 4.28 times more than the median average pay.

TERMINATION PAYMENTS

25. In cases of redundancy, payment is calculated based on actual weeks' pay for employees in positions where the Local Government Scheme applies and, for employees in positions where the Firefighters / New Firefighters Pension Schemes apply, subject to necessary changes in those schemes to enable payment on this basis. There are discretionary payments on early retirement available to posts to which the

Local Government Pension Scheme applies which the Authority would consider on a case by case basis based on its policy regarding such payments as at 1 April 2014.

RE-EMPLOYMENT FOLLOWING TERMINATION

26. There is no prohibition on employees who have left employment and are in receipt of pension, redundancy/early retirement payments from being re-employed subsequently.
27. In the case of an employee who is a member of the Local Government Pension Scheme and who is re-employed to a position to which that Scheme applies, the pension scheme rules provide discretion to the administering authority regarding abatement of pension. As the relevant administering authority, the East Riding Pension Fund has decided that, where the re-employment starts after 31st March 2007, there will be no abatement of the retirement pension.
28. In the case of an employee who is a member of the Firefighters Pension Scheme or New Firefighters Pension Scheme and who is re-employed by the Authority to a position to which these schemes apply, the Authority exercises its discretion within the schemes to abate the retirement pension. Abatement is not applied in any other circumstances.

REVIEW

29. This Statement will be reviewed annually by the Fire Authority and at other times if necessary.

PUBLICATION

30. This Statement will be published on the Humberside Fire and Rescue Service website (www.humbersidefire.gov.uk).

**Humberside Fire Authority
12 March 2021**

**Report by the Director of
Service Improvement**

CUSTOMER SERVICE EXCELLENCE STANDARD 2021

SUMMARY

1. Members are aware that the Customer Service Excellence Standard (CSE), originally achieved in 2009, is re-certified on an annual basis subject to passing a compliance audit. The Standard covers a three-year period, with 2021 being a Year 1 renewal involving a 2-day re-certification assessment.
2. As in previous years, renewal focussed on five criteria:
 - a) Customer Insight
 - b) The Culture of the Organisation
 - c) Information and Access
 - d) Delivery
 - e) Timeliness and Quality of Service
3. The Customer Service Audit took place on 18 & 19 January 2021; HFRS were the first organisation to take part in a second remote assessment due to the COVID pandemic.
4. The assessment was undertaken in two stages; the first was a review of our self-assessment submission. This review enabled the assessor to gain an understanding of how the organisation has met the requirements of the Customer Service Excellence standard. The next stage was to review the actual service, delivered remotely. This was conducted through reviewing practice as well as speaking to staff, partners and customers. This included following customer journeys through our processes and how these aligned with customer insight.
5. It is pleasing to report that the Standard has been successfully retained for a further year. Nine areas of notable Good Practice were identified, and the three areas of Compliance Plus, assessed as exceptional/exemplar good practice, still stood, with additional recognition for our response throughout the pandemic. No partial or Non-Compliance issues were identified.
6. The full report is included at Appendix 1.

RECOMMENDATION

7. Members acknowledge the retention of the Standard and take assurance from our ongoing commitment to Customer Service Excellence.

BACKGROUND

8. The Customer Service Excellence Standard tests, in great depth, those areas that research has indicated are a priority for customers, with focus on delivery, timeliness, information, professionalism and staff attitude. There is also an emphasis placed on

developing customer insight, understanding the user's experience and robust measurement of service satisfaction.

9. During the audit all criteria were reviewed; the documents included presentations on the Red Cross Partnership, the Drone, Safe and Well and the Falls Team, Customer Feedback and Communications. A discussion also took place relating to the Area for Improvement from last year, which arose from the HMICFRS inspection report marking us as needing improvement on "How well the Service looks after its people".

10. The following summarised extracts have been taken from the formal report:

(a) Nine Areas of Good Practice:

- HFRS has continued to work with all local agencies to deliver the best possible service to the public. Whilst continuing to meet all of its fire and rescue aims it has worked to ensure that the most vulnerable people in society remain safe.
- The Safe and Well service targets resources to prevent fires in the home, reduce risk and save lives. However, due to the crisis caused by the pandemic, it has broadened its remit.
- At the time of the 2020 visit, HFRS had just started trialling the use of drones. Working in partnership with Humberside Police they now have two drones and eight people are CAA trained to fly them. So far 80% of the jobs the drones have assisted in have been police and 20% HFRS.
The drones have assisted with the following incidents
 - The wide scale flooding in Snaith last year.
 - Drones were also used for a period of two weeks at a fire on Hatfield Moorland. The Moorland fire was spread over HFRS and South Yorkshire service areas and were deep seated in the peat.
 - HFRS have used the drones to monitor large building fires and operations to provide the Incident Commander with additional vital information.
 - Used by Humberside Police throughout the year to assist in various operations.
- The Service is appreciated by the public and this is demonstrated by the exceptionally low number of complaints in 2020/21 to date. There have been 21 complaints with only seven upheld. It is clear that the diversification of the HFRS core services into supporting the community throughout the pandemic has led to a greater empathy with the public.
- Customer satisfaction with the service continues to be high. The Public Perception Survey showed that 86% of HFRS customers thought that they provided an effective service. This compared favourably with other UK Fire and Rescue Services around the country.
- Whilst many of the office based staff are working from home, it was good to see that management has the welfare of their staff at heart. Great use is made of Teams meetings to keep in touch with staff and they are in turn encouraged to keep in touch with their close colleagues.
- The partnership with the Red Cross has continued to flourish and has been even more useful during the lockdowns and other COVID-19 restrictions. Throughout the COVID-19 pandemic the service offered by the Red Cross Fire and Emergency Support Service has continued. They offer a Safe & Well visit when residents are settled in a new property or back in their property once repairs have been completed (depending on the severity of the fire).

- My Community Alert continues to be used by HFRS for consultations and safety messages.
- Social media has been a key tool for communicating with the public for a number of years but has become even more prominent since March 2020. In addition to their Face Book and Twitter accounts HFRS are looking at other platforms. They are producing videos that are currently on the website but are now appearing on You Tube. As of November 2020 HFRS had the following social media contacts:
 - Twitter 22,664 followers
 - Instagram 3,206 followers
 - Web data 10,821 users
 - Facebook 12,590 page likes
 - LinkedIn 668 follower
 - You Tube 916 subscribers

The assessor also noted the positive HMICFRS COVID-19 inspection report and made reference to it in his Report.

(b) Three Areas of Compliance Plus:

Compliance Plus describes behaviours or practices which exceed the requirements of the Standard and are viewed as exceptional or as exemplar to others, either within the applicant's organisation or the wider customer service arena. These areas stood from last year with additional areas of note.

(i) HFRS and Hull CCG working together led to the piloting of a rapid falls response team where firefighters attended hundreds of callouts for falls within six months. They reach fallers on average in around 17 minutes. There are four dedicated teams of two operating across Hull.

(ii) The Jean Bishop Integrated Care Centre (ICC) is an innovative facility that has been commissioned by Hull Clinical Commissioning Group (CCG). It is believed to be the first of its type in the UK. Humberside Fire and Rescue also has an operational fire station on site and provide a Falls Response Team as well as responding to other fire and rescue incidents.

(iii) The Howdens Partnership Compliance Plus raised at last year's assessment is raised again as, if anything, the partnership arrangements have continued to expand and flourish. There are partnership arrangements, with robust mechanisms to ensure compliance with policies and strategies. This continues to be an area of Compliance Plus although it was not possible to meet partners via this remote CSE assessment. However, the Howdens Partnership, which has been enhanced by the use of their facilities and resources to assist with delivering 1 million pieces of PPE.

(c) Areas for Improvement

The only areas for improvement identified in this assessment result from the necessity of a remote assessment in not allowing the assessor to check on these elements of the Standard:

- Level of privacy in face to face meetings with customers.
- Face to face interviews and observations.
- Check of premises

The assessor took great pains to point out that this is not to the detriment of HFRS customer service and whilst it is disappointing, it is hoped that these can be addressed at next year's assessment.

STRATEGIC PLAN COMPATIBILITY

5. The Customer Service Excellence Standard contributes to our self awareness and continuous improvement.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

6. Cost of 2021 assessment - £1700.

LEGAL IMPLICATIONS

7. None arising directly.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

8. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

9. None arising directly.

HEALTH AND SAFETY IMPLICATIONS

10. None arising directly.

COMMUNICATION ACTIONS ARISING

11. The Customer Service Excellence Report has been published on the HFRS Website, on Social Media and in Siren.

DETAILS OF CONSULTATION AND/OR COLLABORATION

12. None arising directly.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

13. None.

RECOMMENDATION RESTATED

14. Members acknowledge the retention of the Standard and take assurance from our ongoing commitment to Customer Service Excellence.

N MCKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

March 2021



Assessment Report

CUSTOMER SERVICE EXCELLENCE

Humberside Fire & Rescue Service

1 RAU



1. EXECUTIVE SUMMARY

The assessment method used was a full remote assessment due to the current circumstances of the Covid19 Pandemic.

Following the assessment, Humberside Fire & Rescue Service were found to have a deep understanding of, and commitment to, Customer Service Excellence. The commitment was displayed from Senior Management levels through to operations and front line staff.

I would like to take this opportunity to thank those people involved in the overall assessment process. It has been a pleasure meeting with your team and having the opportunity to observe your service in action remotely

The outcome of the assessment was -

“Renewal of the Customer Service Excellence Standard has been recommended”

Address:	Service Headquarters Summergroves Way Hull Yorkshire HU4 7BB		
Standard(s):	Customer Service Excellence	Accreditation Body(s)	UKAS
Representative:	Ms Hazel Bullen		
Site(s) assessed:	Remote assessment	Date(s) of audit(s):	18-01-2021, 19-01-2021

Lead Assessor :	Bob Mandy	Additional team member(s):	
Type of Assessment:	Renewal		
Review of Certification Claims	Claims are accurate and in accordance with SGS guidance		

2. CONTEXT

Humberside Fire & Rescue Service (HFRS) provides services to four local authority areas covering the Humberside region: Hull; East Riding of Yorkshire; North Lincolnshire; and North-East Lincolnshire. The service employs more than 1000 staff and provides emergency fire and rescue services with demanding target times for attendance at incidents.

This is the second remote CSE visit and HFRS has continued to deliver their fire and rescue service whilst meeting the constraints placed on them by lockdowns and ongoing Covid-19 restrictions. Their Transition Group had been in place since 13th May and the Service was about to move from Business Continuity to Business as Usual but reverted back to Transition on 23rd October following COVID-19 developments. Despite the restraints placed on them by the pandemic HFRS has used their resources to support the community where possible. This support has included many safe and well calls and visits to vulnerable people and those shielding. They have made food and medication deliveries and supported care homes in training on the use of PPE.

In August 2020 Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) was commissioned by the Home Secretary to inspect how fire and rescue services in England are responding to the COVID-19 pandemic. HFRS was inspected in October 2020 and the report findings were very positive. The following is taken from HMICFRS's feedback:

"In summary, the service adapted and responded to the pandemic effectively and continued to maintain its statutory functions throughout. It provided extra support to the community during the first phase of the pandemic. It predominantly used its whole time fire fighters to respond to emergencies. It used the increased availability of its on-call and prevention and protection staff to deliver medicines and food to vulnerable members of the community. On-call staff were trained to drive ambulances and to support mortuaries, but ultimately, this support wasn't needed. The service managed resources well and its financial position was



largely unaffected, especially as it didn't have to use reserves to cover extra costs.

The service was able to respond quickly to staff absences, and it implemented changes to build resilience in its control room. It communicated well with its staff throughout the pandemic, including on issues relating to staff wellbeing. It also made sure all staff had the resources they needed to do their jobs effectively."

3. METHOD OF ASSESSMENT

The assessment was undertaken in two stages; the first was a review of your self-assessment submission. This review enabled the assessor to gain an understanding of how the organisation has met the requirements of the Customer Service Excellence standard.

The next stage was to review the actual service delivered remotely. This was conducted through reviewing practice as well as speaking to staff, partners and customers. This included following customer journeys through your processes and how these aligned with customer insight.

During the assessment process the criteria are scored on a four-band scale:

COMPLIANCE PLUS - Behaviours or practices which exceed the requirements of the standard and are viewed as exceptional or as exemplar to others, either within the applicant's organisation or the wider customer service arena.

COMPLIANT - Your organisation has a variety of good quality evidence which demonstrates that you comply fully with this element. The evidence which reflects compliance is consistent throughout and is embedded in the culture of the organisation.

PARTIAL COMPLIANCE - Your organisation has some evidence but there are significant gaps. The gaps could include:

- Parts of the applicant's organisation which are currently not compliant and/or
- Areas where the quality of the evidence is poor or incomplete and/or
- Areas which have begun to be addressed and are subject to significant further development and/or



- Areas where compliance has only been evident for a very short period of time

NON COMPLIANT - Your organisation has little or no evidence of compliance or what evidence you do have refers solely to a small (minor) part of your organisation.

The current scheme allows applicants a maximum number of partial compliances, equating to a pass mark of 80% for all criteria.

4. OPENING MEETING

The remote assessment commenced with an opening meeting conducted as a Teams meeting.

The assessment activity and the observations were discussed. The itinerary had been agreed with Humberside Fire & Rescue Service in advance. The organisation was informed that all information obtained during the assessment would be treated as strictly confidential.

The scope of Assessment was confirmed as: Humberside Fire & Rescue Service

5. ON-SITE ASSESSMENT

I was supported throughout the assessment by Hazel Bullen and other personnel within the organisation were involved when assessing activities within their responsibility.

The assessment resulted in the raising of no partial compliances. A number of observations are listed in Section 7 of this report.

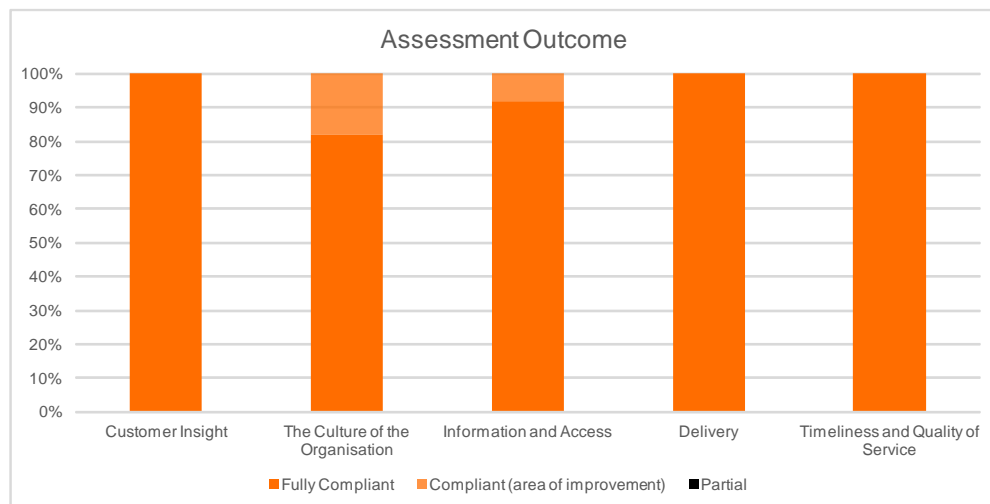
Criterion	Maximum number of Partial compliance	Actual number of non-compliance	Actual number of partial compliance	Actual number of Areas for Improvement
1	2	0	0	0
2	2	0	0	2
3	2	0	0	1
4	3	0	0	0

5	2	0	0	0
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Number of good practices awarded during the assessment	9
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Have the partial compliance(s) raised at the last assessment been closed?	N/A
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	Criterion	Maximum number of partial compliances	Actual number of non-compliances	Actual number of partial compliances	Actual number of Areas for Improvement	Fully Compliant
1	Customer Insight	2	0	0	0	11
2	The Culture of the Organisation	2	0	0	2	9
3	Information and Access	2	0	0	1	11
4	Delivery	3	0	0	0	13
5	Timeliness and Quality of Service	2	0	0	0	10



6. AREAS OF PARTIAL COMPLIANCE

CRITERION 1

None raised

CRITERION 2

None raised

UK.CSE.AR2 Issue 3



CRITERION 3

None raised

CRITERION 4

None raised

CRITERION 5

None raised

7. OBSERVATIONS

During the site assessment the following general observations were made. These include: positive areas scored as Compliance Plus; areas of good practice; areas for improvement identified throughout the entire assessment process, as listed below.

Areas for Improvement raised during the 2020

- 2.2.5 The last HMICFRS report marked HFRS as good on efficiency and effectiveness but marked them as needing improvement on “How well does the service look after its people.” This was aimed mainly at non-operational staff.
Since the visit a new Head of Occupational Health has been recruited and this issue has been addressed via staff impact assessments. The HMICFRS report published this week has accepted the work that HFRS has carried out to address this issue as being effective.

Areas for Improvement

The three areas for improvement are not a reflection on the customer service provided by HFRS. They all result from the remote assessment not allowing the assessor to check on these elements of the standard.

- 2.1.5 Due to this being the second remote visit it has not been possible to check on the level of privacy in face to face meetings with customers since 2019. If the 2022 visit can be carried out on site this should be checked by the assessor.
- 2.2.2 As a second remote it has not been possible to test this element. Face to face interviews and observations will be a priority in 2022.



- 3.3.3 As this is the second remote visit the assessor must check the premises in 2022 if this is possible.

Areas of Good Practice

- HFRS has continued to work with all local agencies to deliver the best possible service to the public. Whilst continuing to meet all of its fire and rescue aims it has worked to ensure that the most vulnerable people in society remain safe.
- The Safe and Well service targets resources to prevent fires in the home, reduce risk and save lives. However due to the crisis caused by the pandemic it has broadened its remit. Whilst dealing with COVID-19 activities, Advocates also provided community safety support over a weekend in relation to a serious fire involving numerous houses. The activities carried out include:
 - Hotshot 40 houses
 - Completed 6 Safe and Well visits on the door step (5 smoke alarms given)
 - Talked with 20+ families with regards fire safety and answered general queries.
 - Highlighted 7 areas of hotspot fly tipping and organised removal. Offered Safe and Well visits to anyone living next door to the empty properties
 - Visited 2 homes to carry out face to face Safe and Well visits
 - Spoke with 2 children who were frightened by what they had seen (the team will visit their local school once it is back open).
 - Referred an empty property to be secured and boarded up.
- At the time of the 2020 visit HFRS had just started trialling the use of drones. Working in partnership with Humberside Police they now have two drones and eight people are CAA trained to fly them. So far 80% of the job the drones have assisted in have been police and 20% HFRS.

The drones have assisted with the following incidents

- The wide scale flooding in Snaith last year.
- Drones were also used for a period of two weeks at a fire on Hatfield Moorland. The Moorland fire was spread over HFRS and South Yorkshire service areas and were deep seated in the peat.

- HFRS have used the drones to monitor large building fires and operations to provide the Incident Commander with additional vital information.
 - Used by Humberside Police throughout the year to assist in various operations, including high risk Missing Persons and to locate criminals in built up areas
 - Incidents of note in 2020 were the Black Lives Matter campaigns during which the drones were used to monitor crowd movement and behaviour, monitor cordons and monitor anti-social behavior.
 - Used to identify rural crime such as hare coursing.
 - Operation Trogon is the police support to onshore oil and gas exploration. The drones were used to monitor protestors and activists and the progress of vehicles on and off the site, to ensure safety and assist in Silver Command.
-
- The service is appreciated by the public and this is demonstrated by the exceptionally low number of complaints in 2020 – 21 to date. There have been 21 complaints with only seven upheld. It is clear that the diversification of the HFRS core services into supporting the community throughout the pandemic has led to a greater empathy with the public.
 - Customer satisfaction with the service continues to be high. The Public Perception Survey showed that 86% of HFRS customers thought that they provided an effective service. This compared favorably with other UK Fire and Rescue Services around the country
 - Whilst many of the office based staff are working from home it was good to see that management has the welfare of their staff at heart. Great use is made of Teams meetings to keep in touch with staff and they are in turn encouraged to keep in touch with their close colleagues. This way of working was demonstrated by the Public Safety Centre team. Whilst they are working from home the Team Leader keeps in daily touch with them and they are encouraged to spend a day each week in the office.
 - The partnership with the Red Cross has continued to flourish and has been even more useful during the lockdowns and other COVID-19 restrictions. Throughout the COVID-19 pandemic the service offered by the Red Cross Fire and Emergency Support Service has continued. They offer a Safe & Well visit when they are settled in a new property or back in their property once repairs have been completed (depending on the severity of the fire). Examples of incidents where HFRS and the Red Cross have worked together are:

One incident took place at the beginning of lockdown when a young child set a fire under his bed whilst his dad was asleep in bed. The family lost everything from the upstairs of the property. Staff provided drinks to the family at the scene and also some items of clothing over the following days.

Another incident involved a fire at a house, where a firework was posted through a letterbox on bonfire night. Following this incident the family lost everything. Staff took the FESS vehicle to the property where they were staying temporarily and provided food and clothing together with advice on other services where they could get support.

- My Community Alert continues to be used by HFRS for consultations and safety messages. The total numbers reached using My Community Alert are:
 - Member Survey 104,321 reached
 - Comments 51,000 +
 - 9 million email, text and voice messages a month
 Alert messages are forwarded to 18.2 additional people, making the national reach over 16.5 Million people.
- Social media has been a key tool for communicating with the public for a number of years but has become even more prominent since March 2020. In addition to their Face Book and Twitter accounts HFRS are looking at other platforms. They are producing videos that are currently on the website but are now appearing on You Tube. As of November 2020 HFRS had the following social media contacts:
 - Twitter 22,664 followers
 - Instagram 3,206 followers
 - Web data 10,821 users
 - Facebook 12,590 page likes
 - LinkedIn 668 follower
 - You Tube 916 subscribers

Areas of Compliance Plus

The areas of compliance plus raised during previous visits continue to be valid

- 3.4.1 HFRS and Hull CCG working together led to the piloting of a rapid falls response team where firefighters attended hundreds of callouts for falls within six months. They reaching fallers on average in around 17 minutes. There are four dedicated teams of two operating across Hull. I spent time at Redwood Glades and spoken to staff there and residents

who have been helped by the team. It is clear that this is an invaluable service that meets a need that the Ambulance Service finds hard to fill as falls are generally given a low priority. I interviewed Dave Collingwood who is part of the Falls Response Team and Sam Teather who is a member of the Corporate Assurance Team. I was impressed by the great working relationship they have with staff and residents of Redwood Glades. This continues to be an area of compliance plus particularly as the Falls Team members are additionally carrying out Safe and Well Visits to vulnerable members of the public.

- 3.4.1 The Jean Bishop Integrated Care Centre (ICC) is an innovative new facility that has been commissioned by Hull Clinical Commissioning Group (CCG). It is believed to be the first of its type in the UK. Humberside Fire and Rescue also has an operational fire station on site and provide a falls response team as well as responding to other fire and rescue incidents. Discussions are underway to explore the possibility of crews also supporting rehabilitation and recovery of patients. The combination of the ICC with a fire station is definitely a UK first. This facility demonstrates the way that HFRS's key objective personal safety and fire prevention is being met. This continues to be an area of compliance plus and the role of the ICC has an even higher community role during the current crisis.
- 3.4.1; 3.4.2 The compliance plus raised at last year's assessment is raised again as if anything the partnership arrangements have continued to expand and flourish. There are partnership arrangements, with robust mechanisms to ensure compliance with policies and strategies. Tony Clark from Howden's Joinery was on hand to explain how the partnership had continued to expand, taking the partnership to a new level for fire and rescue services. This has resulted in the arrangement being extended to other fire and rescue services within the UK. As well as extending the pool of retained staff, you are now proposing co-location of a fire station with Howden's premises. This continues to be an area of compliance plus although it was not possible to meet partners via this remote CSE assessment. However, the Howdens Partnership, which has been enhanced by the use of their facilities and resources to assist with delivering 1 million pieces of PPE. In addition HFRS have an excellent working partnership with the Red Cross. This has been in place since the mid 1990s but has been even more important to the service during the pandemic. HFRS provide two vehicles and work with the Red Cross to support victims of fires, floods and anything else that leaves people in need of support.





8. ACTION PLANNING & NEXT STEPS

The achievement of Customer Service Excellence is an ongoing activity and it is important that Humberside Fire & Rescue Service continues to meet the elements of the criteria throughout the three years the hallmark is awarded for. Efforts must be made by Customer Service Excellence holders to continually improve their service.

We recommend that you develop an action plan based on the findings of this report. The action plan does not need to be a separate document and is likely to be more effective if the actions are embedded in your normal improvement and service developments plans.

We will undertake an annual review that will look at your continued compliance with the Customer Service Excellence. As part of the review we will also look at progress on any findings of the previous assessments.

In addition to reviewing progress outlined above, we will also review the services delivery, done so by following customer journeys.

For more information on the annual review please refer to our document “Building on your Customer Service Excellence success – Preparing for the annual review”.

Holders must inform SGS of any major changes in the service provision covered by the scope of the certificate. This includes reorganisation or mergers.

In addition, SGS must be informed should the certified service experience a significant increase in customer complaints or critical press coverage.

If you are in doubt at any stage, we strongly recommend contacting the Customer Service Team for advice on the significance of any service or organisational change, or issues surrounding customer complaints.

SGS will visit within the next 12 months for the annual review.

SGS recommends that Humberside Fire & Rescue Service retains a copy of this report to aid continuous improvement, and as a reference document for future assessment reviews.

BUSINESS PLANNING/REPORTING FRAMEWORK 2021/22

SUMMARY

1. Members are aware that a Business Planning/ Reporting Framework is prepared annually, by the Corporate Assurance Team and Committee Managers, to provide Officers and Committee Managers with a report planning tool, for HFA and committee meetings.
2. The draft Framework for 2021/22 is attached at Appendix 1 for consideration by Members.
3. This report provides a summary of proposed changes to the timing and frequency of some cyclical Reports, recommended by SLT for approval by Members.

RECOMMENDATIONS

4. That Members approve the proposed changes to the timing and frequency of cyclical reports for the 2021/22 HFA meeting schedule.

SUMMARY OF PROPOSED CHANGES

Performance Reporting

5. Move from Quarterly to bi-annual Performance Reporting. Period April - September will be reported in October, period October – March will be reported in June after the HFA AGM. Report 2 will show cumulative performance over the full 12-month period. This negates the need for a separate Annual Performance Report, which will be replaced with an interactive end of year summary, in a similar manner to how Siren is now produced.
6. Cyclical performance reporting will be supplemented by exception reporting of relevant trends/incidents or events to Members at HFA or Member Days. Members also benefit from Local Authority focussed performance reporting and Q&A, at meetings held by District Managers and during Member Champion discussions with Directors.
7. This change will make performance reporting more meaningful for Members, as performance will be reported over a longer period and enabling Service level performance trends and the impact of safety interventions to be demonstrated.
8. Biannual performance reporting will include the following:
 - a. Performance and Risk
 - b. Occupational Health and Wellbeing
 - c. Health Safety and Environment
 - d. Operational Assurance
 - e. Absence Management
 - f. Workforce Planning

Strategic Plan and IRMP

9. Reporting of cyclical refreshes of the Strategic Plan and IRMP 2021-24 will move from July to December for approval to consult, and from December to March for HFA approval of Plans. This aligns the Plans closer to the annual cycle April to March.

STRATEGIC PLAN COMPATIBILITY

10. This paper supports the delivery of Strategic Plan workstreams and HFA scrutiny of performance.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

11. Reporting of financial management and scrutiny activities provides assurance regarding the efficiency of Service delivery.

LEGAL IMPLICATIONS

12. None directly arising.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

13. None arising directly.

CORPORATE RISK MANAGEMENT IMPLICATIONS

14. Scrutiny of performance provides an assurance that arising risks are being mitigated.

HEALTH AND SAFETY IMPLICATIONS

15. Scrutiny of performance provides an assurance that arising risks are being mitigated.

COMMUNICATION ACTIONS ARISING

16. Non arising directly.

DETAILS OF CONSULTATION

17. The Strategic Leadership Team, Committee Manager and Service Improvement Member Champions regarding proposed changes.

RECOMMENDATIONS RESTATED

18. That Members approve the proposed changes to the timing and frequency of cyclical reports for the 2021/22 HFA meeting schedule.

N MCKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

12 March 2021

2021 - 22					
FIRST QUARTER					
APRIL 2021		MAY 2021	JUNE 2021		
GAS 12 April (SLT March)	HFA 30 April (SLT April)	<div>NO MEETINGS</div> <div>6 May - Local Authority and PCC Elections postponed from 2020</div> <div>Purdah rules apply to any planned activities carried out by Officers with Members and PCC</div>	HFA AGM 4 June (Inc Member Induction) (SLT May)	GAS AGM 14 June (SLT May)	HFA 25 June (SLT May)
<ul style="list-style-type: none">• Draft Annual Governance Statement 2020/21 (NMc/MB)• Annual Internal Audit Report - Director of Audit Opinion and Annual Report (2020/21) (TiAA)• GAS Committee HFA Workstreams/Scrutiny Programme 2021/22 (NMc/MB)• Management Accounts 2020/21 Period ending 28 February 2021 (SE)• External Audit report (Mazars)• Internal Audit reports (TiAA)• Scrutiny Item• HMICFRS update (NMc)	<ul style="list-style-type: none">• Draft Annual Governance Statement for Approval 2020/21 (KW/MB)• Performance Reporting and Service Performance Indicators 2021/22 (NMc)• Annual Internal Audit Report - Director of Audit Opinion and Annual Report (2020/21) (TiAA)• Management Accounts 2020/21 Period ending 29 February 2021 (KW)• Use of Delegated Powers under Fire Authority Constitution by Chief Fire Officer & Chief Executive 2020/21 (CB/MB/GN)• Annual Review of Constitution (MB)• HMICFRS update (NMc)		<ul style="list-style-type: none">• Election of Chairperson (MB)• Election of Vice Chairperson (MB)• Composition of the Fire Authority (incl. attendance figures) (GN/MB)• Appointment of Group Secretaries (MB)• Committee Structure and Composition (GN/MB)• Appointment of Member Representatives on Certain Bodies (MB)• Appointment of Nominated Spokesperson for each Constituent Authority (MB)• Calendar of Meetings (GN/MB)• HFA Workstreams 2021/22 [GN]	<ul style="list-style-type: none">• Annual Statement of Accounts (Unaudited) 2020/21 (SE)• Treasury Management Annual Report 2020/21(SE)• Internal Audit Update Reports (TiAA)• HFA Update Report (MB/DC)• Draft Annual Anti-Fraud and Corruption Statement 2020/21 (NMc)• HMICFRS Update (NMc)	<ul style="list-style-type: none">• Approval of Annual Statement of Accounts (Unaudited) 2020/21 (KW)• Treasury Management Annual Report 2020/21 (KW)• Annual Anti-Fraud and Corruption Statement 2020/21 for Approval (KW/MB)• HMICFRS Update (NMc)• Performance and Risk Report April – September (NMc)• HSE and Occupational Health and Wellbeing Report April – September (NMc)• Operational Assurance Report April – September (NMc)• Absence Management Report April – September (JK)• Workforce Planning Update Report April – September (JK)
FORWARD PLANNING					
<ul style="list-style-type: none">• New HFA Member Development (incl Handbook) (GN/SC)• Draft Anti-Fraud and Corruption Statement 2020/21		<ul style="list-style-type: none">• Draft Annual Statement of Assurance 2020/21• Annual Statement of Accounts Unaudited• Public Notice – Inspection of Accounts 2020/21 w/c 8 May (JP)• Public Notice(1 April) - Members’ Allowances Paid 2020/21 [GN]	<ul style="list-style-type: none">• Audited Statement of Accounts		

2021 - 22					
SECOND QUARTER					
JULY 2021			AUGUST 2021	SEPTEMBER 2021	
MEMBER DAY 9 July (SLT June)			<div>NO MEETINGS</div> <div>Local Authority Recess</div>	MEMBER DAY 17 September (SLT August)	
Pension Board AGM 12 July (SLT June)	GAS 5 July (SLT June)	HFA 23 July (SLT June/July)		GAS 6 September (SLT 5 August)	HFA 24 September (SLT August/September)
<ul style="list-style-type: none">Election of Chairperson of the Pension Board 2021/22 (MB)Pension Board Composition 2021/22 and Terms of Reference (MB/Chair)Calendar of Board Meetings 2021/22 (MB/Chair)Pension Board – Workstreams (KW)Pension Board Pension Fund Account 2020/21 (SE)	<ul style="list-style-type: none">Draft Annual Statement of Assurance 2020/21 (NMc)Annual Statement of Accounts 2020/21 (Audited) (SE)External Audit Report: Report to those charged with governance (ISA 260) 2020/21 (Mazars)Internal Audit Report (TiAA)HFA Update Report (MB/DC)Scrutiny Item.HMICFRS Update (NMc)	<ul style="list-style-type: none">Approval of Draft Annual Statement of Assurance 2020/21 (NMc)Approval of Annual Statement of Accounts 2020/21 (Audited) (KW)External Audit Reports: Report to those charged with governance (ISA 260) 2020/21 (Mazars)Management Accounts Period ending 30 June 2021 (KW)Gender, Ethnicity and Disability Pay Gap. (JK)HMICFRS Update (NMc)		<ul style="list-style-type: none">Annual Audit Letter 2020-21 (Mazars)External Audit Progress report (Mazars)Internal Audit Reports (TiAA)Annual Update Report on the Declaration and Registration of Interests by Members (MB/SC)Annual GAS Committee Recommendations Progress 2020/21 [SC]HFA Update report (MB/DC)Scrutiny itemHMICFRS Update (NMc)	<ul style="list-style-type: none">Financial Outlook 2022/23 Onwards (KW)Review of OPCC Finance Collaboration (KW/CB)Annual Report of the GAS Committee - Recommendations Progress 2020/21 [SC]HMICFRS Update (NMc)
FORWARD PLANNING					
			<ul style="list-style-type: none">SLT Scenario Planning SeptemberPublic Notice – Conclusion of Accounts 2020/21 w/c 31 July (JP)	Performance Reports April - September	

2021 - 22 THIRD QUARTER		
OCTOBER 2021	NOVEMBER 2021	DECEMBER 2021
Member Day 1 October (SLT September)	Member Day 26 November (SLT November)	
HFA 22 October (SLT September/October)	GAS 16 November (SLT 7 October)	HFA 7 December (SLT 4 November)
<ul style="list-style-type: none"> Management Accounts – Period ending 30 September 2021 (KW) HFA & OPCC Finance Collaboration Update (KW) External Audit report Annual Audit Letter (Mazars) Performance and Risk Report April – September (NMc) HSE and Occupational Health and Wellbeing Report April – September (NMc) Operational Assurance Report April – September (NMc) Absence Management Report April – September (JK) Workforce Planning Update Report April – September (JK) HMICFRS Update (NMc) 	<ul style="list-style-type: none"> Treasury Management Half Year Report (SE) Management Accounts – Period ending 30 Sept 2021 (SE) Internal Audit reports (TiAA) HFA Update report (MB/DC) 2021/22 Final Accounts Timetable (SE) Scrutiny item HMICFRS Update (NMc) 	<ul style="list-style-type: none"> Approval of Strategic Plan and IRMP 2021-24 Year 1 Refresh for Consultation (CB/NMc). Approval of Capital Programme 2022/23 (KW) Treasury Management Half Year Report 2021/22 (KW) Financial Planning 2022/23 Onwards (KW) HFRS Staff Pay Awards Annual Update (JK) HMICFRS Update (NMc)
FORWARD PLANNING		
<ul style="list-style-type: none"> SLT Scenario Planning January/February Strategic Plan and IRMP Yr1 Refresh Consultation 	<ul style="list-style-type: none"> Customer Service Excellence (CSE) Audit Meeting Timetable 2021/22 [GN] for SLT Jan 2020 	<ul style="list-style-type: none"> Precept consultation Consult with GAS Member Leads for Anti-Fraud and Corruption (ref Policy update to January 2022 GAS)

2021 - 22 FOURTH QUARTER				
JANUARY 2022		FEBRUARY 2022		MARCH 2022
Member Day 14 January (SLT December)		Member Day 4 February (SLT January)		Member Day 26 March (SLT 3 March)
GAS 24 January (SLT 2 December of 6 January)	Pension Board followed by Training Event 31 January (SLT January)	HFA 11 February (SLT January)	GAS 21 February (SLT January)	HFA 12 March (SLT February)
<ul style="list-style-type: none"> Internal Audit report (TiAA) HFA Update report (MB/DC) HMICFRS Update (NMmc) Review of Anti-Fraud Related Policies (SE/SR) Scrutiny Item 	<ul style="list-style-type: none"> Pension Board Workstreams (KW) 	<ul style="list-style-type: none"> Approval of Budget and Precept 2022/23 (KW) Approval of Medium-Term Financial Plan 2022/23 to 2023/24 (KW) External Audit report Audit Plan (Mazars) Management Accounts Period ending 31 December 2021 (KW) Fees and Charges 2022/23 (KW/PS) Members' Allowances 2022/23 (KW/MB) HMICFRS Update (NMmc) 	<ul style="list-style-type: none"> Treasury Management and Capital Expenditure Strategy 2022/23 (SE) Draft Internal Audit Plan 2022/23 (TiAA) External Audit report (Mazars) Internal Audit reports (TiAA) Customer Service Excellence (CSE) Audit Outcomes (NMmc) Scrutiny item HMICFRS Update (NMmc) 	<ul style="list-style-type: none"> Treasury Management and Capital Expenditure Strategy 2022/23 (KW) Internal Audit Plan 2022/23 (TiAA) Pay Policy Statement 2022/23 (JK) Approval of HFA Scrutiny Programme 2022/23 (MB) Approval of Strategic Plan and IRMP 2021-24 Year 1 Refresh Customer Service Excellence (CSE) Audit Outcomes (NMmc) HMICFRS Update (NMmc)
FORWARD PLANNING				
<ul style="list-style-type: none"> Customer Service Excellence Audit Write to 4 LAs for up-to-date electorate figures for calculating proportionality [GN] Draft Scrutiny Programme Topics 2022/23 		<ul style="list-style-type: none"> Refresh Service Performance Indicators and Targets 2022/23 Public Notice – Members' Allowances 2022/23 w/c 19 Feb [GN] Draft Annual Governance Statement SLT Scenario Planning March/April 		<ul style="list-style-type: none"> Performance Reports Oct - March Annual Risk Management Summary Report 2021/22

Note: Mazars (External Auditors) will be represented at all GAS meetings but will only be attending the February, July and October Fire Authority meetings

HFA SHORTLIST OF SCRUTINY TOPICS FOR GAS COMMITTEE CONSIDERATION

SUMMARY

1. This paper summarises the scrutiny topics, proposed by the Strategic Leadership Team, for the Governance, Audit and Scrutiny Committee's (GAS) Scrutiny Programme 2021/22. The GAS Committee will programme six scrutiny items for completion during 2021/22.
2. A long list of ten topics are included at Appendix 1 to this report for consideration by the Authority and the GAS Committee. SLT have shortlisted six of the topics as their recommendations:
 - **Control Room Training and Development**
Evaluation of training and development for Control Room staff competence, including the implementation of recommendations arising from the Grenfell inquiry.
 - **Training and Development of non-operational Roles**
Evaluation of the development and application of the Core Skills Framework.
 - **Promotion within Uniformed Roles**
Evaluation of how promotion processes are applied.
 - **Anti-Bullying Campaign**
Evaluation of the anti-bullying campaign and on-going effectiveness.
 - **Workforce Monitoring and Planning**
Evaluation of systems in place for workforce monitoring and the management of workforce planning.
 - **Leadership Development**
Evaluation of how the leadership and talent management frameworks have been developed and applied

All SLT recommended topics have been derived from ongoing work in response to the HMICFRS Inspection Report and any duplication of the Internal Audit Plan 2021/22 has also been avoided.

RECOMMENDATIONS

3. That Members consider and shortlist scrutiny topics for the 2021/22 Programme for GAS Committee consideration.

PUBLIC SCRUTINY PROCESS

4. Public scrutiny is a corporate process undertaken by the GAS Committee, appointed by the Fire Authority for its breadth of professional experience.
5. Four areas for scrutiny were identified by the Committee for its 2020/21 Programme:
 - Effectiveness of the protection Risk-Based Targeting Strategy

- Development and Delivery Plans to Support the Health and Wellbeing of Staff
- Safety Protection - Engagement with the Commercial/Business Community
- Diversity and Recruitment - Progress and Plans

6. Proposed scrutiny topics have been identified by the Strategic Leadership Team, based upon items within the Service Improvement Plan.

STRATEGIC PLAN COMPATIBILITY

7. This paper supports the achievement of the Strategic Plan through the provision of independent scrutiny of activity.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

8. Independent scrutiny contributes towards efficiency review activity.

LEGAL IMPLICATIONS

9. None directly arising.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

10. None directly arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

11. Scrutiny of performance provides an assurance that arising risks are being mitigated.

HEALTH AND SAFETY IMPLICATIONS

12. None directly arising.

COMMUNICATION ACTIONS ARISING

13. GAS Committee papers are publicly available via the HFRS Website.

DETAILS OF CONSULTATION

14. The Strategic Leadership Team regarding scrutiny topics.

RECOMMENDATIONS RESTATED

15. That Members consider and shortlist scrutiny topics for the 2021/22 Programme for GAS Committee consideration.

N MCKINIRY

Officer Contact: Simon Rhodes ☎ 01482 567479
Head of Corporate Assurance

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

SR
12 March 2021

Draft GAS Scrutiny Topics - 2021/22

- 1. Management of Risk Information**
Evaluation of processes used to maintain accurate risk information by On-Call fire stations.
- 2. Grenfell Inquiry**
Evaluation of progress aligned to national inquiry fire sector recommendations.
- 3. Control Room Training and Development**
Evaluation of training and development for Control Room staff competence, including the implementation of recommendations arising from the Grenfell inquiry.
- 4. Safe & Well Programme**
Evaluation of the application of Risk based methodology to target Safe & Well visits.
- 5. Training and Development of non-operational Roles**
Evaluation of the development and application of the Core Skills Framework.
- 6. Promotion within Uniformed Roles**
Evaluation of how promotion processes are applied.
- 7. Anti-Bullying Campaign**
Evaluation of the anti-bullying campaign and on-going effectiveness.
- 8. Workforce Monitoring and Planning**
Evaluation of systems in place for workforce monitoring and the management of workforce planning.
- 9. Leadership Development**
Evaluation of how the leadership and talent management frameworks have been developed and applied.
- 10. Business Continuity – Response to Covid Pandemic**
Evaluation of lessons learned and the adoption of new working practices.

REASONABLE WORST CASE PLANNING SCENARIOS & INCIDENT COMMAND REVIEW (2020)

SUMMARY

1. HFRS has revised its approach to Reasonable Worst Case Scenario (RWCS) risk planning. This work supports the IRMP and Strategic Plan development for 2021 and beyond.
2. The RWCS planning document has been produced to ensure that HFRS's emergency response capability is proportionate and able to deal with reasonable worst-case fires and other emergency risks in Humberside. The report provides information regarding the need for robust planning concepts upon which an Incident Command Review can be founded.
3. The Operational Efficiency Programme (completed circa 2017) has been successful in maintaining the right number of appliances, stations and crewing to meet the HFA set attendance standards (based on current financial assumptions).
4. The Incident Command Review (2020) has identified resilience pinch points at strategic and tactical levels of the FDS duty system designs. It has also identified a number of wider recommendations to further improve the effectiveness of incident command provision. In particular:
 - Strategic Incident Command provision requires the addition of a sixth Strategic Commander onto the establishment.
 - Tactical Incident Command provision will benefit from the addition of recall functionality of x1 additional Officer to perform NILO, Incident Command and interim TCG support.

RECOMMENDATIONS

5. Members endorse that an additional Strategic Commander is permanently added to the strategic command rota.
6. Members are assured that work is underway within the Service Delivery Directorate to develop additional resilience in the tactical command rota and meet the recommendations contained in the Incident Command Review (2020).

REPORT DETAIL

7. On Friday 15th January 2021, HFA Members received a presentation on Reasonable Worst Case Scenario Planning and the Incident Command Review from the Director of Service Delivery.
8. To assist members, a precis of the presentation is attached as an appendix to this report. Some redactions have been made to the presentation slides due to the sensitivity in the original material that detailed the Services resourcing to various emergency response scenarios, operating within national response mechanisms.

9. Additionally, on 19th January 2021 and as part of their quarterly Directorate update, the Service Delivery assigned HFA Member Champions were provided with a detailed presentation focussing upon the Incident Command Review 2020.

Reasonable Worst Case Scenario planning:

10. It is imperative that HFRS ensures that it retains an Emergency Response capability that is proportionate and able to deal with reasonable worst case fires and other emergency risks, whilst remaining efficient and effective.
11. Legislation that includes the Fire & Rescue Services Act (2004) and the Civil Contingencies Act (2004) sets out the statute requirements for Fire and Rescue Services to plan for and resource the preparation for, response to and recovery from emergency incidents, (slides 2-3).
12. The Fire and Rescue National Framework for England, NFCC National Operational Guidance (NOG), National Security Risk Assessment and National Resilience Planning Assumptions all influence HFRS's emergency planning to be able to respond effectively, (slides 4-7).
13. Whilst considering national risks, local risk assessment and planning is also undertaken through the Humber Local Resilience Forum (Humber LRF), (slides 8-9).
14. Slides 10-14 identify the current capability of HFRS's operational response resourcing, summarising that the resourcing of the HFA directed response standards has been maintained through the completion of the Operational Efficiency Programme in 2017.
15. The Reasonable Worst Case Scenarios are identified across slides 15-20 under the headings of:
- Accidents & System Failures (Major fires, explosions, failures across industrial and transport systems)
 - Natural & Environmental Hazards (Flooding and extreme weather)
 - Societal (Public disorder, riots and mass crowd events)
 - Terrorism (Marauding attacks and chemical attacks in urban/non-urban areas)
16. These slides also identify the predicted resourcing requirements (actual numbers redacted) to successfully bring emergency incidents to a conclusion. Also provided is an estimated amount of time for the operational commitment that is likely to be required.
17. Slide 21 identifies the emergency response resourcing of incidents that occur concurrently and highlights the requirement for HFRS to maintain its statute function (normal emergency response capability) whilst resolving 2 or more major incidents. Again, anticipating that the concurrent incidents occur over a protracted period of time.
18. Slide 22, identifies the growth and significant change in strategic demand for incidents since 2016 that strategic and tactical commanders are resourcing. Of particular note is the concurrency of the Covid19 pandemic with Storm Ciara, River Aire flooding, a motorway closure and the East Cowick Canal breach. The Strategic Leadership Team (operating as a team of 5) covered over 200

incident command responses as well as maintaining the daily business and statute functionality of the Service.

19. In summary, the RWCS reports:

HFRS is in a very stable, capable and preplanned position to deal with normal daily business and major incidents when they occur.

- The OEP work (2017) has been successful in maintaining the right number of appliances, stations and crewing to meet the HFA set attendance standards.

..based on current financial assumptions

- Performance is consistently good for this area – both in metrics and the quality-of-service delivery to the public.

The probability of concurrent major incidents occurring are low, but cannot be ignored and are foreseeable.

For concurrent and protracted major incidents, there exists some resilience gaps in incident command provision (FDS).

We are prepared - but some improvements to resilience can be made.

A review of Incident Command (October 2020) has identified the improvements that can be brought about.

Incident Command Review (2020):

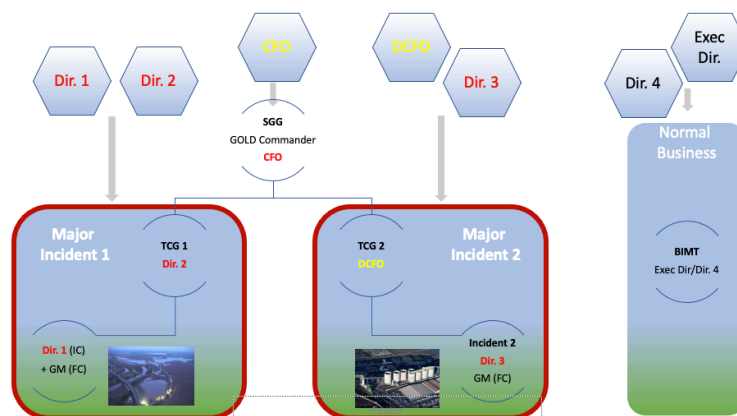
20. A three-part report undertaken in 2020, provided a capability gap analysis to inform the proportionate resourcing of incident command officers (drawn from Flexible Duty System (FDS)) against the RWCS planning outcomes. The report is broken down as follows:

- Part 1. Examines the strategic FDS provision
- Part 2. Examines the tactical FDS provision
- Part 3. Details wider FDS review recommendations.

21. **Part 1** of the ICR report (slide 27) identifies that the resourcing of strategic officers to concurrent or multiple major incidents for protracted periods into RWCS is reasonably foreseeable.

22. In these RWCS's the current number of Strategic Commanders (x5) will be rapidly absorbed into command structures reducing the Service's longer-term resilience to maintain statutory function. This is illustrated below and drawn from slide 28.

Worked example Strategic Command Team provision:



23. It is also worth noting that the illustration in slide 28 does not account for officer leave entitlement and therefore represents a best-case availability scenario.
24. **Part 2** of the ICR report identifies that the recall arrangements currently in place for tactical provision and could also present a pinch point for resourcing RWCS incidents (slides 31-32). However, the external (regional and national) resilience arrangements are suitable and sufficient to support tactical operations, noting the time periods for securing tactical resources and deploying into the Service area.
25. **Part 3** of the ICR report identifies fifteen wider recommendations. Including for FDS officer's minor improvements to competence recording, incident recording and mobilising thresholds.
26. Key aspects of the wider recommendations:
- Tactical duty systems must not rely on voluntary recall for resilience arrangements
 - Annual leave arrangements to be reviewed to improve resilience capability.
 - Continue to improve approaches to the monitoring of fatigue, health & wellbeing of all incident commanders.
 - Consider future opportunities for expansion of the FDS establishment to improve RWCS resilience capability.

In summary the ICR (2020) reports:

Incident Command functioning and competencies are fit for purpose

Resilience pinch points exist at strategic and tactical levels of the FDS duty system designs.

1. Strategic IC provision will benefit from an addition of a sixth strategic commander onto the establishment to improve resilience.

2. Tactical IC provision will benefit from the addition of recall functionality of x1 additional Group Manager (NILO, Incident Command & TCG support).

3. A number of wider recommendations to further improve the effectiveness of incident command provision.

STRATEGIC PLAN COMPATIBILITY

27. This report and the subsequent supporting documentation support the following areas of the strategic plan:
- Responding Effectively
 - Value our People

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

28. The options to increase the strategic commander provision by x1 presents a financial implication variable depending upon design within the ranges of ~£30k saving to ~£30k additional cost.

LEGAL IMPLICATIONS

29. The increase to the Strategic Command provision and improvements to the tactical command provision will enhance the Service delivery of statute function (Fire & Rescue

Services Act (2004), Civil Contingencies Act (2004)) and supports further embedding of compliance with health and safety legislation.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

30. The equality assessment for the provision of an additional member of staff to the service is established under the Recruitment Policy. This may or may not impact upon the Service establishment, depending upon the organisational design selected for the Strategic Leadership Team.

CORPORATE RISK MANAGEMENT IMPLICATIONS

31. The RWCS Planning and the ICR (2020) has identified an emergent gap in a command resilience function linked to foreseeable increases in operational demands. Without work to resolve incident command resourcing a latent corporate risk may exist within the RWCS of 2 or more concurrent major incidents.
32. Resolving the emergent gap in command resilience strengthens the Services position in response to local and national risk registers

HEALTH AND SAFETY IMPLICATIONS

33. The failure in the duty of care to operational staff and the public may be an emergent health and safety implication if incident command fatigue is not properly resourced.

COMMUNICATION ACTIONS ARISING

34. Communications with staff groups and key stakeholders will be required internally.

DETAILS OF CONSULTATION AND/OR COLLABORATION

West Yorkshire FRS
South Yorkshire FRS
North Yorkshire FRS
Lincolnshire FRS
Nottinghamshire FRS
Shropshire FRS
Tyne & Wear FRS
Staffordshire FRS
Cleveland FRS
Derbyshire FRS

HFA Member Champions
Flexible Duty System Officers (Strategic & Tactical)

BACKGROUND PAPERS AVAILABLE FOR ACCESS

Fire & Rescue Services Act (2004), Section 7.
The Civil Contingencies Act (2004), Part 1.
The Fire and Rescue National Framework for England
The National Security Risk Assessment
HFRS Integrated Risk Management Plan
HFRS Strategic Plan 2018-2021
Reasonable Worst Case Scenario Planning
Incident Command Review October 2020
Service Delivery Directorate Plan
Service Delivery Directorate Heat map

RECOMMENDATIONS RESTATED

35. Members endorse that an additional Strategic Commander is permanently added to the strategic command rota.
36. Members are assured that work is underway within the Service Delivery Directorate to develop additional resilience in the tactical command rota and meet the recommendations contained in the Incident Command Review (2020).

PAUL McCOURT

Officer Contact: Paul McCourt ☎ 07983 440245
Director of Service Delivery

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

PMc/MAS
26.02.21



Humberside Fire Authority Member Day

Service Delivery Directorate

Reasonable Worst Case Scenario Planning & Incident Command Review

Paul McCourt
Director of Service Delivery

Some content is redacted

Background

- It is imperative that HFRS ensures that it retains an Emergency Response capability that is proportionate and able to deal with reasonable worst case fires and other emergency risks, whilst remaining efficient and effective.
- Reasonable worst-case scenario planning is a concept in risk planning where we consider the most severe possible outcome that can be reasonably be projected to occur...

...it is based upon data sets from local & historical incident data, analysis of multiple local risks and trends of national incidents.

...it is also based upon professional judgement.

Legislation & Guidance



- Section 7 of the Fire & Rescue Services Act (2004)
 - places a requirement on local authorities to “*secure the provision of the personnel, services and equipment necessary, efficiently to meet all normal requirements*”
- *The Civil Contingencies Act (2004) Part 1*
 - places a duty on Category 1 organisations (those at the core of response to most emergencies) “to *prepare for, respond to and recover from emergency incidents*”.

- *The Fire and Rescue National Framework for England*
 - requires that every fire and rescue authority “*must assess all foreseeable fire and rescue related risks that could affect their communities*”
- &
- requiring all authorities to put arrangements in place to prevent and mitigate these risks and to have regard for *Community Risk Registers* (CRR) produced by Local Resilience Forums (LRF).
- *NFCC National Operational Guidance* (NOG)
 - Each FRS must decide their strategic direction *via their integrated risk management plan to plan for and respond to incidents within their area and in other areas.*
- *The National Security Risk Assessment* (NSRA)
 - produced on behalf of the Cabinet Office identifies *provides analysis of the major risks to the UK’s national security (including domestic emergencies), assessing likelihoods and impacts*
 - *National Resilience Planning Assumptions* (NRPA’s)
 - describe *the maximum expected scale, duration and severity for each of the common consequences of the various risks captured in the NSRA.*

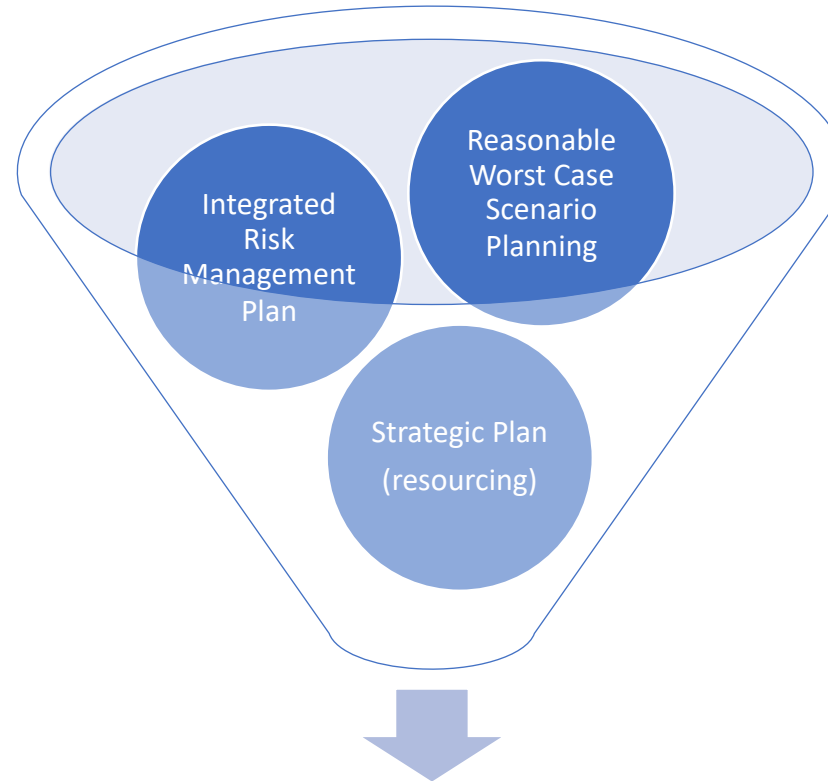
Emergency Planning Influence (other influencing factors are available*)

*Other influencing factors

e.g.

- Public expectations
- Finance
- Politics
- Reputation

etc..



- Section 7, FRSA (2004)
- Part 1, Civil Contingencies Act (2004)
- Fire and Rescue National Framework
- National Operational Guidance
- National Security Risk Assessment
- National Resilience Planning Assumptions

Make our Communities Safer, **Responding Effectively**, Value our People, Support Delivery

(Responding Effectively)

Operational Planning & Resourcing

- Quick definitions:
 - *Rising tide* – where a lead in time to an event is given which will enable pre-planning to take place.
 - Examples of this situation are Pandemic influenza or a severe weather warning is received which enables a pro-active request for mutual aid to ensure resources are in place prior to the event taking place.
 - *No notice* – no lead in time given to an event.
 - Examples of this situation are a COMAH Incident (e.g. Oil/Chemical refinery fire) or the activation of a terrorist attack with no pre-warning or intelligence of the perceived event.

- Risk Identification – What Risks are Relevant to Our Area?
 - *Nationally Identified Risks* – The LRF are informed of any national risks by the Civil Contingencies Secretariat within the Cabinet Office
 - *Locally Identified Risks* – These are risks specifically associated with an LRF region and would not require a national response.
- The NSRA assigns risks to one of 10 main risk groups;
 - *Accidents & System Failures*
 - *Conflict & Instability*
 - *Cyber Attack*
 - *Geo-Political & Diplomatic*
 - *Hostile State Activity*
 - *Human & Animal Disease*
 - *Natural & Environmental Hazards*
 - *Serious & Organised Crime*
 - *Societal*
 - *Terrorism*

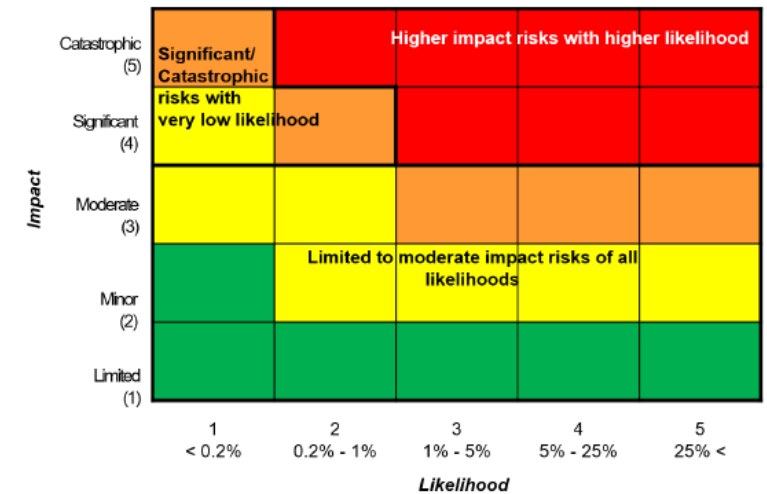
Local Risk Assessment & Grading

VERY HIGH RISK	These are classed as primary or critical risks requiring immediate attention. They may have a high or low likelihood of occurrence, but their potential consequences are such that they must be treated as a high priority. This may mean that strategies should be developed to reduce or eliminate the risks, but also that mitigation in the form of (multi-agency) planning, exercising and training for these hazards should be put in place and the risk monitored on a regular frequency. Consideration should be given to planning being specific to the risk rather than generic.
HIGH RISK	These risks are classed as significant. They may have a high or low likelihood of occurrence, but their potential consequences are sufficiently serious to warrant appropriate consideration after those risks classed as 'very high'. Consideration should be given to the development of strategies to reduce or eliminate the risks, but also mitigation in the form of at least (multi-agency) generic planning, exercising and training should be put in place and the risk monitored on a regular frequency.
MEDIUM RISK	These risks are less significant, but may cause upset and inconvenience in the short term, These risk should be monitored to ensure that they are being appropriately managed and consideration given to their being managed under generic emergency planning arrangements.
LOW RISK	These risks are both unlikely to occur and not significant in their impact. They should be managed using normal or generic planning arrangements and require minimal monitoring and control unless subsequent risk assessments show a substantial change. This may result in a move to another risk category.

- Humber LRF has assessed and graded risks to the Humber area in its *Community Risk Register (CRR)* 2018-2021.

The Methodology

- Analysis – How Likely are These Risks?
- Evaluation – What risks do we need to be concerned about?



- Planning Assumptions – What do we need to plan for?
- Capability Gap Analysis – How prepared are we to deal with Risks?

• Capability Gap Analysis – How prepared are we to deal with Risks?

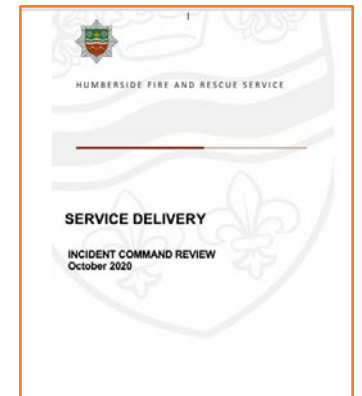
For HFRS RWCS planning purposes the assessment of capabilities can be defined as:

- Fire Engines (number, type, location)
- Special Appliances (Heavy Rescue, High Reach, Incident Command etc)
- Specialist Capabilities (NR Assets including Water/Flood Rescue)
- Operational Equipment & infrastructure
- Operational Fire Fighting Personnel (Full time/On-Call/RFC)

Operational Efficiency Programme
(completed circa 2017)
HFA directed Response Standards

- Operational Managers (FDS – Silver/Gold)
- Functional roles (Command & Control)
- Specialist Roles (NILO, TacAds, HazO, MTA etc)

Incident
Command
Review 2020



Capabilities



- **Operational Risk Planning**

- Site Specific Risk Information for all hazardous sites
- Operational Pre-plans available immediately to all frontline Crews, Officers & Control

- **Concurrent Emergencies –**

- Capacity to manage 2 or more major incidents

- **Current Planning Assumptions**

- NSRA & LRF identified risks assist in defining the capability & proportionate level of deployment potentially required.

- **Section 13 & 16 Arrangements**

- Extensive and regularly reviewed & maintained through regional meetings @ CFO, DCFO, Director levels.

- **National Resilience and Mutual Aid Arrangements**

- Well established national resilience arrangements (NRAT – National Resilience Assurance Team)
- Well established mutual aid arrangements with local industries (e.g. Foam Stocks – Phillips 66 refinery etc)
- Multi-agency partnership working is well embedded across all blue light services and partner agencies in through Humber LRF

- **Regular review of Reasonable Worst-Case Scenarios (RWCS)**

- As the Humber region changes, we track the risk trajectory



Integrated Risk Management Plan 2018-21

Fire Appliance Capability:

x43 Fire Engines
x4 Aerial Platforms
x3 Tactical Response Vehicles

Plus, specialist capabilities:

Foam,
Technical Rescue
Water Rescue
Drone

31 fire stations (9 Full-Time, 3 Full-time/On-Call, 19 On-Call)

East Riding of Yorkshire



Station	Resources				
	Fire Engines	Water Rescue	Specialist Response Capabilities	Medical	Public Safety
Bridlington	3	2 Flood Rafts	1 Aerial Ladder Platform		
Goole	2	1 Boat			
Hornsea	2			Yes	
Driffield	2			Yes	
Pocklington	2			Yes	
Market Weighton					
Beverley					
Howden					
Snaith					
Brough					
Withernsea					
Preston					
Patrington					

Hull



Station	Resources				
	Fire Engines	Water Rescue	Further Response Capabilities	Medical	Public Safety
Bransholme	1	1 Boat, 2 Flood Rafts		Yes	
Clough Road	1		1 Rescue Support Unit, 1 Tactical Response Vehicle		
Calvert Lane	2		1 Aerial Ladder Platform		Business and Community Safety Teams
East Hull (CC)	1				
Central	1		1 Detection, Identification & Monitoring Vehicle (National Asset)		

North Lincolnshire



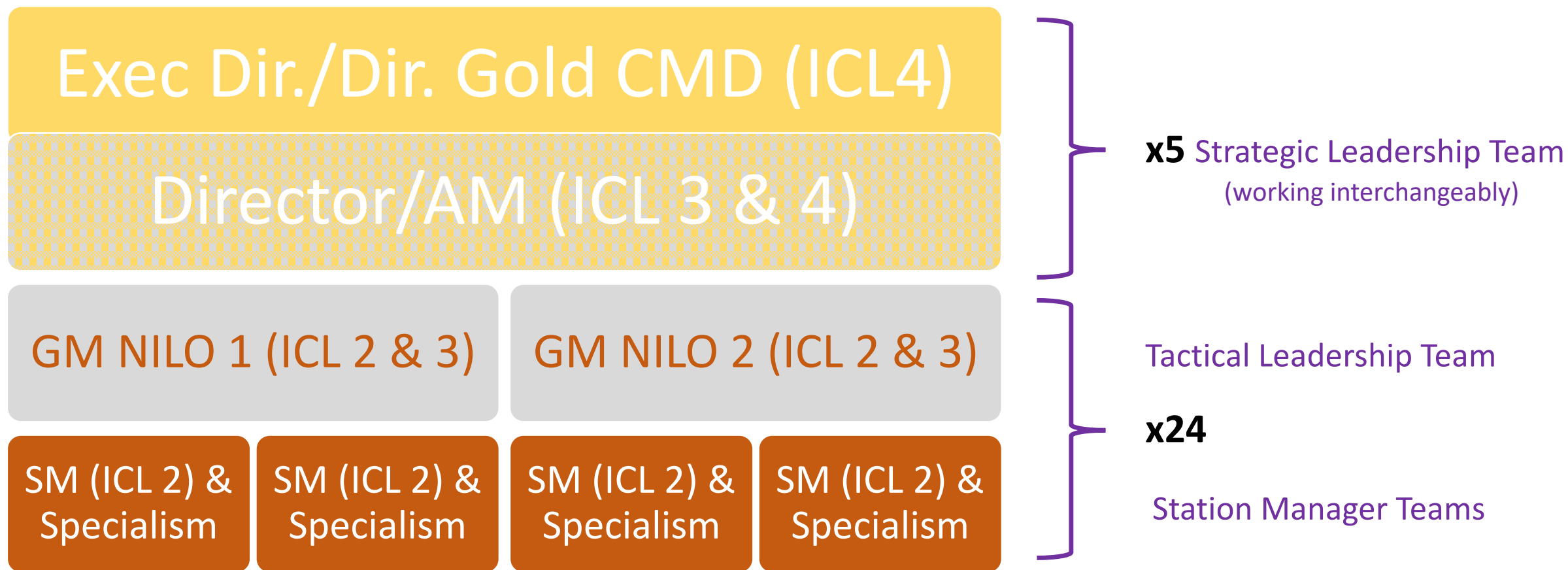
Station	Resources				
	Fire Engines	Water Rescue	Further Response Capabilities	Medical	Public Safety
Scaunthorpe	3	1 Boat, 2 Flood Rafts	1 Aerial Ladder Platform, 1 Rescue Support Unit		
Immingham					
Barton Upper Humber					
Winterton					
Crowle					
Epworth					
Bogg					
Kirtlington					

North East Lincolnshire

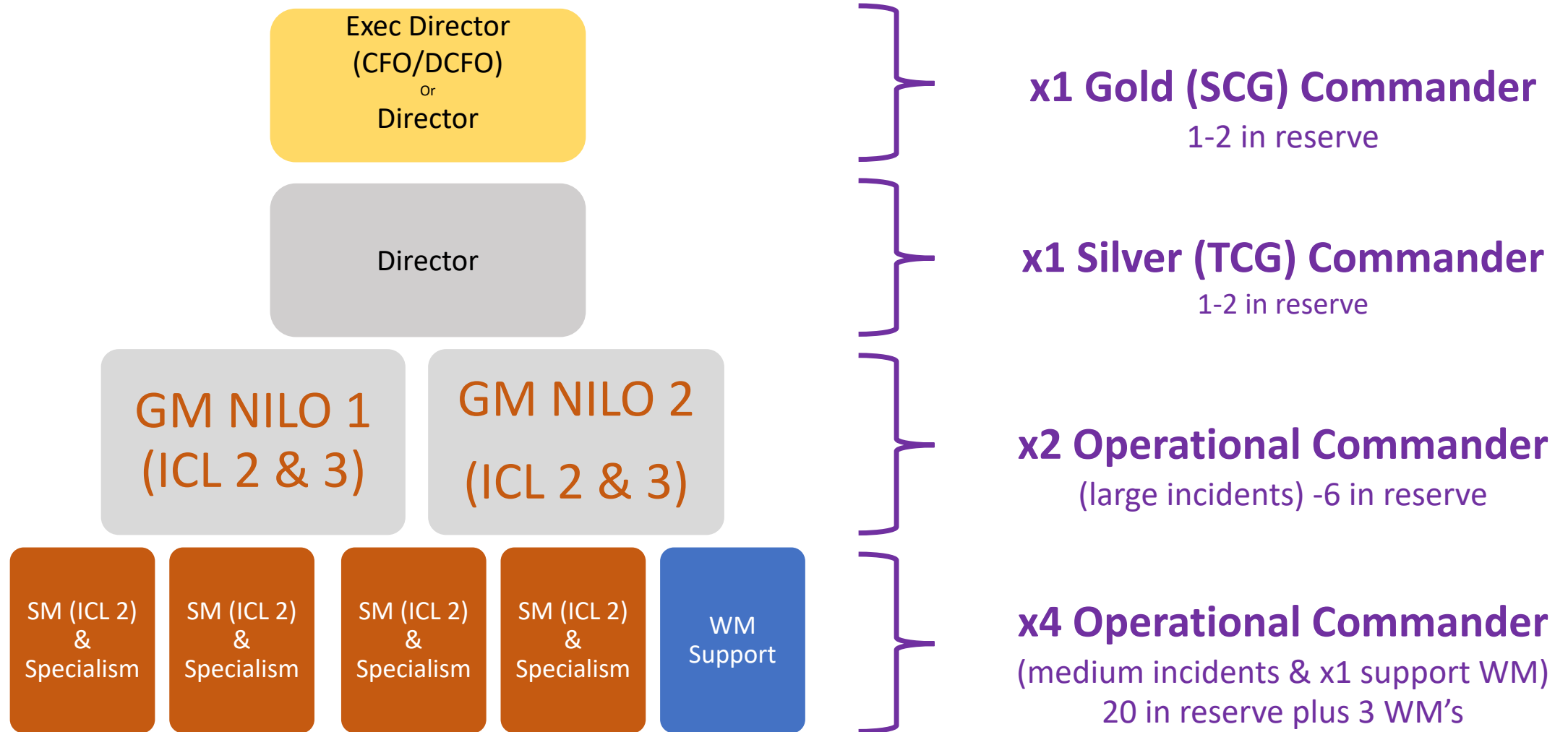


Station	Resources				
	Fire Engines	Water Rescue	Further Response Capabilities	Medical	Public Safety
Peaks Lane	3	1 Boat, 2 Flood Rafts	1 Hydraulic Platform		
Immingham East	2		2 Foam Delivery Sleds, 1 Technical Rescue Unit (Service Wide Asset), 1 Environmental Decontamination Unit, 1 Mass Decontamination Unit (National Asset)		Business and Community Safety Teams
Cromwell Road	Training centre and Operational Fire Station in the evening				
Cleethorpes			1 Tactical Response Vehicle		
Waltham			1 Tactical Response Vehicle		

Operational Command Capability (FDS)



Minimum daily (365/24/7) Operational Provision (FDS Officers)



What Are the Reasonable Worst-Case Scenarios?

- Accidents & System Failures

- Major Fires,
- Explosions,
- COMAH site failures
- Major Transport (Road, Rail, Marine & Aviation industries)

’No Notice’ events*

- Natural & Environmental Hazards

- Severe Flooding
- Extreme Weather

’Rising Tide’ events*

- Societal

- Public Disorder (riots & mass crowd events –stadiums etc.)

’No Notice’ events*

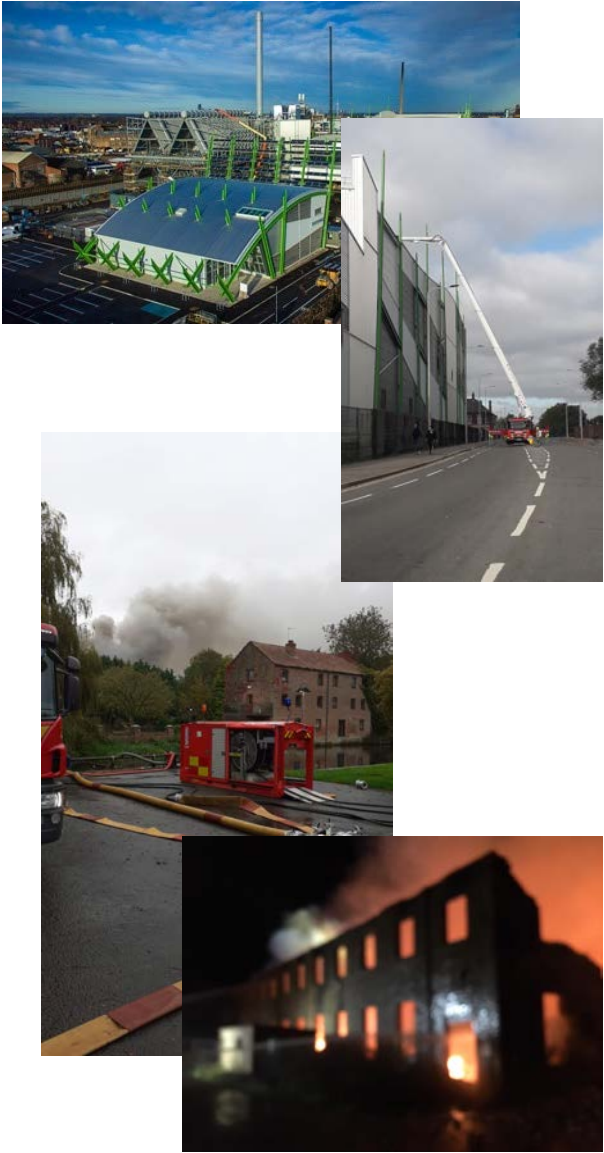
- Terrorism

- Marauding Terrorist Attack
- Chemical Attacks (urban & non-urban areas)

*generally

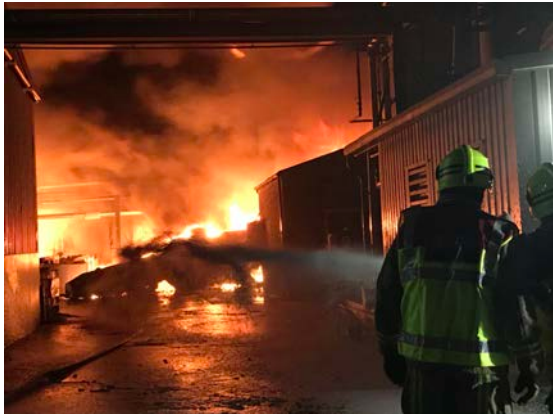
HFRS Reasonable Worst-Case Scenario's (overview)

Accidents & System Failures	Major Fire	Large scale, high-rise residential building fire	[REDACTED]	1-3 days
"	"	Large commercial building fire	[REDACTED]	1 -2 days
"	"	Large residential hotel fire	[REDACTED]	1-2 days
"	"	Waste Re-Cycling Site Fire	[REDACTED]	1 – 7 days
"	"	Fire/Explosion affecting key local electrical sub-station (CNI)	[REDACTED]	Up to 1 day
"	"	Fire/Incident affecting high occupancy public infrastructure (Shopping Centre, Entertainment venue).	[REDACTED]	1 -2 days
"	"	Fire or Explosion affecting major pipeline infrastructure (Fuel, gas, oil).	[REDACTED]	6 – 18 hours
"	"	Wildfire	[REDACTED]	1 – 2 weeks



HFRS Reasonable Worst-Case Scenario's (overview)

Accidents & System Failures	COMAH	Major Incident affecting Upper/Lower COMAH Operator (Fire/Toxic Chemical Release)	[REDACTED]	Up to 1 day
"	"	Major incident affecting Refinery Tank farm involving fire &/or loss of containment	[REDACTED]	Up to 1 week
"	"	Fire/Explosion affecting LPG/Gas Storage Terminal	[REDACTED]	Up to 1 day
"	Major Transport	Major Incident on local motorway and local critical routes	[REDACTED]	Up to 1 day
"	"	Major Incident on local rail network	[REDACTED]	1 – 2 days
"	"	Aviation crash at airport or onto local residential area	[REDACTED]	1 – 2 days
"	"	Road Tanker involving high consequence dangerous goods	[REDACTED] [REDACTED] [REDACTED]	6 – 12 hours



HFRS Reasonable Worst-Case Scenario's (overview)

Natural & Environmental Hazards	Severe Flooding	Widespread flooding resulting from Tidal surge, River overtopping or surface water situations.	[REDACTED]	Up to 2 weeks
"	Extreme Weather	Widespread disruption resulting from storms, gales snow, ice, fog etc...	[REDACTED]	Up to 1 week
			[REDACTED]	



HFRS Reasonable Worst-Case Scenario's (overview)

Societal	Public Disorder	Large scale public disorder in site(s) in a single city, or in multiple cities, occurring concurrently over several days	[REDACTED]	1 – 5 days
Terrorism	Marauding Terrorist Attack	Marauding simultaneous or near simultaneous firearms attacks in a crowded urban area	[REDACTED]	1 – 4 days dependent on siege situation
“	Chemical Attack – enclosed urban area	Dissemination of an improvised preparation of a volatile nerve agent into a crowded enclosed or semi-enclosed area e.g. sports stadium, major transport hub.	[REDACTED]	1 – 4 days dependent on siege situation
“	Chemical Attack – unenclosed urban area	Dissemination of an improvised preparation of a volatile nerve agent into an unenclosed area e.g. city centre shopping environment	[REDACTED]	1 – 4 days dependent on siege situation



So what does this mean? e.g. very high risk (Humber LRF CRR)

- Widespread flooding
 - Tidal surge,
 - River overtopping
 - Surface water runoff
- Requires:
 - Rescues & pumping operations
 - Community Displacements
 - Long term local authority recovery operations
 - Effective Public Communications (FRS & MA)

The HFRS predicted resourcing for RWCS is:

[REDACTED]

- [REDACTED]

[REDACTED]

[REDACTED]



Concurrent Incidents*

Primary / Concurrent	RWCS	Description	Predicted Resources	Predicted timescale	Aggregate resource requirements
Primary (1)	Severe Flooding	Widespread flooding resulting from Tidal surge, River overtopping or surface water situations.	<div></div> <div></div> <div></div> LRF SCG/TCG commitment	1 – 5 days 	
Concurrent (1)	COMAH	Major Incident affecting Upper/Lower COMAH Operator (Fire/Toxic Chemical Release)	<div></div> <div></div> <div></div> LRF SCG /TCG commitment 	6-24 hours	(P1 + C1) <div></div> <div></div> <div></div> <div></div> LRF SCG/TCG commitment x 2

Similar resource demands for **Major Fire, Transport & Terrorism** incidents occurring in combination

*Must also retain the ability to deal with normal statutory function call demands (house fires, RTC's, water recues etc..)

2020, concurrent incidents and a change in strategic demand...

- Storm Ciara
- River Aire Flooding
- Covid 19 Pandemic
- M62 Closure
- East Cowick Canal breach

x5 SLT

Exec Dir./Dir. (SCG)

Director/AM (TCG)

GM NILO 1 (ICL 2 & 3)

GM NILO 2 (ICL 2 & 3)

SM (ICL 2) & Specialism

SM (ICL 2) & Specialism

SM (ICL 2) & Specialism

SM (ICL 2) & Specialism

(Temporarily supported by x1 AM)

FDS Calls to attend Incidents								
	Exec. Director	SCG	AM/ Director	TCG	GM	SM	WM	Total
2016	0		4		103	677	72	856
2017	0		5		134	662	69	870
2018	1		7		167	782	195	1152
2019	0	3 (25 - Brexit)	5	38 (9 - Brexit)	136	777	126	1044
2020	2	120	6	95	-	-	-	-

So, what
does this
mean?

Summary

HFRS is in a very stable, capable and preplanned position to deal with normal daily business and major incidents when they occur.

- The OEP work (2017) has been **successful in maintaining the right number of appliances, stations and crewing to meet the HFA set attendance standards.**

..based on current financial assumptions

- Performance is consistently good for this area – both in metrics and the quality-of-service delivery to the public.

The probability of concurrent major incidents occurring are low, but cannot be ignored and are foreseeable.

For concurrent and protracted major incidents, there exists some resilience gaps in incident command provision (FDS).

We are prepared - but some improvements to resilience can be made.

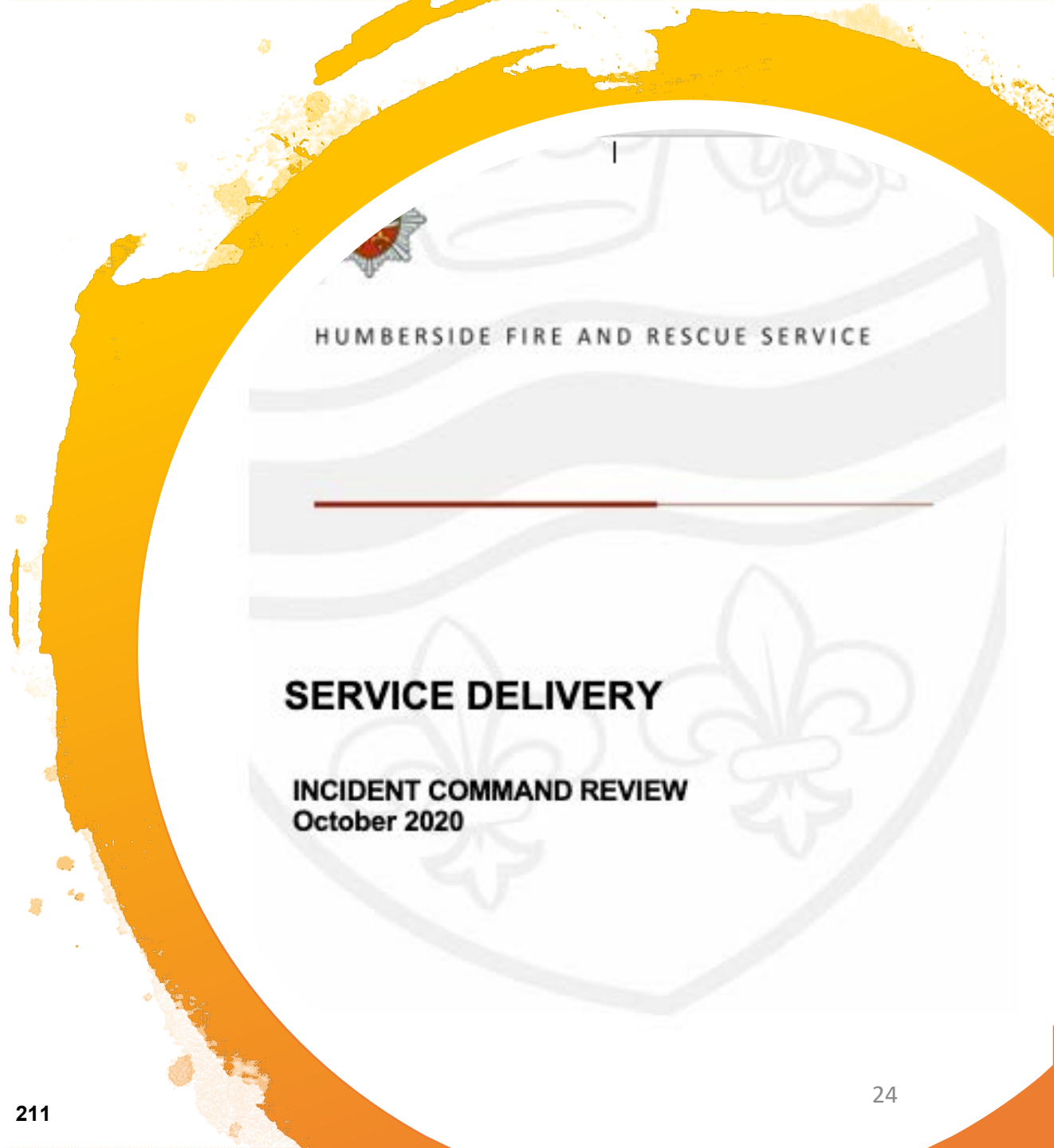
A review of Incident Command (October 2020) has identified the improvements that can be brought about.

Capability Gap Analysis

Incident Command Review

A review of Incident Command (2020) has identified the improvements that can be brought about in relation to RWCS.

- A joined-up project.
- Developed with and communicated across key staff groups, trade unions, staff associations and SLT.





HUMBERSIDE FIRE AND RESCUE SERVICE

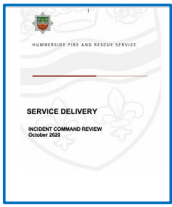
SERVICE DELIVERY

INCIDENT COMMAND REVIEW
October 2020

Incident Command Review

- A 3-part report providing a capability gap analysis for FDS incident command.
- Part 1. Examines the strategic provision
- Part 2. Examines the tactical provision
- Part 3. Details wider review recommendations.

...within the context of RWCS



ICR Review Summary

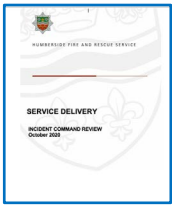
Incident Command functioning and competencies are fit for purpose

Resilience pinch points exist at strategic and tactical levels of the FDS duty system designs.

1. Strategic IC provision will benefit from an addition of a sixth strategic commander onto the establishment to improve resilience.

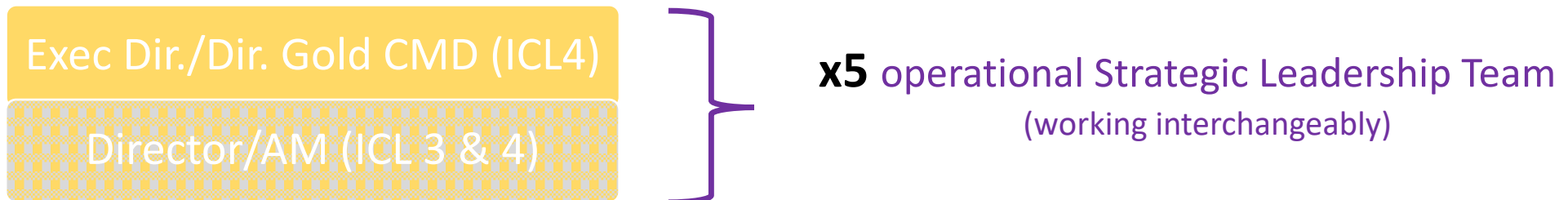
2. Tactical IC provision will benefit from the addition of recall functionality of x1 additional Group Manager (NILO, Incident Command & TCG support).

3. A number of wider recommendations to further improve the effectiveness of incident command provision.

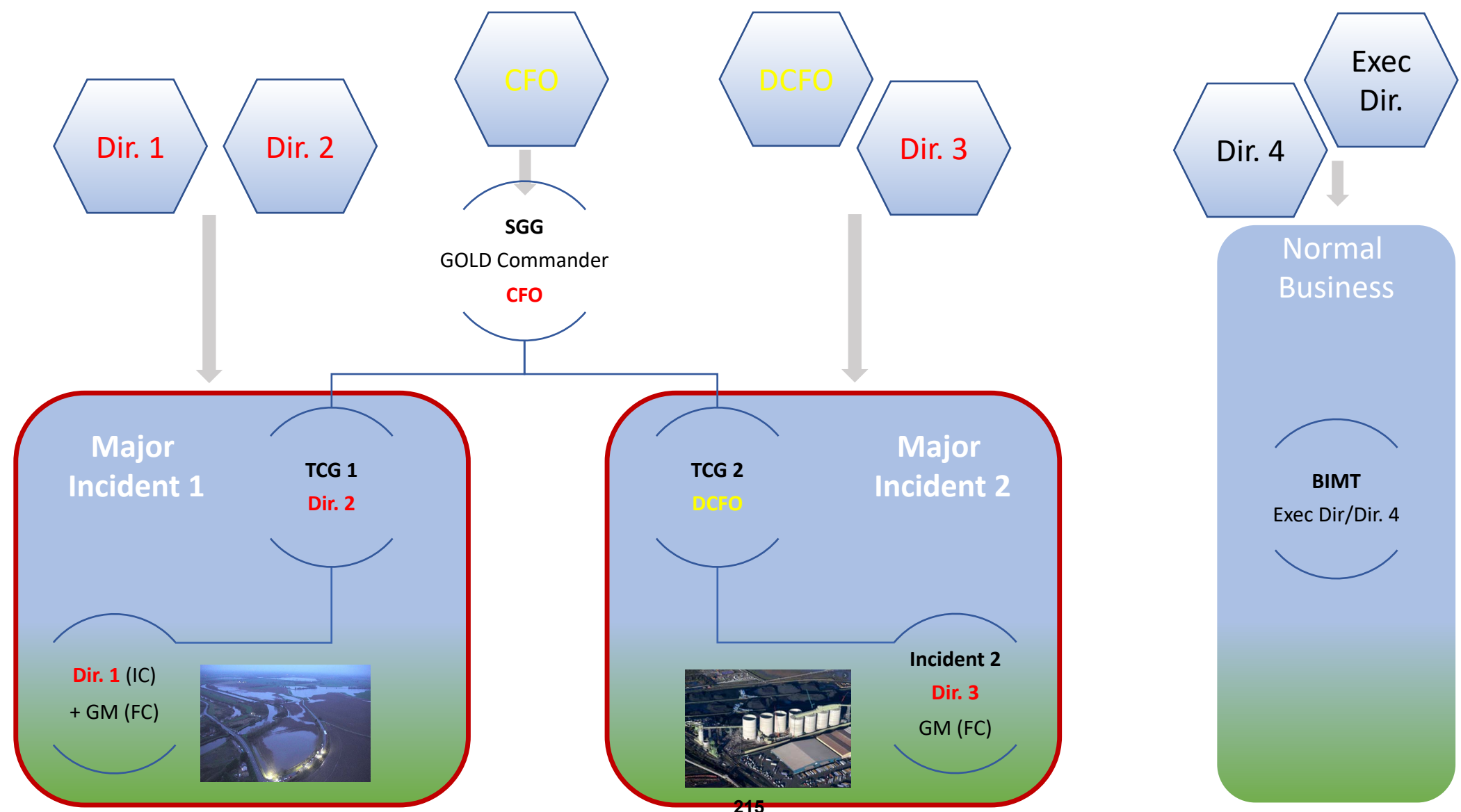


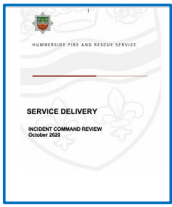
Part 1. Strategic Provision of Incident Command

- Concurrent Major Incidents, (**alongside normal emergency response provision**), may have to be resourced within a range of Reasonable Worst-Case Scenarios.
- These incidents may be protracted in nature
- In this RWCS Strategic Commanders are likely to be rapidly absorbed into command structures reducing long term resilience





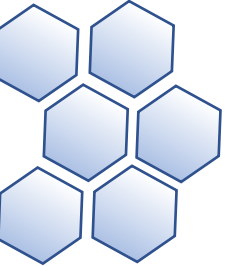
Worked example Strategic Command Team provision:

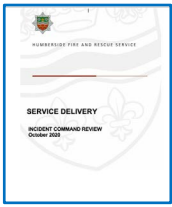




Part 1. Findings

In this RWCS Scenario;

- Section 13-16 arrangements are suitable and sufficient to support strategic operations. (takes time to gear up) 
- National Resilience arrangements are suitable and sufficient to support strategic operations. (also takes time to gear up) 
- Pinch points exist & reviewing national practices, a 6-person Strategic Command Team offers the optimal blend of functionality efficiency and resilience. 



Part 2. Tactical Provision of Incident Command

Concurrent Major Incidents, (**alongside normal emergency response provision**), may have to be resourced within a number of Reasonable Worst-Case Scenarios.

These incidents may be protracted in nature


- The current Tactical FDS Rota is functional for BAU arrangements.




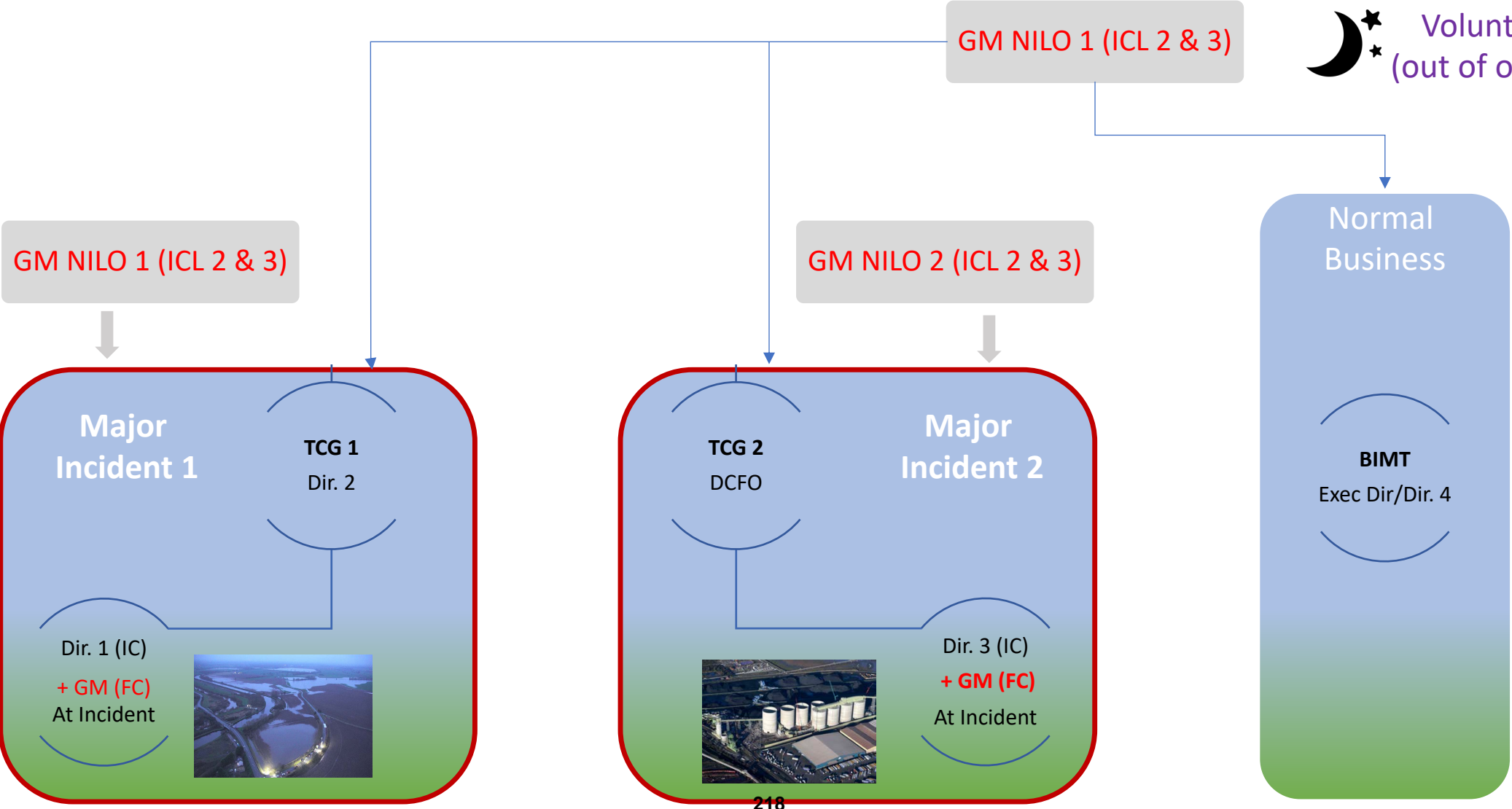
In this RWCS

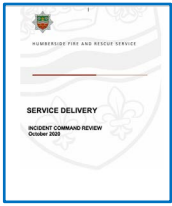
- The backfill resilience of FDS Officers at GM (NILO -National Interagency Liaison Officer) when a 'Recall to Duty' is activated requires improvement.

Worked example Tactical GM Provision:

 Up to █ in reserve
(during office hours)

 Voluntary recall
(out of office hours)





Part 2. Findings

- The current Tactical FDS Rota is functional for BAU arrangements.



In RWCS Scenarios;

- Section 13-16 & National Resilience arrangements are suitable and sufficient to support tactical operations. (takes time to gear up)
- Voluntary recall arrangements could present a resilience pinch point for RWCS incidents.
 - Directorate level work required to improve efficiency and effectiveness of the Tactical FDS capability



GM NILO 1 (ICL 2 & 3)

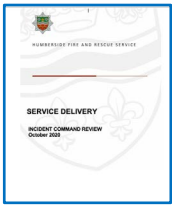
GM NILO 2 (ICL 2 & 3)

SM (ICL 2) &
Specialism

SM (ICL 2) &
Specialism

SM (ICL 2) &
Specialism

SM (ICL 2) &
Specialism



Part 3. Wider Recommendations

- Fifteen recommendations
 - Including minor improvements to competence recording, incident recording and mobilising thresholds for FDS officers.



Key aspects:

- Tactical duty systems must not rely on voluntary recall for resilience arrangements
- Annual leave arrangements to be reviewed to improve resilience capability.
- Continue to improve approaches to the monitoring of fatigue, health & wellbeing of all incident commanders.
- Consider future opportunities for expansion of the FDS establishment to improve RWCS resilience capability.



RWCS & ICR summary...

HFRS has revised its approach to Reasonable Worst Case Scenario risk planning.

and Supporting the IRMP and Strategic Plan development for 2021 and beyond

Incident Command functioning and competencies are fit for purpose.

Performance is consistently good for this area – both in terms of metrics and the quality-of-service delivery to the public.

Resilience pinch points exist at strategic and tactical levels of the FDS duty system designs.

Work is underway to improve resilience provision



Humberside Fire Authority

MEMBER DAY

Questions?

STRATEGIC LEADERSHIP TEAM STRUCTURE

SUMMARY

1. Elsewhere on the agenda there are recommendations from the Incident Command Review relating to Strategic operational cover for emergency incidents. That recommendation is for Members to endorse an increase in the number of permanent operational (i.e., Incident Commander) roles on the Strategic Leadership Team (SLT).
2. There has also been a review at SLT of the role of Director of People and Organisational Development following the departure of the previous postholder. That is usual and is part of our policy when vacancies arise. The post has been previously supported by West Yorkshire Fire and Rescue Service with a secondment, on a 0.5 Full-Time Equivalent (FTE) basis. Given the importance of how we value and support our people it is felt that it is important that we invest appropriately in that area.
3. This report brings forward recommendations regarding both the operational Incident Command cover and the strategic arrangements for Human Resource (HR) matters. Some of those recommendations could be resolved within Officer's delegated authority, but some options would require Authority decisions on structure and appointment, and so this paper seeks approval by the Authority for the recommended future structure in its entirety. If the recommended option is approved then it is expected that new roles would be Member appointments, supported by the Chief Fire Officer as an advisor.

RECOMMENDATIONS

4. That Members approve a new structure, subject to stakeholder consultation, for SLT taking into account the options at Paragraph 20 and the recommended option at Paragraph 21.

BACKGROUND

5. The SLT structure includes a number of operational strategic Officers, able to respond to multi-agency Strategic or Tactical Command Groups for significant emergency incidents, or to take charge, on scene, of the most serious incidents that the Service attends.
6. The last review of the SLT structure was implemented, in 2015 and that review saw the permanent operational structure reduced from eight to five, and the overall number of Strategic Officers reduced from twelve to seven. It became clear early in that structure that only having five operational Strategic Incident Commanders, effectively covering two operational groups of three on continual duty, was a risk and a number of staff have filled additional temporary Strategic posts since then. Those temporary appointments have been put in place for specific projects and talent management in any case, but it is felt that following the Incident Command Review it is important to ensure there is a permanent resilient structure in place.
7. If further strategic posts are required for specific projects or talent management then they can be put in place by the Chief Fire Officer under delegated authority in any case.
8. The previous Director of People and Organisational Development left the Service in 2020, and since then the role has been filled on a temporary basis firstly by an

arrangement with West Yorkshire Fire and Rescue Service and currently with an internal operational appointment who accesses technical HR support from external sources as needed but provides the leadership and management capacity in that area. During this period some areas managed by the previous incumbent have been temporarily moved into other areas of the structure. That has allowed suitable time for the needs in that area to be reviewed.

9. It is felt that given the positive direction of travel against the areas for improvement highlighted in the previous HMICFRS Inspection Report now is not the time to de-invest in this important area. In fact, the area may benefit from additional resourcing.
10. It is felt important that to ensure the Authority can appoint the best candidate for that role there is a consideration for enabling flexibility of both hours and working arrangements.
11. Ways of working during the pandemic have highlighted that remote working is very efficient, at least for part of the time, and the fact that we have previously effectively utilised an arrangement whereby we have had a 0.5 FTE role in place does mean it would also be possible to operate without a full-time post as long as capacity supporting them was suitable.
12. It is also the case that the majority of HR professionals are women, in fact 80% of members of the Chartered Institute for Professional Development are women. Since our Equality Impact Assessment states women are disproportionately likely to be carers (58%) and even higher for childcare (65%) it is felt that to ensure we get the best candidate we should advertise a role flexibly with the ability to offer a position between 0.5 FTE and one FTE dependent on the needs of the successful applicant. The recommended structure will ensure that even if the appointment is for 0.5 FTE there will be still be appropriate additional senior support in that area, as the overall FTE level would still increase (from 1 to 1.5), and if the appointment is for 1 FTE that it can be met within existing budgets. The intention is that all roles in the Service that can do, will be enabled to work flexibly, partially from home and partially in the office, in any case.
13. The concerns regarding cover for operational incidents has been discussed elsewhere on the agenda, but essentially it is the lack of permanent strategic post holders to adequately resource the required cover groups for large, and concurrent, incidents. The analysis of the Reasonable Worst Case Planning Scenarios, and outcome of the resulting Incident Command Review were considered before making the recommendations as it may have been suitable to entirely change the cover group arrangements. However, that is not considered appropriate.
14. Currently the Service operates two cover groups for emergency incidents at strategic level. One for attendance at, and Chairing of, multi-agency Strategic Coordination Groups and also providing resilience for on scene command as needed. One for attendance at, and Chairing of, Tactical Coordination Groups and on scene command at the largest and most complex incidents we attend.
15. Those staff are on a continual duty system, so unless they are on leave, they are always available to respond either immediately, or so that they are in attendance within a pre-determined time. (either 2,8 or 24 hours depending on their duty) When one member is on leave, or is off for any other reason, the other Officers cover that shortfall in addition to their own duties, at no cost to the Service. At any one time two of the Officers will be available to respond immediately, and the remainder will be available to respond within their predetermined response requirements.
16. Effectively that means that there are two groups of three staff operating 24 hours a day, over and above their 'day jobs', but the permanent structure only has five operational Officers. That means when temporary posts are not in place the Chief and Deputy Chief are immediately available for 33% of their time, and Directors are

immediately available, within the Service area, for 44% of their time. In addition, they are all always available to respond as described previously and the Chief and Deputy Chief ensure that they are never both on leave at the same time or out of the country at the same time.

17. Whilst it is felt that the Chief and Deputy being immediately available for 33% of their time is reasonable, it is not felt that having Directors immediately available for 44% of their time is conducive to a good work life balance, particularly taking into account that when one Director is on leave the others will cover more than that (around 61% of their time immediately available). Due to that reason, it is usual that when either the Chief or Deputy Chief is on leave, they try not to draw on Directors for additional cover and provide cover for 66% of their time instead for that period.
18. The recommended option will ensure that all Officers at strategic level provide 33% of their time immediately available, and that both groups have three Officers on so that when someone is on leave the remaining 2 Officers can share the additional cover requirements, which would mean a maximum of 50% of their time immediately on call, on average, whilst another member of the group was on leave.

STRUCTURAL OBJECTIVES

19. In deciding upon the new structure, it is felt that the following outcomes should be met.

Essential

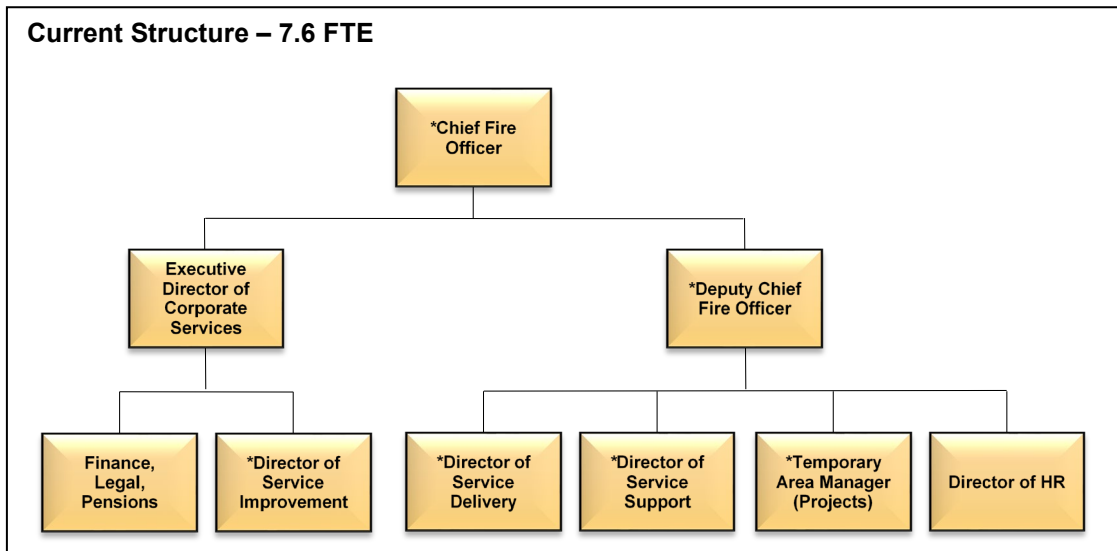
- Permanently increase the number of operational Strategic Incident Commanders from five to six to ensure that two groups of three can operate effectively, and in a resilient manner. One group will cover Strategic Co-ordination Groups and provide resilience for on scene incident command for the largest and most complex incidents. One group will cover Tactical Co-Ordination Groups as well on scene command for the largest and most complex incidents.
- Ensure we have strategic advice and decision making for Human Resource matters at an appropriately senior level.
- Ensure that the capacity in areas in readiness to support the areas in the Strategic Plan 2021-2024 around valuing and supporting the people we employ is not reduced.

Desirable

- A structure that provides clear succession planning in readiness for the Chief Fire Officer completing his contract in October 2022 at the latest. This is partially relevant due to concerns nationally around the low numbers of applicants for senior levels and the number of Chiefs retiring imminently and over the next two years. Whilst it is anticipated that the post would be advertised widely it will also be important to develop internal talent as well to ensure the Authority has sufficient high-quality candidates to select from.
- Additional capacity is put in place within the areas focussed on valuing and supporting the people we employ in readiness for delivery on the Strategic Plan 2021-2024, to ensure the positive steps taken in that area recently are continually built upon.

OPTIONS FOR CONSIDERATION

20. Option 1 - Make the current temporary structure permanent



*Operational posts

The current structure shows the Temporary Area Manager post which has been in place and budgeted for, and also shows the full-time role of the Executive Director of Corporate Services as the income from the Office of the Police and Crime Commissioner (OPCC) has not previously been considered when budgeting for the structure.

The roles of operational Directors would be reviewed in any new structure to ensure that the right people were in posts and that there was a clear strategic focus on Protection given the increased emphasis and workload in that area.

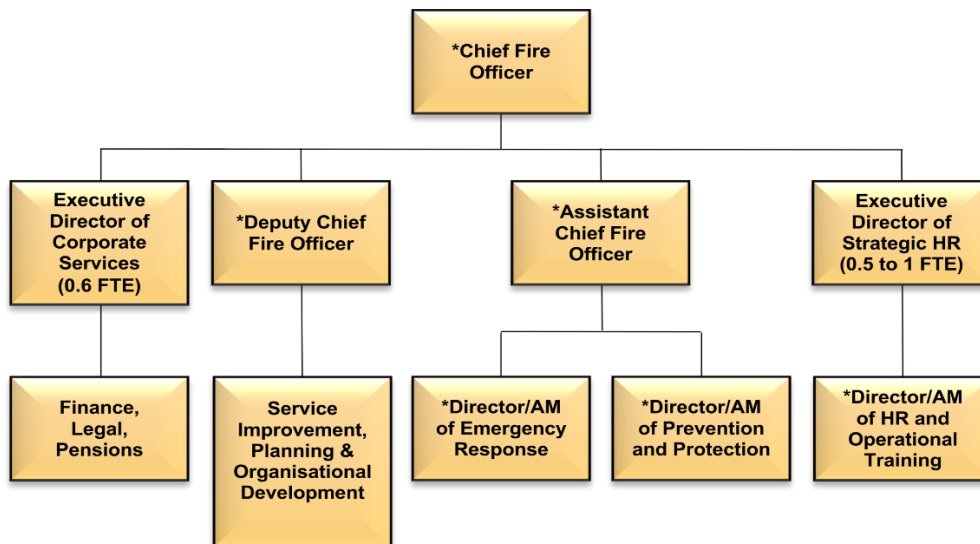
Advantages

- It would achieve the essential areas above by introducing a fourth operational Director and maintaining the existing arrangement for the post of Director of HR, which would be advertised.
- There would be less likelihood of a negative perception of a senior new role (i.e. the Assistant Chief or HR Executive role) being added.
- The new structure would create a saving of circa £40k taking into account the income from the OPCC

Disadvantages

- It wouldn't achieve the clear succession planning described as a desirable outcome above.
- It wouldn't provide additional capacity in the areas focussed on how we value and support the people we employ in readiness for the Strategic Plan 2021-2024, which is a desirable outcome.

Option 2 - 7.1 to 7.6 FTE



*Operational posts

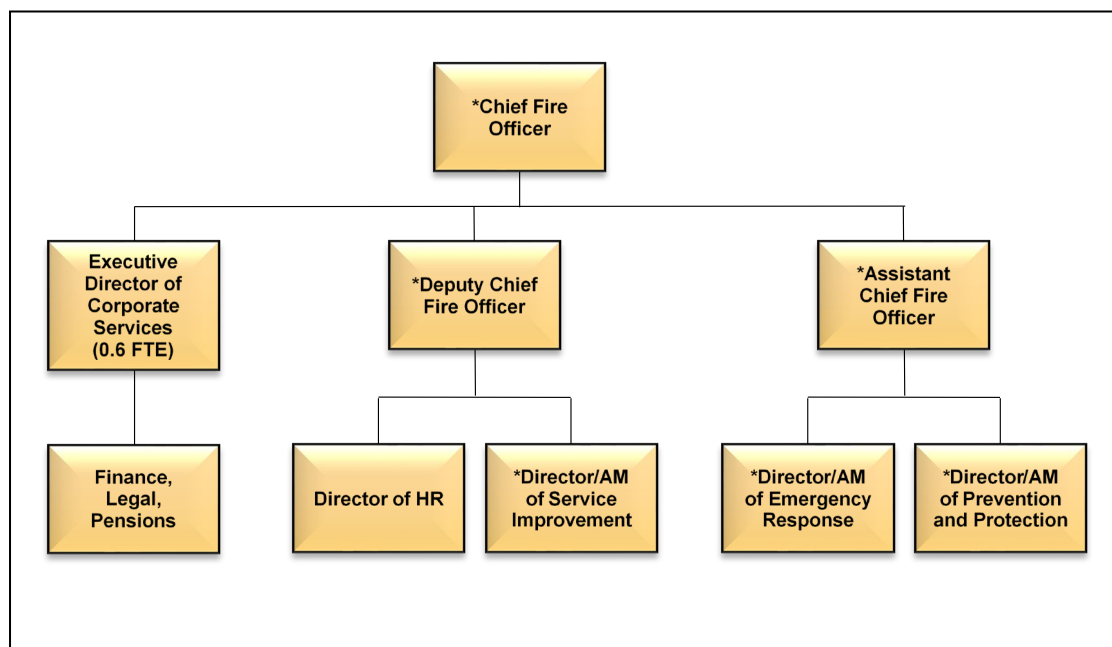
Advantages

- Increased Executive Team to enable clear accountability through the scheme of delegation within the Constitution.
- Chief, Deputy Chief and Assistant Chief providing the Strategic (Gold) Rota for multi-agency Strategic Co-ordination Groups, and resilience for on scene incident command.
- The additional of the Assistant Chief role will mean that Directors would no longer need to cover on the Gold group and therefore their normal immediately on call periods will reduce from 44% of their time to 33% of their time and they will be able to focus on Tactical Coordination Group attendance rather than covering both Tactical and Strategic depending on which type of cover they are providing.
- Increased strategic level capacity with HR, to enable continual improvements on how we value and support the people we employ, in readiness for the Strategic Plan 2021-2024, from 1 FTE to between 1.5 and 2 FTE.
- If the Executive Director post is filled at 0.5 FTE, for example, that will be a saving of circa £30k per annum compared to the current structure.
- Increased progression opportunities for non-operational members of staff, who are more likely to be women, to very senior positions in the Service.
- Increased executive capacity for strategic HR advice to the Strategic Leadership Team.
- Provides the ability to have an operational Director working in the areas focussed upon how we value and support the people we employ, in order to best deliver those priorities in what is our largest staff group.
- Provides capacity for the Deputy Chief to focus on long term Service Improvement, planning and organisational development.

Disadvantages

- If the Executive Director post is filled at 1 FTE then there will be additional cost, compared to the existing structure, of circa £33k. This can be met within existing budgets.
- Even though this structure may make financial savings through a reduced number of senior staff FTE, or only a small additional cost with the same number of senior staff, there may be a perception that re-introducing the Assistant Chief post is actually increasing the size of the team.

Option 3 – 7.6 FTE



*Operational posts

Advantages

- Increased Executive Team to better enable clear accountability through the scheme of delegation within the Constitution.
- Chief, Deputy Chief and Assistant Chief providing the Strategic Gold Rota for multi-agency Strategic Co-ordination Groups, and resilience for on scene incident command.
- The addition of the Assistant Chief role will mean that Directors would no longer need to cover on the Gold group and therefore their normal on call periods will reduce from 44% of their time to 33% of their time and they will be able to focus on Tactical Coordination Group attendance rather than covering both Tactical and Strategic attendance depending on which cover they are providing.
- Maintains the existing strategic level capacity within HR, to enable continual improvements on how we value and supporting the people we employ, in readiness for the Strategic Plan 2021-2024.
- There would be a saving of circa £9k per annum compared to the current structure.

Disadvantages

- The structure does not increase capacity within the areas focussed on how we value and supporting the people we employ, which is felt to be a desirable outcome.
- Even though this structure would make a small financial saving, with the same number of employees, there may be a perception that re-introducing the Assistant Chief post is actually increasing the size of the team.

21. Option 2 is recommended for approval, subject to consultation with stakeholders, as it meets the essential and desirable outcomes described, and in particular provides improved succession planning for future senior vacancies, and additional senior capacity in the areas focussed on how we support our people, so we are able to continually build on the good progress against the areas of improvement highlighted by HMICFRS. It also enables an operational Director to work in those areas which is expected to improve the delivery of those priorities within the operational staff members that form the largest part of the organisation.

STRATEGIC PLAN COMPATIBILITY

22. The recommended option is expected to enable the delivery of the Strategic Plan 2021-2024 by helping attract a diverse range of applicants, developing and cultivating a highly trained and competent workforce, particularly in relation to the succession planning benefits of a new Assistant Chief Fire Officer, and will raise the significance of Protection to best protect the public from fires and other risks through delivering fire regulation, legislation and protection activities.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

23. The cost of, or savings from, the recommended option are dependent on the final appointment of the Executive Director of HR role, and any job sizing required. This will be within a range of circa £30k savings to circa £30k additional cost. If the version with the maximum additional cost is the outcome, then that can be managed within existing Service budgets.

LEGAL IMPLICATIONS

24. Flexibility of hours on appointment will enable significant mitigation of any risks covered in the Equality Impact Assessment (EIA). Other legal advice around the appointment process would be taken if this option is approved.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

25. As above the EIA highlights the benefits in offering flexible employment in a field that is predominantly women. The recommended option also strengthens capacity in the areas accountable for the areas in the Strategic Plan 2021-2024 relating to valuing and supporting the people we employ.

CORPORATE RISK MANAGEMENT IMPLICATIONS

26. Helps mitigate risks around the resilience of operational incident command cover, and provides reputational opportunities around improving the resourcing of how we value and support our staff.

HEALTH AND SAFETY IMPLICATIONS

27. None arising.

COMMUNICATION ACTIONS ARISING

28. The decision will be communicated to staff, stakeholders and partners.

DETAILS OF CONSULTATION AND/OR COLLABORATION

29. All existing, and temporary, members of SLT have been consulted. Further consultation will take place with Representative Bodies through the Joint Consultative Committee structure. Any significant concerns raised during that consultation will be discussed with the Chair and will be brought back for Member consideration if required.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

30. Reasonable Worst Case Scenario Review.
Incident Command Review
Equality Impact Assessment

RECOMMENDATIONS RESTATED

31. That Members approve a new structure, subject to stakeholder consultation, for SLT based on the options at Paragraph 20 and the recommended option at Paragraph 21.

C BLACKSELL

Officer Contact: C Blacksell ☎ 01482 567417
Chief Fire Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

CB/KLD
2 March 2020

REMOTE MEETING CONTINGENCY PLANNING

SUMMARY

1. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 expire on 7 May 2021.
2. The authority has to plan a contingency in the event that the regulations are not extended, there is not a declaration that such meetings are lawful or there is a gap between the expiry of the regulations and new legislation coming into force.

RECOMMENDATIONS

3. That Members consider which contingency they wish to adopt in the event that the ability to hold remote meetings is not extended beyond 7 May 2021. The options are
 - a. to delegate all decision making powers of the authority to the Chief Fire Officer and Chief Executive such delegations to be exercised taking into account recommendations made by Members at a remote meeting convened for that purpose
 - b. for in person meetings to be held with a bare quorum of Members in attendance to be agreed by the group secretaries.

REPORT DETAIL

4. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 came into force on 4th April 2020.
5. The regulations allowed the Authority along with other local authorities to hold virtual meetings. The Authority has done this successfully since the introduction of the regulations.
6. The regulations expire on the 7th May 2021. If the provisions are not extended the authority may lose the ability to hold virtual meetings. Some lobbying of Ministers has been taking place by local authorities asking the Government to extend the regulations. In addition to this Lawyers in Local Government and the Association of Democratic Officers have indicated that they intend to make an application for a declaration in the High Court that the existing legislation in the Local Government Act 1972 would allow remote meetings to continue.
7. Until recently the Secretary of State Robert Jenrick has stated that whilst he was open to the change allowing remote meetings to be permanent this would require primary legislation and there was not sufficient time for such legislation to be passed before the regulations expire.
8. There has recently been a hint that the Government may be intending to extend the regulations but the vehicle for this and the timetable are not clear. Therefore the authority has to plan a contingency in the event that the regulations are not extended, there is not a declaration that such meetings are lawful or there is a gap between the expiry of the regulations and new legislation coming into force.

9. The conference room is set up to allow remote participation and live streaming of meetings so there are options to allow remote attendance by officers and live streaming of meetings so that press and the public can observe meetings without having to be in the meeting room.
10. Meetings of the Governance Audit and Scrutiny Committee and the Pensions Board could be held in person with social distancing given the smaller number of members involved. Some officers could also attend remotely which would reduce the number of persons in the room.
11. In the event that remote meetings of the Authority cannot be held there are two options open to the Authority in order to ensure that meetings can continue to be held safely whilst the requirement for social distancing remains
 - a. The first option is for the Authority to delegate all decision making powers to the Chief Fire Officer and Chief Executive. Remote meetings of the Authority would continue with agendas published and access by members of the public as at present. The decisions reached by Members in those remote meetings would then operate as recommendations that the Chief Fire Officer and Chief Executive would take into account when reaching their own decision on the matter.
 - b. The second option is for meetings of the Authority to take place with a quorum of Members present in the room. The quorum for the Authority is 8. The capacity limit of the conference room taking into account Covid restrictions is 10. Therefore the room is close to its limit with only Members present. In such circumstances arrangements would have to be made for officers to attend remotely and for the meeting to be live streamed and attendance by the press and public in the room to be limited. Other Members of the authority could attend remotely and contribute to the meeting but only those members in attendance in the room would be able to vote.
12. It would still be necessary to hold the AGM with full attendance from Members so in the event that this meeting could not be held remotely arrangements would need to be put in place to hire a function room locally large enough to accommodate all Members and officers in accordance with guidelines then in place.

STRATEGIC PLAN COMPATIBILITY

13. No direct issues arising.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

14. No direct issues arising.

LEGAL IMPLICATIONS

15. The Authority must ensure that its decision making processes are lawful.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

16. None

CORPORATE RISK MANAGEMENT IMPLICATIONS

17. None

HEALTH AND SAFETY IMPLICATIONS

18. In the event that in person meetings of the Authority resume these must be undertaken in a safe manner taking into account current Coronavirus (COVID-19) rules and guidance.

COMMUNICATION ACTIONS ARISING

19. None

DETAILS OF CONSULTATION AND/OR COLLABORATION

20. None

BACKGROUND PAPERS AVAILABLE FOR ACCESS

21. None

RECOMMENDATIONS RESTATED

22. That Members consider which contingency they wish to adopt in the event that the ability to hold remote meetings is not extended beyond 7th May 2021. The options are
- a. to delegate all decision making powers of the authority to the Chief Fire Officer and Chief Executive such delegations to be exercised taking into account recommendations made by Members at a remote meeting convened for that purpose
 - b. for in person meetings to be held with a bare quorum of Members attendance to be agreed by the group secretaries

M BUCKLEY

Officer Contact: Mathew Buckley ☎ 01482393100
Monitoring Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

MB
2 March 2021