

NOTICE OF MEETING

<i>Meeting</i>	Hampshire Fire and Rescue Authority	<i>Clerk to the Hampshire Fire and Rescue Authority</i> John Coughlan CBE
<i>Date and Time</i>	Wednesday, 4th October, 2017 11.00 am	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	Fire and Police HQ, Leigh Road, Eastleigh	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

The Openness of Local Government Bodies Regulations are in force, giving a legal right to members of the public to record (film, photograph and audio-record) and report on proceedings at meetings of the Authority, and its committees and/or its sub-committees. The Authority has a protocol on filming, photographing and audio-recording, and reporting at public meetings of the Authority which is available on our website. At the start of the meeting the Chairman will make an announcement that the meeting may be recorded and reported. Anyone who remains at the meeting after the Chairman's announcement will be deemed to have consented to the broadcast of their image and anything they say.

Agenda

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2 **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

3 **MINUTES OF PREVIOUS MEETING** (Pages 5 - 12)

To confirm the minutes of the previous meeting on 25 July 2017 and of the Special Meeting of the Authority on 15 September 2017.

4 **DEPUTATIONS**

Pursuant to Standing Order 19, to receive any deputations to this meeting

5 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

6 **MEMBER DEVELOPMENTS AND COMMENTS**

To receive any updates from Members of the Authority

7 **MEDIUM TERM FINANCIAL PLAN** (Pages 13 - 44)

To consider a report of the Chief Financial Officer regarding the Medium Term Financial Plan

8 **SERVICE PLAN MID-TERM PROGRESS REPORT** (Pages 45 - 58)

To consider a report of the Chief Officer regarding the Service Plan

9 **SERVICE DELIVERY REDESIGN** (Pages 59 - 66)

To consider a report of the Chief Officer regarding Service Delivery Redesign

10 **HFRA GOVERNANCE REVIEW IMPROVEMENT PLAN** (Pages 67 - 72)

To consider a report of the Clerk regarding the Authority's Governance Improvement Plan

11 **FUNDING FOR PRINCE PHILLIP BARRACKS & DECENTRALISED TRAINING** (Pages 73 - 82)

To consider a report of the Chief Fire Officer regarding Prince Phillip Barracks and decentralised training

12 **MINUTES OF STANDARDS AND GOVERNANCE COMMITTEE 15 SEPTEMBER 2017** (Pages 83 - 86)

To receive the Minutes of the Standards and Governance Committee held on 15 September 2017

ABOUT THIS AGENDA:

This agenda is available on the Hampshire Fire and Rescue Service website (www.hantsfire.gov.uk) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

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Agenda Item 3

AT A MEETING of the Hampshire Fire and Rescue Authority held at Fire and Police Headquarters, Eastleigh, on Tuesday, 25th July, 2017

Chairman:

p Councillor Christopher Carter

p Councillor Liz Fairhurst
p Councillor Roz Chadd
p Councillor Jonathan Glen
p Councillor Geoffrey Hockley
p Councillor Sharon Mintoff

p Councillor Roger Price
p Councillor David Simpson
p Councillor Luke Stubbs
p Councillor Rhydian Vaughan

Broadcast Statement

The Chairman announced that the meeting was being recorded for broadcast on the Authority's website and would be available for repeated viewing. The press and members of the public were also permitted to film and broadcast this meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

15. APOLOGIES FOR ABSENCE

All Members were present and no apologies were noted

16. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

17. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

With regard to Minute 8, it was noted that former Fire Authority Members, Cllr Hannah Coombs and Cllr Frank Jonas had been respectively appointed by Southampton and Portsmouth City Councils as temporary deputy members of the Authority.

18. **DEPUTATIONS**

It was confirmed that no requests to make a deputation had been received.

19. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed all Members to the meeting, in particular Cllr Hockley who had recently been reappointed to the Authority to replace Cllr Thierry, who was thanked for his contribution.

The death and funeral of former Fire Authority member Frank Pearce was reported and tribute was paid to him. Members also recognised the tragic events at Grenfell Tower in London and observed a minute's silence to respect those who had lost their lives. The positive work of HFRS officers to re-assure local communities in Hampshire in the aftermath of the tragedy was acknowledged.

The Chairman gave a brief update on the situation nationally regarding Fire Authority governance and confirmed that consideration of joint working between HFRA and the PCC was still underway and that any proposals would be presented to the Authority.

It was confirmed that discussions were still ongoing with regards to the pay review. It was also noted that the Home Secretary had announced an extension of the remit and change of name of Her Majesty's Inspectorate of Constabulary to include Fire and Rescue Services. There was an expectation that all Fire and Rescue Services would be inspected within a two year window.

20. **MEMBER DEVELOPMENTS AND COMMENTS**

Cllr Carter reported on his recent attendance at the LGA conference, noting that it had a particular focus on health and housing. He also reported on a meeting with the Fire Minister which had covered a variety of topics, including the Grenfell tragedy and the development of the national policy framework to which there was an opportunity to input views.

The opening of the fire heritage exhibition at the Solent Sky museum was noted and tribute was paid to the organisers for the quality of the collection.

It was confirmed that a graduation ceremony for new HFRS recruits was scheduled for 4 August 2017 and all Members were encouraged to attend.

Cllr Price echoed the Chairman's comments regarding the fire heritage exhibition and agreed that the opportunity to feed in to the new national policy should be taken. He gave feedback on the pay negotiations and on his involvement with the national fire pension board.

Cllr Fairhurst reported feedback from Public Health acknowledging the potential benefit of working with Fire and Rescue Services to reduce mortality rates and it was confirmed that joint working was underway to best understand the benefits of fire as a health asset.

Cllr Mintoff detailed a public sprinkler system demonstration she had attended and thanked officers for their work.

21. **GRENFELL TOWER FIRE: HAMPSHIRE FIRE AND RESCUE RESPONSE**

The Authority received a report of the Chief Officer regarding the Hampshire Fire and Rescue response to the Grenfell Tower fire.

By way of clarification, it was confirmed that there were 526 schools in the Hampshire County Council area and 706 across the wider Hampshire Fire and Rescue Service area (paragraph 15a refers).

The report was presented and the activity of HFRS officers with Hampshire residents was detailed. The definition of “high-rise” was clarified as being a residential property of 18 meters or more and it was confirmed that work was underway to ensure that any changes required to buildings are made consistently.

The powers of the Fire and Rescue Service to insist on the installation of fire rated front doors were questioned and clarified. It was confirmed that it was an important part of the safety message to the public, that fire safe areas must not be compromised as doing so put everyone at risk. The process behind the testing of cladding materials was also questioned and it was confirmed that guidance was in place setting out the requirements and some organisations were submitting material voluntarily. It was asked how many buildings had received a safety inspection and Members heard that 145 had been carried out to date across Hampshire, including all 15 identified as having ACM cladding.

The Authority discussed the role of the local planning process, of building control and of building insurance in ensuring fire safety. It was noted that the Fire and Rescue Service is not currently a statutory consultee for planning applications and often became involved late in the process when it was difficult to make changes. The benefits of early involvement were emphasised and it was confirmed that there was a desire to be supportive. It was agreed that options through which the Fire and Rescue Service could gain greater input to the planning process should be explored.

Resolved:

1. That the Fire Authority note post the Grenfell Tower Fire, the valuable work HFRS has completed to date and the work which will continue in reassuring the communities in Hampshire, mitigating any identified risks in buildings by working with Local Authority and landlords, to ensure Fire Safety compliance.
2. That a cross-Party Working Group consisting of Cllrs Carter, Price, Mintoff and Stubbs be established. The Working Group to review the position and role of the Fire and Rescue Authority in the planning approval process and to consider options to improve this, including short-term, voluntary options and actions involving the insurance industry. Recommendations of the Working Group to be presented to a future meeting of the Authority.

22. **OUTTURN REPORT 2016/17**

The Authority received a report of the Chief Financial Officer regarding the budget outturn.

The report was introduced and key features were highlighted including an underspend of £2.1 million and a reduction in reserves of £9 million as part of planned spending activity. An overspend on the IT programme was explained as being the result of a delayed implementation.

The recommendations were proposed and it was resolved:

1. That the accounts for 2016/17, including the use of reserves set out in paragraph 22, and Appendix D of the report be approved by Hampshire Fire and Rescue Authority
2. That the changes to the capital payments in 2016/17 and the impact on the capital spend profile going forward as set out in Appendices B & C be approved by Hampshire Fire and Rescue Authority
3. That the financing for capital payments as set out in paragraph 16 be approved by Hampshire Fire and Rescue Authority
4. That the annual treasury outturn report set out in Appendix E of the report be approved by Hampshire Fire and Rescue Authority

23. **PERFORMANCE REPORT**

The Authority received a report of the Chief Officer regarding performance monitoring.

Details of the report as set out in the appendices were highlighted to Members and it was noted that performance was strong in comparison to both peer Authorities and the national average.

Members welcomed the report and discussed a number of its findings, including those relating to falls, false alarms and the number of female firefighters. The strategy for engagement with stakeholders was outlined.

The recommendations in the report were proposed and it was resolved:

1. That the Authority reviews the performance detailed in appendices A and B and notes the strategies for improvement.

24. **HEALTH AND SAFETY ANNUAL REPORT**

The Authority received a health and safety annual update report of the Chief Officer.

The report was introduced and the trend of increased safety and reduced injuries over the past two years was noted. Areas of focus were considered and clarified

and a number of methods for the wider sharing of learning and best practice were set out.

The recommendations in the report were proposed and it was resolved:

1. That the Annual Health and Safety Report presented in the report be endorsed by Hampshire Fire and Rescue Authority.

25. COMMUNITY SAFETY PARTNERSHIPS

The Authority received a report of the Chief Officer regarding Community Safety Partnerships (CSPs).

It was confirmed that the Fire and Rescue Authority is a statutory partner on CSPs and meetings were being attended at officer level. Following the changes in the governance structure of the Authority, the report presented options for Members to continue to be engaged. It was clarified that under recommended option B, Group Managers would engage Members where the agenda made it appropriate and Members could continue to attend where they were particularly involved.

It was resolved:

1. That, taking into account the above clarification, Option B for the deployment of HFRA members and HFRS officers into the Hampshire and Isle of Wight Police and Crime Reduction Alliance and Community Safety Partnerships be approved by Hampshire Fire and Rescue Authority.

26. CHIEF OFFICER RECRUITMENT - REPORT AND RECOMMENDATIONS OF THE WORKING GROUP

The Authority received a report of the Chairman of the Chief Officer Recruitment Working Group.

With regard to the report, the recommendation for the establishment of and appointment to a joint committee with delegated power to recruit a new Chief Officer was set out. The timescales in which the process needed to be completed were clarified and it was also confirmed that those Members not appointed to the joint committee would likely have an opportunity to be involved in other stages of the recruitment process, such as the stakeholder panels.

Resolved:

1. That the Authority notes the outcomes of the Member Working Group's consideration of the report of the Head of HR and agrees the recommendations of the Member Working Group set out at Appendix 2; and
2. That, subject to IWC's decision at its meeting on 19 July 2017:

- the Authority agrees to option (a) as set out in paragraph 17 above – namely to establish and appoint to a joint Committee to be known as the Joint Appointments Committee, in accordance with the Terms of Reference at Appendix 3;
- the Authority delegates responsibility for devising and implementing a recruitment process in accordance with the recommendations agreed at Appendix 2, and appointing a new Chief Officer, to the Joint Appointments Committee;
- the Authority agrees to adopt the Terms of Reference of the Joint Appointments Committee as set out at Appendix 3 and appoints five members of HFRA to the joint Committee, comprising Cllrs Carter, Fairhurst, Stubbs, Price and Mintoff.

Chairman,

AT A MEETING of the HAMPSHIRE FIRE AND RESCUE AUTHORITY held at
Fire and Police HQ, Eastleigh, on Friday 15th September, 2017

Chairman:

* Councillor Christopher Carter

Councillor Liz Fairhurst	* Councillor Sharon Mintoff
* Councillor Roz Chadd	Councillor Roger Price
Councillor Jonathan Glen	Councillor David Simpson
* Councillor Geoffrey Hockley	* Councillor Luke Stubbs
	* Councillor Rhydian Vaughan

*Present

27. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Fairhurst, Glen, Price and Simpson

28. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

29. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting are to be reviewed at the Full Authority meeting on the 4 October 2017.

30. DEPUTATIONS

There were no deputations for this meeting.

31. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's Announcements.

32. **AMENDMENT TO THE COMPOSITION OF THE JOINT APPOINTMENTS COMMITTEE**

The Committee considered the report of the Committee Clerk (Item 6 in the Minute Book) regarding changes to the composition of the Joint Appointments Committee that was set up to manage the Chief Officer recruitment process.

It was confirmed that due to recent and unforeseen issues with Member availability, Councillor Stubbs and Councillor Fairhurst were to be removed from the Joint Appointments Committee with two Conservative Members being appointed in their place.

Councillor Vaughan and Councillor Chadd were proposed as replacements and this was agreed by Committee.

RESOLVED:

the Authority formally removed Councillors Stubbs and Fairhurst from the Joint Appointments Committee and appointed Councillors Vaughan and Chadd, who are available to attend the feedback session on the 28th September and the selection process on 29 September 2017 of the Joint Appointments Committee.

Chairman,

Purpose: Decision

Date **4th OCTOBER 2017**

Title **MEDIUM TERM FINANCIAL PLAN**

Report of Chief Finance Officer



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

EXECUTIVE SUMMARY

1. This report provides an update to the Authority on the budget development process for 2018/19 and the medium term position for Hampshire Fire and Rescue Authority's (HFRA) finances to 2021/22.
2. The Medium Term Financial Plan (MTFP) was last present to the Authority in September 2016 and this update contains changes due to pressures from external sources, as well as policy changes to enable improved financial management.
3. As part of the Local Government Funding Settlement for 2016/17, four years of provisional funding were agreed, which has given a level of stability to 2019/20. This was subject to an efficiency plan being submitted, covering the four year settlement period and showing that plans were in place to ensure balanced budgets up to that point.
4. The efficiency plan is on track to achieve the savings required and further details of updates to the plan are included within this report.
5. Further reductions in Government grant have been assumed although there are no announcements beyond 2019/20 and increases at the current referendum limit of 1.99% on the precept have been included in the figures, in line with current Government policy on funding.
6. The Authority is asked to review these updates and agree to these changes being built into the 2018/19 budget, which will be presented to the Authority in February.

BACKGROUND

7. The Authority has an excellent track record in financial management and in staying ahead of the curve in response to a sustained period of austerity that has had a major impact on the public sector.
8. Medium Term Planning on a mid to worse case scenario basis has enabled the Authority to put savings plans in place that have not only successfully balanced the budgets over a period of 6 years, but have also provided surplus resources to fund the cost of transformation and improvement across the Service.

9. Prudent forecasting has also meant that the Authority has benefitted from favourable changes in the budget which has softened the impact of grant reductions and enabled savings to be planned and implemented in a sensible way.
10. As part of the current update of the MTFP which extends the period to 2021/22 to keep that forward view, a conscious decision has been made to include items in the forecast that will help with the long term financial stability of the Authority (e.g. increasing the revenue contribution to capital) but at the same time we have also taken the opportunity to (prudently) build in some of the favourable items we have benefitted from in the past such as increases in the council tax base.
11. This balanced approach is based on the experience of the last 6 years and the fact that the outlook over the next few years remains stable based on the plans we already have in place.

MEDIUM TERM FINANCIAL PLAN 2017/18 TO 2021/22

12. This section sets out the key assumptions on funding and expenditure for this update of the MTFP to 2021/22. It builds on the previous MTFP report of September 2016 and the 2017/18 Budget Report of February 2017.
13. Appendix A sets out the forecast for the years to 2021/22, in both subjective and functional format.

Funding

14. A four year grant settlement, which commenced from 2016/17, is currently in place. This gives stability for the next two years and allows for a good level of planning.
15. From 2020/21, no grant figures are available, therefore estimates have been built into the MTFP based on similar annual reductions to those included in the four year settlement, but also taking account of the expected improvement in the national funding picture.
16. The table below shows the Government Grant estimates that are included within the MTFP and the expected changes over time.

Year	Status	Revenue Support Grant £m	Annual Decrease £m	Percentage Reduction per Annum
2016/17	Actual	12.53		
2017/18	Actual	9.63	2.89	23.1%
2018/19	Provisional	8.12	1.52	15.7%
2019/20	Provisional	7.22	0.90	11.1%
2020/21	Forecast	6.50	0.72	10.0%
2021/22	Forecast	6.17	0.33	5.0%

17. For the financial year 2017/18, HFRA received a Transitional Grant, following changes to the grant distribution methodology. This will be removed from 2018/19.

Precept

18. Annual increases of 1.99% have been included in this MTFP for each year to 2021/22. This is on the assumption that the referendum limit will remain at 1.99%. However, it has been suggested that more flexibility should be given to allow a greater increase if agreed locally. If further details on this are available, an update will be provided to the December Authority meeting, to allow discussion on any available options.
19. In past years, no increase in the council tax base has been included within the MTFP. However, in each of those years increases have been then been built into the budget due to the levels of housing growth within Hampshire. This MTFP has therefore built in a 0.5% increase in the Council Tax Base, which is still prudent, but gives a more realistic funding forecast in line with the principles outlined in the Background section. A 0.5% a year provides around an extra £200,000 of recurring council tax income to the Authority.
20. The table below shows the increase in Band D council tax and the effect this is expected to have on the total precept received by HFRA, this does not include the extra income from the council tax base.

Year	Band D Council Tax £	Annual Increase £	Total Precept £m	Increase in Precept £m
2016/17	62.60		38.03	
2017/18	63.84	1.24	39.48	1.45
2018/19	65.11	1.27	40.47	0.99
2019/20	66.41	1.30	41.49	1.02
2020/21	67.73	1.32	42.52	1.04
2021/22	69.08	1.35	43.59	1.06

Efficiencies

21. Service Delivery Redesign (SDR) is currently the largest savings programme within HFRS. The programme overall is expected to achieve £4.2m of savings by 2020/21. A significant amount of work is on-going to ensure that all changes will enable the excellent service to the community to continue. Pilots are currently taking place, trying out new working patterns and appliances, and these will continue over the coming year.
22. At this time, the next phase of savings from SDR is not expected until 2019/20, however it is likely that some will be available for 2018/19, so this will be reviewed during the detailed budget setting process.
23. Other approved efficiencies are set out in Appendix B and further opportunities will be drawn out as part of the 2018/19 budget setting process.

Growth

24. For this MTFP, the process has been changed and senior managers within HFRS have been asked to put forward requests for additional funding where there are specific pressures across the service.
25. The requests put forward have been considered by the senior officers and three requests are supported at this stage. These are detailed at Appendix E for consideration. If any are agreed as being required, they will be included within the December report to the Authority for final approval and inclusion within the 2018/19 budget.
26. Any additional funding agreed will increase the savings target, however a clear process of prioritisation should ensure that high priority areas are funded, while savings are found from low priority areas.
27. In recent years, funding has been required for new and updated IT, PPE and firefighting equipment. This has been funded from the Transformation Reserve as no other funding has been available. This approach is not sustainable in the longer term, therefore funding has been allocated within this updated financial plan to transfer to specific equipment reserves to be used for this purpose. The figures included at this stage are £500,000 for 2019/20, increasing to £750,000 in 2020/21 and £1.0m from 2021/22 onwards. Work is currently taking place to produce an equipment replacement plan, which will show the expected requirement over the coming years and provide an accurate projection of the annual contribution required.
28. Estate and vehicle maintenance are also areas which have been under-funded for a number of years, mainly due to the budget not keeping pace with the increasing costs of running these services. Therefore, in line with the approach above, additional funding has been included to ensure that buildings and vehicles can be properly maintained on an on-going basis. Detailed analysis has been carried out to assess the requirements in each area, and as a result, £350,000 pa has been added for maintenance and improvement works to building and £75,000 pa for vehicle maintenance. It may be possible to fund the outstanding buildings works from reserves, rather than the revenue budget, and this will be considered as part of the 2018/19 budget setting process.
29. Since 2010, pay restraint has been a key policy for Government and a necessary factor in reducing the cost of the public sector. The pay increases built into the MTFP since that time have therefore been limited to 1.5%. Given recent events, e.g. Grenfell Tower and the terror attacks in London and Manchester, pressure is now being applied from a number of directions to relax this mandate. Unions are pushing for higher pay increases and the employers have made offers above the 1%, although nothing has been agreed as yet. The pay inflation built into the MTFP has therefore been increased to 2.5% for 2018/19 onwards. This will need to be reviewed as the negotiations develop.

Balancing the Budget

30. Appendix A shows a funding gap of £3.4m by 2021/22. All currently planned savings have been included within the MTFP, therefore further savings of £3.4m will be required over the coming years.
31. The majority of the savings will be needed by 2021/22, so plans will need to be developed to find areas where efficiencies can be made in order to achieve these savings.

32. Although the savings will be required, the timescales can be more flexible, as the RCCO and contributions to reserves could be delayed to ensure a balanced budget for the years until the savings are achieved.
33. During the detailed budget setting process for 2018/19, all budgets will be reviewed to ensure that they are still required and need to be maintained at that level. If not, reductions will be made wherever this can be done without impact on service levels.

CAPITAL

34. The Capital Programme is currently fully funded through to 2020/21, although in later years the programme makes general assumptions around the level of spend required for vehicle replacement, in line with previous years' requirements.
35. As capital grant is no longer received from government, all funding for capital expenditure must come from capital receipts, borrowing, reserves or directly from revenue (known as Revenue Contributions to Capital Outlay or RCCOs).
36. RCCOs have been used to fund capital spend where possible over recent years, to avoid the need to borrow. This has been achieved through using ad hoc savings as contributions, rather than to reduce the bottom line cost for the service.
37. However, in the longer term it is anticipated that £3.905m will be required to fund the on-going business as usual requirements of the capital programme (i.e. excluding major investment decisions such as new stations). This figure has therefore now been built into the base budget as RCCO and will become a regular contribution, which has been a longer term aim within the MTFP for some years
38. Funding is required to relocate and renew the Uninterruptable Power Supply (UPS) and associated equipment within the boiler room at SHQ. This will provide a new secure space for the equipment, provide duplicate supplies to assist in electrical testing by ensuring that critical systems are not without UPS cover throughout the installation and testing period and strip out the redundant UPS equipment. The system will be renewed and a new electrical panel board will be installed which will split supplies locally through a new distribution board and localised switches installed across the SHQ site. The funding required is £220,000, which is therefore requested to be drawn from the Capital Payments Reserve.
39. The table at Appendix C shows the expected capital spend and funding over the coming years, including the cost of the UPS requested above.

RESERVES

40. HFRA has followed a clear strategy on the use of reserves since the period of austerity began. This has involved

- Planning well ahead of time to ensure that savings programmes are delivered to agreed timescales.
 - Delivering savings in advance of need, which in turn provides spare resources in the form of reserves.
 - Using those reserves to fund capital investment and transformation activity in order to fund the cost of changes associated with delivering the next phase of savings.
41. The general reserve is currently held at £2.5m, and based on the latest review, it is considered that there is no requirement to alter that level.
42. The current position, as set out on the table below, shows a current balance of £31.067m in reserves, the majority of which are already earmarked for specific purposes as part of our transformation and savings programmes.

	2016/17 Closing balance	2017/18 Closing balance	2018/19 Closing balance	2019/20 Closing balance	2020/21 Closing balance
	£'000	£'000	£'000	£'000	£'000
Transformation reserve	-4,018	-1,464	-16	-192	-192
Capital Payments reserve	-23,762	-20,277	-9,813	-9,813	-9,813
Capital Receipts unapplied reserve	0	0	0	0	0
Capital Grants unapplied reserve	0	0	0	0	0
Earmarked under spends reserve	-236	-169	-169	-169	-169
Revenue Grants unapplied reserve	-551	-77	-77	-77	-77
General fund balance	-2,500	-2,500	-2,500	-2,500	-2,500
Total	-31,067	-24,487	-12,575	-12,751	-12,751

2017/18 REVISED BUDGET AND MONITORING

43. The 2017/18 revised budget can be seen at Appendix A. Movements within the budget have been made during the year in line with the Financial Regulations.
44. Many of the changes reflected in the revised budget relate to spend agreed from the Transformation Reserve, which are one-off and have been removed for the 2018/19 forecast budget. This includes staff and firefighters working on projects such as Fire as a Health Asset and SDR.

45. The table below shows the budget monitoring for 2017/18 as at 31st July 2017.

2017/18 Current Budget	2017/18 Forecast as at end Period 2	Variance Underspend / (Overspend)
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Employee Costs	50,424	49,132	1,292
Premises	4,318	4,318	0
Transport	1,727	1,727	0
Supplies & Services	9,652	9,862	-210
Support Services	12	12	0
	66,133	62,911	1,082
Income	-2,336	-2,336	0
Specific Grant	-1,257	-1,257	0
Contribution from Transformation Reserve	-4,566	-4,566	0
	57,974	54,752	1,082
Revenue contributions to capital	2,547	2,547	0
Contingency	824	999	0
Net Cost of Service	61,345	62,899	1,082

46. The main points to note are:

- (a) Employee Costs – there are currently a number of vacant posts for firefighter, both retained and whole time, which are being held ready for the reductions required for SDR.
- (b) Supplies & Services - this is due to a delay in the ICT transformation project savings, however the changes have now been implemented and the full savings will be made for the remainder of the year.

TREASURY MANAGEMENT

47. The mid year Treasury Management Report is attached at Appendix D. It contains recommendations for approval arising from changes to legislation that could effect the Authorities investment policies.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

- 48. Explain how the report links to the Service Plan and our Safer, Stronger priorities.
- 49. Note any other Service plans that relate specifically to the recommendations within the report e.g. People Strategy.

CONSULTATION

- 50. The Authority undertook a major consultation process during 2015 that sought residents and stakeholders' views about the proposed changes arising from the Risk Review as well as other issues around budgets and council tax levels. The most relevant point to note for this report is that the majority of respondents were happy to see a rise in council tax in order to protect services provided by the Authority.
- 51. Further consultation is expected to take place with business and Unions as part of the budget setting process for 2018/19.

RESOURCE IMPLICATIONS

- 52. Funding of £220,000 is required to upgrade the UPS at the Headquarters site and can be funded from capital reserves.

LEGAL IMPLICATIONS

53. The proposals within this report are considered compatible with the provisions of the equality and human rights legislation and do not change any policies.

PEOPLE IMPACT ASSESSMENT

54. The proposals within this report are considered compatible with the provisions of the equality and human rights legislation.

OPTIONS

55. There are no options for consideration within this report, although budget setting and forecasting by its very nature means that assumptions are made around a number of variables that can be changed over time.

RISK ANALYSIS

56. The Authority has an established process for planning ahead to meet financial targets. This has helped considerably in managing the reductions in Government grant as set out in this report.
57. The current savings programme has progressed according to plan but development and implementation of a new savings programme will need to be kept under review over the coming years.
58. There continues to be a real risk of a budget deficit in future years which will require reductions across the Service and increases in council tax. The Service has begun early planning to identify how a shortfall could be overcome, including examining other potential income sources. However, as a backstop position, the Authority has sufficient reserves to meet the gap thereby mitigating this risk.

CONCLUSION

59. It is recommended that the Authority approve the assumptions made within this report, which will be used as the basis for 2018/19 Budget setting.

RECOMMENDATIONS

60. That the update to the Medium Term Financial Plan and changes to the financial forecast to 2021/22 be approved by Hampshire Fire and Rescue Authority.
61. That the assumption that for financial planning purposes council tax will increase by 1.99% year on year to 2021/22 be endorsed by Hampshire Fire and Rescue Authority.
62. That the estimated gap in the budget of £3.4m by 2021/22 be adopted as a new target for savings by the Authority
63. That capital funding of £220,000 to replace and upgrade the uninterruptable power supply and Headquarters be approved by Hampshire Fire and Rescue Authority.
64. That the mid-year review of treasury management activities be noted by Hampshire Fire and Rescue Authority and the recommendations in appendix D are agreed, specifically:
 - i. That the potential impact on investment strategy of defaulting to a retail client with effect from 3rd January 2018 be noted by Hampshire Fire and Rescue Authority.
 - ii. That the immediate commencement of applications for elected professional client status with all relevant institutions in order to ensure it can continue to implement an effective investment strategy be approved by Hampshire Fire and Rescue Authority.
 - iii. In electing for professional client status the Hampshire Fire and Rescue Authority acknowledges and agrees to forgo the protections available to retail clients attached as Annex 1 of Appendix D of this report.
 - iv. That the Hampshire Fire and Rescue Authority approves delegated responsibility to the Section 151 Officer for the purposes of completing the applications and determining the basis of the application as either full or single service.

APPENDICES ATTACHED

Appendix A – Revised Budget and MTFP
Appendix B – Savings Plan
Appendix C – Capital Programme
Appendix D – Treasury Management Mid Year Report
Appendix E – Growth Proposals

Contact:

Rob Carr
Chief Finance Officer
rob.carr@hants.gov.uk
01962 847508

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Outline Budget 2017/18 - Subjective

2017/18 Original Budget	2017/18 Revised Budget		2018/19 Forecast Budget	2019/20 Forecast Budget	2020/21 Forecast Budget	2021/22 Forecast Budget
29,985	31,389	Whole Time Firefighters	30,575	29,577	29,695	29,816
6,447	6,502	Retained Firefighters	6,609	6,170	6,126	6,081
8,715	9,821	Staff	9,185	9,429	9,665	9,906
1,079	1,079	Net cost of pensions	1,106	1,134	1,162	1,191
697	697	Employers LGPS contribution re pension deficit	821	961	1,045	1,137
656	936	Other Employee Costs	899	915	932	948
47,579	50,424		49,196	48,185	48,624	49,079
4,135	4,318	Premises	4,531	4,605	4,680	4,756
1,467	1,727	Transport	1,701	1,727	1,752	1,778
7,770	9,652	Supplies & Services	7,842	8,466	8,845	9,229
12	12	Support Services	12	12	13	13
60,963	66,133		63,282	62,995	63,914	64,856
-2,066	-2,336	Income	-2,265	-2,298	-2,332	-2,367
-1,257	-1,257	Specific Grant	-1,257	-1,257	-1,257	-1,257
0	-4,566	Transformation Reserve Funding	0	0	0	0
57,640	57,974		59,760	59,440	60,325	61,232
2,592	2,547	Revenue contributions to capital	3,905	3,905	3,905	3,905
1,078	824	Contingency	1,250	1,690	2,062	2,113
61,310	61,345	Net Cost of Service	64,915	65,035	66,291	67,250

183	183	Interest payable / (receivable)	184	184	185	186
516	516	Provision for debt repayment	516	516	516	516
0	0	Reversal of Capital Charges to the CAA	0	0	0	0
2,066	2,066	Contribution to / (from) reserves	0	0	0	0
64,075	64,110	Budget Requirement	65,615	65,735	66,992	67,952
-39,484	-39,484	Precept	-40,470	-41,485	-42,521	-43,585
-9,634	-9,634	Revenue Support Grant	-8,118	-7,215	-6,495	-6,170
-562	-597	Other Non-Specific grants	-218	-109	0	0
-7,074	-7,074	Business Rates Top-Up Grant	-7,302	-7,561	-7,561	-7,561
-6,758	-6,758	Locally Retained Business Rates	-6,826	-6,894	-6,963	-7,033
-563	-563	CT Collection Fund Balance	-225	-225	-225	-225
0	0	BR Collection Fund Balance	0	0	0	0
-64,075	-64,110		-63,159	-63,489	-63,765	-64,574
0	0	Funding Gap / (Surplus)	2,456	2,246	3,227	3,378

Outline Budget 2017/18 - Objective

2017/18 Original Budget	2017/18 Revised Budget		2018/19 Forecast Budget	2019/20 Forecast Budget	2020/21 Forecast Budget	2021/22 Forecast Budget
48,508	50,047	Community Response	48,810	47,936	48,315	48,701
73	100	Community Resilience	75	77	78	80
5,065	5,070	Community Safety	5,126	5,221	5,319	5,419
3,887	7,016	Professional Services	5,314	5,600	5,891	6,187
1,079	1,079	Net cost of pensions	1,106	1,134	1,162	1,191
697	697	Employers LGPS contribution re pension deficit	821	961	1,045	1,137
0	-4,566	Transformation Reserve Funding	0	0	0	0
-1,669	-1,469	Other	-1,491	-1,488	-1,485	-1,482
57,640	57,974		59,760	59,440	60,325	61,232
2,592	2,547	Revenue contributions to capital	3,905	3,905	3,905	3,905
0	0	Revenue contributions to capital funded from reserves	0	0	0	0
1,078	824	Contingency	1,250	1,690	2,062	2,113
0	0	Service Improvement Plan	0	0	0	0
61,310	61,345	Net Cost of Service	64,915	65,035	66,291	67,250
183	183	Interest payable / (receivable)	184	184	185	186
516	516	Provision for debt repayment	516	516	516	516
0	0	Reversal of Capital Charges to the CAA	0	0	0	0
2,066	2,066	Contribution to / (from) reserves	0	0	0	0
64,075	64,110	Budget Requirement	65,615	65,735	66,992	67,952

Funded By:

-39,484	-39,484	Precept	-40,470	-41,485	-42,521	-43,585
-9,634	-9,634	Revenue Support Grant	-8,118	-7,215	-6,495	-6,170
-562	-597	Other Non-Specific grants	-218	-109	0	0
-7,074	-7,074	Business Rates Top-Up Grant	-7,302	-7,561	-7,561	-7,561
-6,758	-6,758	Locally Retained Business Rates	-6,826	-6,894	-6,963	-7,033
-563	-563	CT Collection Fund Balance	-225	-225	-225	-225
0	0	BR Collection Fund Balance	0	0	0	0
-64,075	-64,110		-63,159	-63,489	-63,765	-64,574
0	0	Funding Gap / (Surplus)	2,456	2,246	3,227	3,378

	Efficiency Plan Target	Pre 2018/19 Budget Reduction	2018/19 Budget Reduction	Future Year Savings	Total Saving
<i>Phase 2 Savings</i>					
Budget Reviews	2,542	2,542	0	0	2,542
Carbon Management (Solar PV)	124	124	0	0	124
Shared Services Partnerships	86	86	0	0	86
Network Fire Control Systems	140	140	0	0	140
Provided Vehicles	80	155	0	0	155
Contribution from Wholly Owned Company	100	100	0	0	100
Estate Transformation including Police & fire HQ	550	534	16	0	550
Professional Services Redesign	1,093	1,098	0	0	1,098
Training	296	85	0	211	296
Risk Review / SD Redesign	4,100	1,003	0	3,097	4,100
Shared Management with Isle of Wight	201	213	0	0	213
Reduction in requirement for RDS Pension Scheme	880	880	0	0	880
Total Phase 2 Savings	10,192	6,960	16	3,308	10,284
<i>Phase 3 Savings</i>					
ICT Transformation	0	805	0	0	805
Total Phase 3 Savings	0	805	0	0	805
Total Savings	10,192	7,765	16	3,308	11,089

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	approved spend	2016/17 and previous years	2017/18	2018/19	2019/20	2020/21	Latest Estimated Spend	Balance
	£000	£000	£000	£000	£000	£000	£000	£000
Project Details								
2012/13 starts								
Basingstoke Fire Station	6,875	5,482	1,393	0	0	0	6,875	0
Fire control system - (FGP 4/12) NFCSP	729	631	122	0	0	0	753	24
2014/15								
Estates Transformation -HQ Phase 1	4,707	4,596	111	0	0	0	4,707	0
Estates Transformation - Stations	801	732	69	0	0	0	801	0
Solar photovoltaic panels	1,076	1,024	45	0	0	0	1,069	-7
2015/16								
VEHICLES	1,309	1,099	210	0	0	0	1,309	0
Transforming on call arrangements	1,038	924	114	0	0	0	1,038	0
Breathing apparatus telemetry	560	4	556	0	0	0	560	0
Thermal imaging cameras	350	22	328	0	0	0	350	0
Station end equipment	303	366	10	0	0	0	376	73
2016/17								
VEHICLES	696	674	22	0	0	0	696	0
Fire ground radios	503	302	201	0	0	0	503	0
2017/18								
VEHICLES	10,324	0	2,900	7,424	0	0	10,324	0
Retained Station replacement programme	1,715	0	0	0	0	1,715	1,715	0
Estates Transformation -HQ Phase 2 c/fd from 2014/15	4,405	113	2,000	2,292	0	0	4,405	0
Estates transformation - Technical Services Collaboration c/fd	393	0	60	333	0	0	393	0
Estates Transformation - contingency	86	0	86	0	0	0	86	0
USAR Relocation c/fd from 16/17	271	19	252	0	0	0	271	0
2018/19 Provisional								
VEHICLES	4,022	0	0	3,200	822	0	4,022	0
Retained Station replacement programme	450	0	0	0	0	450	450	0
2019/20 Provisional								
VEHICLES	2,471	0	0	0	2,000	471	2,471	0
Retained Station replacement programme	450	0	0	0	0	450	450	0
Total 2012/13 to 2019/20	43,534	15,988	8,479	13,249	2,822	3,086	43,624	90

Financing of existing & proposed capital programme

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Payments: existing schemes	8,479	10,049	0	1,715	20,243
Payments: proposed programme 2018/19 to 2019/20	0	3,200	2,822	1,371	7,393
Total payments	8,479	13,249	2,822	3,086	27,636
Financed by:					
Revenue contributions	2,447	2,785	2,822	3,086	11,140
Capital payments reserve	3,630	10,464	0	0	14,094
Revenue Grant unapplied reserve	242	0	0	0	242
Capital receipts	1,500	0	0	0	1,500
Partner contributions	660	0	0	0	660
Total financing	8,479	13,249	2,822	3,086	27,636

Treasury Management Mid-Year Report 2017/18

1 Purpose

- 1.1 The Treasury Management Strategy for 2017/18 is underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
- 1.2 The Code also recommends that members are informed of Treasury Management activities at least twice a year (a mid year and a year end report). This report therefore ensures that the Hampshire Fire and Rescue Authority is embracing best practice in accordance with CIPFA's recommendations.
- 1.3 Treasury Management is defined as: "the management of investments and cash flows, 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".

2 Recommendations

- 2.1 That the mid-year review of treasury management activities be noted.
- 2.2 That the Hampshire Fire and Rescue Authority notes the potential impact on investment strategy of defaulting to a retail client with effect from 3rd January 2018.
- 2.3 That the Hampshire Fire and Rescue Authority agrees to the immediate commencement of applications for elected professional client status with all relevant institutions in order to ensure it can continue to implement an effective investment strategy.
- 2.4 In electing for professional client status the Hampshire Fire and Rescue Authority acknowledges and agrees to forgo the protections available to retail clients attached as Annex 1 of this appendix.
- 2.5 That the Hampshire Fire and Rescue Authority approves delegated responsibility to the Section 151 Officer for the purposes of completing the applications and determining the basis of the application as either full or single service.

3 Economic Background

- 3.1 The following section outlines the key economic themes currently in the UK against which investment and borrowing decisions have been made in the year to date.

External Context

- 3.2 UK Consumer Price Inflation (CPIH) for the year to July 2017 was 2.6%, unchanged since June 2017; downward contributions were

- 3.3 mainly due to falling fuel prices. The most recent labour market data for June 2017 showed that the unemployment rate dropped to 4.4% (its lowest since records began in 1971) but the squeeze on real wages (i.e. after inflation) is intensifying and resulting in negative real wage growth. Quarter 1 GDP data released in April and revised in May and June showed economic activity growing at a much slower pace of 0.2%. Understandably, the Bank of England made no change to Bank Rate or its Quantitative Easing policy (QE) at its meeting on 2nd August 2017.
- 3.4 Prime Minister Theresa May called an unscheduled General Election in June, to resolve uncertainty and in the hope of gaining an enhanced mandate to enter the forthcoming Brexit negotiations. The surprise result has led to a minority Conservative government in a confidence and supply arrangement with the Democratic Unionist Party. This political impasse clearly results in an enhanced level of political uncertainty, however the potential for a so-called hard Brexit is now diminished, reducing the associated economic headwinds for the UK economy from a 'no deal' or otherwise unfavourable trade agreement.
- 3.5 The reaction from the markets on the election's outcome has been fairly muted; business confidence now hinges on the progress of Brexit negotiations, whether new trade treaties and arrangements are successfully concluded and whether or not the UK continues to remain part of the EU customs union post the country's exit from the EU.
- 3.6 In the face of this uncertainty, the Fire & Rescue Authority's treasury management advisor, Arlingclose, expects the Bank of England will look through periods of high inflation and maintain its low-for-longer stance on policy interest rates for an extended period.

Financial markets

- 3.7 Gilt yields displayed some volatility with a marked uptick in late June. This was largely due to the expectation of tapering of QE in the US and Europe, which also had an impact on gilts. The FTSE 100 reached a record high of 7548 in May but dropped off slightly towards the end of Quarter 1, and down to 7372 on 23 August. However this level is still considered high in comparison to recent trends.

Credit background

- 3.8 UK bank credit default swaps have continued their downward trend, reaching three year lows by the end of June. Bank share prices have not moved in any particular pattern.
- 3.9 Ring-fencing, which requires the larger UK banks to separate their core retail banking activity from the rest of their business, is expected to be implemented within the next year. The Fire & Rescue Authority will work with Arlingclose to manage this situation as greater clarity is provided over the following months.

4 Investment Activity

- 4.1 The Fire & Rescue Authority has an investment portfolio consisting of

reserves and short-term cash flows. The Fire & Rescue Authority is currently investing according to a low risk, high quality lending list as outlined in its Treasury Management Strategy.

- 4.2 The transposition of European Union directives into UK legislation places the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors through potential bail-in of unsecured bank deposits. (The outcome of the EU referendum does not alter the UK's legislated bail-in resolution regime.)
- 4.3 Given the increasing risk and continued low returns from short-term unsecured bank investments, it is the Fire & Rescue Authority's aim to further diversify into more secure and/or higher yielding asset classes. The majority of the Fire & Rescue Authority's surplus cash was previously invested in short-term unsecured bank deposits, certificates of deposit and money market funds.
- 4.4 The Fire & Rescue Authority's investment holding was £36.2m at 31 July 2017, which was £5.8m (13.7%) lower than the same time last year. The table below shows investment activity for the Fire & Rescue Authority as at 31 July 2017 in comparison to the reported investment activity as at 31 March 2017:

Table 1: Investment activity in 2017/18

Investments	Asset value on 31/03/2017 £m	Asset value on 31/07/2017 £m	Average rate/yield on 31/07/2017 %	Average life on 31/07/2017 years
Short term investments				
- Banks and Building Societies				
- Unsecured	4.48	7.12	0.45	0.18
- Secured	0.42	3.42	0.79	0.71
- Money Market Funds	4.25	15.16	0.22	0.00
- Local Authorities	6.00	1.00	0.37	0.43
	15.15	26.70	0.36	0.16
Long term investments				
- Banks and Building Societies				
- Secured	8.00	6.00	0.67	1.97
	8.00	6.00	0.67	1.97
High yield investments				
- Pooled Property Funds*	2.00	2.00	4.49	n/a
- Pooled Equity Funds*	1.50	1.50	7.43	n/a
	3.50	3.50	5.75	n/a
TOTAL INVESTMENTS	26.65	36.20	0.93	0.49
Increase/ (Decrease) in Investments £m		9.55		

* Yield represents the average of each investment's most recent dividend payment as a percentage of the asset value.

- 4.5 The Fire & Rescue Authority received its annual pension grant of £13m

on 28 July 2017, therefore cash balances were at their peak at 31 July 2017, and so cash balances are currently much greater than at 31 March 2017. This grant will be spent over the next 12 months to pay Firefighter pensions; in the meantime this grant will be invested to ensure sufficient liquidity is available when required.

- 4.6 The investments in pooled property and equity funds allow the Fire & Rescue Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. All of the Fire & Rescue Authority's pooled fund investments are in the funds' distributing share classes which pay out the income generated.
- 4.7 Although money can be redeemed from the pooled funds at short notice, the Fire & Rescue Authority's intention is to hold them for at least the medium term. Their performance and suitability in meeting the Fire & Rescue Authority's investment objectives are monitored regularly and discussed with Arlingclose.

Table 2: High yield investments capital value at 31 July 2017

High yield investments	Principal invested £m	Market value 31 July 2017 £m	Capital yield (per annum) %
Pooled property fund	2.00	2.07	2.47
Pooled equity funds	1.50	1.62	8.15
Total	3.50	3.69	4.90

- 4.8 Security of capital has remained the Fire & Rescue Authority's main investment objective. This has been maintained by following the Fire & Rescue Authority's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.
- 4.9 Counterparty credit quality was assessed and monitored with reference to credit ratings (the Fire & Rescue Authority's minimum long-term counterparty rating for institutions defined as having "high credit quality" is BBB+ across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.
- 4.10 The average cash balances were £30.9m during the year to 31 July 2017. The average interest rate earned on the Fire & Rescue Authority's investments at 31 July 2017 was 0.93%, which should be considered within the context of a low UK Base Rate of 0.25%, and very low short-term money market rates.

5 Borrowing

- 5.1 The Fire & Rescue Authority's underlying need to borrow as measured

by the Capital Financing Requirement (CFR) at 31 March 2017 was £12.2m. Affordability and the “cost of carry” remained important influences on the Fire & Rescue Authority’s borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets as rates of interest significantly lower than the cost of borrowing.

- 5.2 For the Fire & Rescue Authority the use of internal resources in lieu of borrowing has, therefore, continued to be the most cost effective means of funding capital expenditure. No new long-term borrowing has taken place to date in 2017/18, or is planned for the remainder of the year. This has lowered overall treasury risk by reducing both external debt and temporary investments.
- 5.3 As at 31 July 2017 the Fire & Rescue Authority held £8.4m of loans, (which has not changed since last reported on 31 March 2017), made up of Public Works Loans Board (PWLB) loans, as part of its strategy for funding previous years’ capital programmes.
- 5.4 The premia that applies to the premature repayment of the Fire & Rescue Authority’s PWLB loans is still relatively expensive for the loans in the portfolio, and therefore unattractive for debt rescheduling. As a consequence, no rescheduling activity has taken place. However, consideration will continue to be given to an advantageous opportunity for the Fire & Rescue Authority to reduce or restructure its debt portfolio.

6 MiFID II

- 6.1 The European Union is changing its rules on how local authorities can access regulated financial services, through its Market in Financial Instruments Directive (MiFID II), aiming to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. Although the UK has voted to leave the EU, MiFID II will still be implemented in the UK on 03 January 2018 for three reasons. Firstly, the UK’s residents remain members of the EU and subject to its laws until the UK leaves; secondly, the UK government is in favour of strengthening investor protection; and thirdly, UK firms will wish to continue providing financial services across the EU after the UK has left the EU, so will need to comply with equivalent regulations.
- 6.2 The Financial Conduct Authority (FCA) has some discretion over how to implement this directive in the UK, and it released its final policy statement on the subject in July 2017.
- 6.3 Local authorities, including the Fire & Rescue Authority, are currently all treated by financial services firms as “professional clients”, the middle of three categories, and the same as similar-sized companies. But from January 2018, the default position will be that local authorities are to be treated as “retail clients”, the same as individuals and small and medium-sized enterprises, which will entail some increased protection, but at the expense of higher fees, increased paperwork and reduced market access.

- 6.4 It is expected that “opting-up” will be the most favourable position for the Fire & Rescue Authority as it will allow all investment opportunities detailed within the investment strategy to be accessed, whilst being a retail investor will limit investment opportunities, for example no access to money market funds or brokers. Opting up to professional status will also allow continued access to the current asset classes the Fire & Rescue Authority is invested in, without the increased fees that retail asset classes demand. Opting up will mean the Fire & Rescue Authority will not be able to take advantage of the increased protections available to retail clients (retail protections are available in Annex 1 to this appendix – this list was provided by the Local Government Association and represents protections for all different types of investment, including investments not applicable under the current treasury management strategy). However, this will not be a change from the current status, as these protections are not currently afforded to professional clients.
- 6.5 Local authorities will be permitted to “opt-up” to professional client status, providing they meet the following criteria:
- the firm has assessed that the person authorised to carry out transactions on the local authority’s behalf has the expertise, experience and knowledge to give reasonable assurance in light of the nature of the transactions or services envisaged, that they are capable of making their own investment decisions and understanding the risks involved;
 - the size of the local authority’s investment portfolio (including cash deposits) exceeds £10 million; and
 - at least one of the following is true:
 - the local authority has carried out transactions, in significant size, on the relevant market at an average frequency of ten per quarter over the previous four quarters;
 - the person authorised to carry out transactions on behalf of the local authority works or has worked in the financial sector (including as a treasury manager) for at least one year in a professional position, which requires knowledge of the services envisaged; or
 - the local authority is a Local Government Pension Scheme administering authority and is acting in that capacity (this was not included in the consultation).
- 6.6 Considering these criteria, the Fire & Rescue Authority should be able to opt up to professional client status to maintain the most favourable investment position possible, but this will be decided on a per investment basis in conjunction with the Fire & Rescue Authority’s Finance team. Significant work will be undertaken over the months to January 2018 to achieve this aim. So as to enable the opt-up process a number of recommendations have been included within Section 1 of this appendix.

- 6.7 Applications can be made in respect of either all of the services offered by the institution (even if not already being accessed) or a particular service only. A local authority may wish to do the latter where the institution offers a wide range of complex instruments which the authority does not currently use and there is no intention to use the institution again once the current relationship has come to an end. It is recommended that officers determine the most appropriate basis of the application, either via full or single service.
- 6.8 Authorities are not required to renew elections on a regular basis but will be required to review the information provided in the opt-up process and notify all institutions of any changes in circumstances which could affect their status.

7 Compliance with Prudential Indicators

- 7.1 Within 2017/18 to date, the Fire & Rescue Authority operated within the Prudential Indicators for 2017/18, which were set in February 2017 as part of the Fire & Rescue Authority's Treasury Management Strategy Statement.

Authorised Limit and Operational Boundary for External Debt

- 7.2 CIPFA's Code of Practice requires authorities to set an authorised limit for external debt, defined as the sum of external borrowing and other long-term liabilities. The annual strategy report agreed by the Fire and Rescue Authority in February 2017 set an authorised limit for external debt of £17.1m.
- 7.3 This limit is based on the estimated CFR in order to enable it to be financed entirely from external borrowing should the Fire & Rescue Authority's internal reserves become depleted. The limit also includes an allowance for temporary borrowing to cover normal revenue cash flow requirements and unexpected outflows or delays in receiving cash.
- 7.4 The Fire & Rescue Authority has set an operational boundary for external debt reflecting the more likely scenario and consistent with the Fire & Rescue Authority's capital plans and Treasury Management Strategy. Temporary breaches of the 2017/18 operational boundary can take place for cash flow reasons, but any sustained breach will lead to further investigation. The Fire & Rescue Authority approved an operational boundary for 2017/18 of £14.4m.

Table 3 – Authorised Limit and Operational Boundary for External Debt

	Authorised Limit £m	Operational Boundary £m	2017/18 Actual £m
Borrowing	17.1	14.4	9.4
Total Debt	17.1	14.4	9.4

- 7.5 During the period to 31 July 2017, borrowing remained well within the authorised limit and operational boundary, and no new long term borrowing has been taken out. Although there has been temporary borrowing where the Fire & Rescue Authority has utilised its overdraft facility at NatWest on an overnight basis, these have been small.

8 Treasury Management Indicators

- 8.1 The Fire & Rescue Authority measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures

- 8.2 The Fire & Rescue Authority has to set an upper limit on its fixed and variable interest rate exposures for both total investments and total external debt. This indicator is set to control the Fire & Rescue Authority's exposure to interest rate risk. The Fire & Rescue Authority approved the following upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed or invested. None of the limits have been exceeded.

Table 4 - Interest Rate Exposures

	2017/18 limit	Maximum to 31 July 2017
Upper limit on fixed interest rate investment exposure	£15m	£2.0m
Upper limit on variable interest rate investment exposure	£50m	£36.4m
Upper limit on fixed interest rate borrowing exposure	£17.1m	£8.4m
Upper limit on variable interest rate borrowing exposure	£17.1m	-

- 8.3 The limit for borrowing rate exposures has been set to enable maximum policy flexibility for the potential for refinancing e.g. from variable to fixed rate borrowing. The Fire & Rescue Authority's entire long-term debt portfolio is currently made up of fixed interest loans.
- 8.4 The upper limits for investments exposure rates is based on an extreme case of the total investment balances, and to allow for all of this to be held at variable rates (investments with a maturity of less than one year) if necessary.

Maturity Structure of Borrowing

- 8.5 The Code also requires the Fire & Rescue Authority to set upper and lower percentage limits on the maturity structure of its long-term fixed rate borrowing during 2017/18. The following table shows the limits approved by the Fire & Rescue Authority. These have been set to allow maximum flexibility in managing the debt portfolio and are consistent with the existing portfolio.

Table 5 – Maturity Structure of Borrowing

	Upper	Lower	Actual
Under 12 months	50%	0%	0%
12 months and within 24 months	50%	0%	0%
24 months and within 5 years	50%	0%	20%
5 years and within 10 years	75%	0%	19%
10 years and within 20 years	75%	0%	55%
20 years and above	100%	0%	6%

Principal Sums Invested for Periods Longer than 364 days

- 8.6 The purpose of this indicator is to control the Fire & Rescue Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. For 2017/18 the Fire & Rescue Authority restricted investments for periods of over a year to a maximum of £15.0m. At 31 July 2017 the Fire & Rescue Authority had £9.5m of investments with over 364 days to their maturity, which is also the maximum held to date this financial year.

Warnings - loss of protections as a Professional Client

Professional Clients are entitled to fewer protections under the UK and EU regulatory regimes than is otherwise the case for Retail Clients. This document contains, for information purposes only, a summary of the protections that you will lose if you request and agree to be treated as a Professional Client.

1. Communicating with clients, including financial promotions

As a Professional Client the simplicity and frequency in which the firm communicates with you may be different to the way in which they would communicate with a Retail Client. They will ensure however that our communication remains fair, clear and not misleading.

2. Information about the firm, its services and remuneration

The type of information that the firm provides to Retail Clients about itself, its services and its products and how it is remunerated differs to what the firm provides to Professional Clients. In particular,

(A) The firm is obliged to provide information on these areas to all clients but the granularity, medium and timing of such provision may be less specific for clients that are not Retail Clients; and

(B) there are particular restrictions on the remuneration structure for staff providing services to Retail Clients which may not be applicable in respect of staff providing services to Professional Clients;

(C) the information which the firm provides in relation to costs and charges for its services and/or products may not be as comprehensive for Professional Clients as it would be for Retail Clients, for example, they are required when offering packaged products and services to provide additional information to Retail Clients on the risks and components making up that package; and

(D) when handling orders on behalf of Retail Clients, the firm has an obligation to inform them about any material difficulties in carrying out the orders; this obligation may not apply in respect of Professional Clients.

3. Suitability

In the course of providing advice or in the course of providing discretionary management services, when assessing suitability for Professional Clients, the firm is entitled to assume that in relation to the products, transactions and services for which you have been so classified, that you have the necessary level of experience and knowledge to understand the risks involved in the management of your investments. The firm will assess this information separately for Retail Clients and would be required to provide Retail Clients with a suitability report.

4. Appropriateness

For transactions where the firm does not provide you with investment advice or discretionary management services (such as an execution-only trade), it may be required to assess whether the transaction is appropriate. In respect of a Retail Client, there is a specified test for ascertaining whether the client has the requisite investment knowledge and experience to understand the risks associated with the

relevant transaction. However, in respect of a Professional Client, the firm is entitled to assume that they have the necessary level of experience, knowledge and expertise to understand the risks involved in a transaction in products and services for which they are classified as a Professional Client.

5. Dealing

A range of factors may be considered for Professional Clients in order to achieve best execution (price is an important factor but the relative importance of other different factors, such as speed, costs and fees may vary). In contrast, when undertaking transactions for Retail Clients, the total consideration, representing the price of the financial instrument and the costs relating to execution, must be the overriding factor in any execution.

6. Reporting information to clients

For transactions where the firm does not provide discretionary management services (such as an execution-only transactions), the timeframe for our providing confirmation that an order has been carried out is more rigorous for Retail Clients' orders than Professional Clients' orders.

7. Client reporting

Investment firms that hold a retail client account that includes positions in leveraged financial instruments or contingent liability transactions shall inform the Retail Client, where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. These reports do not have to be produced for Professional Clients.

8. Financial Ombudsman Service

The services of the Financial Ombudsman Service may not be available to you as a Professional Client.

9. Investor compensation

Eligibility for compensation from the Financial Services Compensation Scheme is not contingent on your categorisation but on how your organisation is constituted. Hence, depending on how you are constituted you may not have access to the Financial Services Compensation Scheme.

10. Exclusion of liability

The FCA rules restrict the firm's ability to exclude or restrict any duty of liability which the firm owes to Retail Clients more strictly than in respect of Professional Clients.

11. Trading obligation

In respect of shares admitted to trading on a regulated market or traded on a trading venue, the firm may, in relation to the investments of Retail Clients, only arrange for such trades to be carried out on a regulated market, a multilateral trading facility, a systematic internaliser or a third-country trading venue. This is a restriction which may not apply in respect of trading carried out for Professional Clients.

12. Transfer of financial collateral arrangements

As a Professional Client, the firm may conclude title transfer financial collateral arrangements with you for the purpose of securing or covering your present or future, actual or contingent or prospective obligations, which would not be possible for Retail Clients.

13. Client money

The requirements under the client money rules in the FCA Handbook (CASS) are more prescriptive and provide more protection in respect of Retail Clients than in respect of Professional Clients.

It should be noted that at all times you will have the right to request a different client categorisation and that you will be responsible for keeping the firm informed of any change that could affect your categorisation as a Professional Client.

Bid Name	Description	Benefit	Budget holder	Director	Priority level	2018/19	2019/20	2020/21	2021/22
						£'000s	£'000s	£'000s	£'000s
Firewatch system manager	Secure funding for the Firewatch system manager post	The Firewatch system is key to the operational running of HFRS. There is a requirement for day to day management of the system, including user support, plus overseign upgrades and other system development.	Nicki Whitehouse	Geoff Howsego	High	42	42	42	42
Physical assets - commercial focus	Permanent funding for the existing physical assets commercial focus temporary post	Over £600,000 of income pa is being received by HFRS through projects that have been managed by this post. Further income is expected to be generated through continuing this role.	Sam Davis	Geoff Howsego	High	60	60	60	60
Permanent post - directorate support officer	Conversion of temporary directorate support post into a permanent post	This post has been in place for several years, through temporary funding, and has provided invaluable support to Directors and managing the internal governance processes, as well as developing key activities and objectives for the Service.	Geoff Howsego	Geoff Howsego	High	42	42	42	42
Total						144	144	144	144

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date 04 October 2017

Title SERVICE PLAN PROGRESS REPORT

Report of Chief Officer

EXECUTIVE SUMMARY

1. This report provides an update on the delivery of the Authorities Service Plan priorities from April 2015 to date.

BACKGROUND

2. Appendix A provides Members with a summary update on the good progress made against the actions that were identified to deliver the priorities within the Hampshire Fire and Rescue Service Plan (2015-2020).
3. This Service Plan sets out our goals and objectives. It describes how we intend to make ourselves stronger through our own people, assets and innovation. Through strengthening ourselves, we can in turn make Hampshire an even safer place by providing the outstanding services that our communities deserve.
4. The Service Plan is made up of 9 Priorities. These are as follows:
 - Building resilience
 - Creating safer communities
 - Responding to incidents
 - Assets & money
 - Communications & engagement
 - Knowledge
 - People & leadership
 - Technology
 - Working with partners

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

5. Monitoring and reviewing the key deliverables will help to ensure that we continuously improve and deliver our priorities and aims as detailed within the Authority's Service Plan.

RESOURCE IMPLICATIONS

6. There are no additional resource implications resulting from the contents of this report.

LEGAL IMPLICATIONS

7. There are no legal implications as a consequence of the contents of this report.

PEOPLE IMPACT ASSESSMENT

8. The proposals in this report are be considered compatible with the provisions of equality and human rights legislation.

RISK ANALYSIS

9. Failure to deliver against our Service Plan may lead to poor outcomes for our communities.

RECOMMENDATION

10. That the Authority notes the progress made in delivering the Service Plan to date.

APPENDICES ATTACHED

11. Appendix A – Service Plan Performance Update

BACKGROUND PAPERS

12. Hampshire Fire and Rescue Service Plan 2015-2020

Contact: Samuel Fairman, Performance Review Manager,
samuel.fairman@hantsfire.gov.uk, Telephone: 023 8064 4000 (extension 3944)



HAMPSHIRE
**FIRE AND
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AUTHORITY

Appendix A

Service Plan Performance

April 2015 to September 2017
Hampshire Fire and Rescue Authority
04 October 2017



Building community resilience

Point of contact: Area Manager Resilience

Our aim:

We will enhance our communities' ability to prepare for, deal with and recover from incidents.

Service improvements:

As leaders of the Community Resilience work stream for the Hampshire and Isle of Wight (HIOW) Local Resilience Forum (LRF) we have introduced more than 100 Community Emergency Action Plans for local councils. These plans are stored and shared on a secure online platform, called Resilience Direct, which allows all partners to share critical risk information and enable a joined-up approach to managing live incidents.

We have produced a self-test template to enable those communities with a Community Emergency Action Plan to test it. The pilot was tested with Grayshott Parish Council in March 2017 and will be rolled out to other communities.

Another key milestone is the delivery of a Duke of Cornwall Awards scheme, where the Service has worked with Scouts and volunteers to teach young people about community resilience.

We completed our first year of the Working on Tuesday (WoT) programme with our LRF colleagues. Through WoT we have trained alongside all our LRF colleagues in a variety of scenarios to ensure that our ability to plan for, respond to and recover from incidents is the best it can be.

During and after the tragic events that took place nationally in 2017 (terrorist related incidents and Grenfell Tower fire) the LRF has implemented its pre-planned arrangements. Each time multi-agency working have been activated, specific learning has been identified to help improve our Resilience function within the Service.

Community resilience was added to our Module A courses as part of our new firefighter training. In addition to this, community resilience has been embedded in to the Maintenance of Competency framework, with the creation of relevant Maintenance of Skills and workplace assessments.



Creating safer communities

Point of contact: Area Manager Community Safety

Our aim:

To reduce risk across Hampshire by creating pioneering partnerships that target the most vulnerable people and places.

Service improvements:

We launched a revised home fire safety visit package called Safe & Well. Using referrals from partner agencies, we are now more effective in targeting the most vulnerable people to not just prevent them from harm caused by fire but from a range of other potential hazards. This includes a Falls Risk Assessment at every visit which is then sent to our partners in health for interventions to be put in place where appropriate.

To support victims of fires, we implemented a new package to ensure that after every incident our crews are equipped to deliver immediate community safety advice and intervention to reassure and reduce any risk to those affected. We continue to develop this to ensure their effectiveness to mitigate further risk of fire and the sustained economic impact of the incident.

Through our Fire as a Health Asset work, we have delivered a significant number of life intervention and prevention courses to specific groups within our communities. These are supporting them to lead healthier lives and to improve their wellbeing in the longer term. Examples of this are:

- A Better Me courses aimed at teenagers
- Safety Through Education Exercise and Resilience (STEER) with the aim to and reduce the chances of falls and reduce social isolation affecting older people in the community
- Falls Champions Course delivering education to those who will come in contact with older people to highlight the risks associated with falls
- Quit & Get Fit a smoking cessation course
- The use of Making Every Contact Count (MECC) across Hampshire Fire and Rescue Service

We implemented a falls response service, attending triaged calls to non-injury mechanical falls to assist individuals who have difficulties with mobility and have fallen over. This is usually done by the Ambulance Service.

Where an injury is believed to have occurred, an ambulance will still be sent rather than our fire crews. However, where there is believed to be no injury to the individual we will attend to assist and ensure they are well. This will continue to be developed in conjunction with South Central Ambulance Service to exploit opportunities for further public benefit in this area. This includes the provision of an intervention to prevent further falls from occurring.

We work alongside health and local authority partners on the Hampshire Health and Wellbeing Board, leading the work on social isolation and loneliness in older people.

We launched an online self-service safety intervention called Safe & Sound. This guides members of the public through a series of safety questions to provide relevant advice and offer further fire and rescue service intervention where appropriate. More than 2,500 people have completed their own Safe & Sound check.

We continue to ensure safety event planning is proportionate and effective.

We have established a partnership with Portsmouth University, including associate lecturer status and offering work placements to give students hands on experience during real fire investigations.

In July 2017, training was delivered to all Flexible Duty Officers (FDS) for the effective gathering and presentation of evidence for legal investigations.



Responding to incidents

Point of contact: Area Manager Response Delivery
Area Manager Response Learning and Development

Our aim:

We will continue to improve the way we respond to and support incidents.

Service improvements:

New firefighting tactics have been embedded into both practical and theory training. Every operational firefighter (Ff) and Crew or Watch Manager (CM and WM) is required to attend a live fire refresher course every two years. This training is being continuously reviewed to ensure currency and best practice. The Scan, Attack, Ventilate, Enter and Extinguish (SAVE) approach is taught to ensure that Level 1 Commanders carry out a full reconnaissance of the premises, utilising the thermal imaging camera. Best practice for making an external attack on the fire is taught. The positive pressure ventilation (PPV) fan is then introduced and the breathing apparatus (BA) team will then enter to search, rescue and extinguish the fire. Work continues to be done to fully incorporate ultra high pressure lance (UHPL) as a practical element into this course and this will be achieved by April 2018.

Operational staff (Ff to WM) are also required to attend a fire science course once every two years. This course provides an opportunity for more in depth discussion and has given us the opportunity to ensure that the use of SAVE, UHPL and compressed air foam system (CAFS) as firefighting tactics are fully explored.

It has also provided a more in-depth knowledge of rapid fire phenomena enabling our teams to pick the most appropriate tactics and equipment in any given situation. Institute of Fire Engineering examinations and practical assessments are also now required for progression from firefighter to supervisory manager and this links in with improving fire science understanding and knowledge

The Academy has now fully developed the use of live fire training at Prince Phillip Barracks with changes being made to the classrooms and facilities to further improve the experience for our staff. Great feedback is being received from the staff visiting the venue and the new trainees used the venue for three days of practical scenarios. Investment is being sought from the Fire Authority for the training facilities to be further improved, which will make the site more attractive to partners who may wish to use the facilities and increase its sustainability.

The use of Prince Phillip Barracks has significantly increased this year with nearly the majority of all groups visiting the venue. To increase the accessibility to all groups, the Academy is working hard to establish suitable venues for the delivery of live fire training across Hampshire in conjunction with the county council and contacts within the construction and development industry. The Academy is also working to help other services to utilise the facilities and in doing so provide the opportunity to help share the costs of providing the site for fire related training. A number of partners have made use of the site including London Fire Brigade, Royal Berkshire Fire and Rescue Service, and West Sussex Fire and Rescue Service.

A trial of First Response Capabilities (FRC) vehicle to include a medical and community safety capability has been completed. Two proof of concept FRC vehicles were purchased and piloted at six stations across the county. We also completed a trial of a new specification of Intermediate Capabilities (IC) vehicles to include a medical and community safety capability. Five proof of concept IC vehicles were purchased and piloted at five stations. The outcome of the trials will help shape the final specifications for these vehicles.

Body worn video cameras have been rolled out to our Flexible Duty System (FDS) officers. This is to capture key decision making and dynamic risk assessments at incidents which feeds back into our debrief process. Lessons can then be incorporated to improve procedures and best practice shared to help develop our teams across the Service. This continues to be reviewed to ensure its effectiveness.

We have reviewed our guidance policy in response to terrorist threats against the National Operational Guidance and the competency framework. A gap analysis has been carried out and is being actioned.

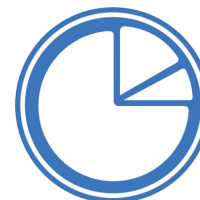
New digital fire ground Ultra High Frequency (UHF) handheld radios have been introduced.

Isle of Wight Fire & Rescue Service are now

mobilised by our Fire Control and supported by the Network Fire Service Partnership. This was one of the work streams identified under the Delivering Differently in Partnership project, which has delivered aligned operational policies and mobilising arrangements.

FDS officers are now mobilised in provided vehicles. Using a new telematics system the

location of vehicles used by our FDS officers, as well as other specialist teams and our appliances (Red Fleet), can be monitored to ensure a more effective response to incidents around the county by sending the nearest available resource. In addition to this, all FDS officers are now trained to use defibrillators and these life-saving devices are therefore now carried in all provided vehicles.



Assets and money

Point of contact: Head of Physical Assets

Our aim:

We will improve the return on our physical assets and using the medium term financial plan to ensure we effectively prioritise our resources.

Service improvements:

The Strategic Property and Estates Plan 2016-20 was approved and set the direction for the management of our properties over the period. We have continued to develop our estate in accordance with that plan. Since the summer of 2016 we have shared an additional four stations with Hampshire Constabulary (Hightown, Southsea, Hardley and Ringwood), along with bringing Southern Health on to our station at Rushmoor.

Following the success of the joint fire and police headquarters, the development of the site continues with the Phase 2 project which will see further collaboration with partners and also enable a number of key income generation opportunities by making better use of this significant site. The Property and Facilities team continue to develop and seek new partnerships to drive best use of our estate.

Technical Services (Fleet Management, Maintenance, Stores and Logistics) continue to deliver fleet maintenance with Royal Berkshire Fire and Rescue Service with the scope of

that partnership expanded to cover fleet management in 2017. Technical Services also expanded the scope of partnership operations to include the delivery of support to Isle of Wight Fire Service in July 2017. Opportunities for further partnership development continue to be explored.

We concluded the implementation of our Provided Vehicles project. This involved the provision of vehicles for FDS officers. We continue to optimise the use of our vehicles to reduce our operational road risk and drive down travel costs. A Strategic Vehicle and Equipment Plan is on track for delivery by March 2018.

We continue to deliver against our Medium Term Financial Plan, matching our budget to the reduced revenue grant funding. This is supported by a well-funded capital programme that enables the delivery of our Strategic Property and Estates plan and our Strategic Vehicle and Equipment Plan.



Communications and engagement

Point of contact: Head of Communications, Inclusion & Administration

Our aim:

We will develop targeted communications and engagement opportunities with key stakeholders to improve our services.

Service improvements:

We introduced a planned public affairs engagement programme. We are now regularly updating all regional MPs and other key partners and stakeholders through the External Communications team. The Chief Fire Officer continues to engage regularly face to face with MPs and other key stakeholders.

Residents can now sign up for email alerts through a simple sign-up process on our external website. The service allows subscribers to choose the subjects they would like to receive alerts about (incidents, news, campaigns, jobs etc.) and allows us to capture data about subscribers, which greatly enhances our ability to communicate with our communities in a targeted way.

Our Inclusion and Diversity (I&D) Team have vastly broadened our engagement with our communities and provided interactive spaces for our staff teams to come together, share and network in I&D areas that they identify with. This has been achieved through our I&D plan which has improved our interaction at a broader range of community events such as Southampton and Eastleigh Mela, and Southampton and Brighton Pride.

We have also created several internal networks:

- Fire Inspire – Women's network
- Fire Out – LGBT network
- Fire Able – Disability network
- Fire Reach – Religion, Ethnicity and Cultural Heritage network

These groups promote and raise awareness of inclusion and diversity issues and give a collective voice on issues to enable better engagement. They also enable staff to share experiences and provide mutual support and provide a sense of community.

We have worked with operational staff to produce detailed guidance documents to assist with day to day admin queries/tasks. These have now been made available on our internal portal as an A-Z help page, ensuring our crews are kept up to date with any changes made.

We have also re-directed all telephone calls made to wholetime stations to our central Service Administration Hub, not only to reduce the burden on our station personnel, but also to act as a single point of call for the public.



Knowledge

Point of contact: Head of Knowledge Management

Our aim:

We will optimise our use of knowledge to plan and deliver better services for the public.

Service improvements:

As part of the Risk Review, significant work was undertaken to assess the risks facing our communities. Using information from various sources, we were able to build a comprehensive risk map. This was also combined with demand-led information from our Incident Recording System to add weight to the scale and impact of certain incident types on our resources. Proposals were carried forward in to the Service Delivery Redesign project based on known risk based scenarios and potential crewing models run against our historical data. The project continues to work with station crews to develop crewing models in line with new capabilities and equipment. We continue to use predictive tools to support the development of this work as well as other local initiatives.

To identify the appropriate demographics for our Safe & Well visits, we use several data sources. Information is gathered from referrals, Experian demographic profiling (Mosaic), NHS

patient data (Exeter) and our own Community Fire Risk Management Information System (CFRMIS).

A new service policy framework was agreed by the Service Management Team. Work is now underway to review our current service orders to enable staff much greater flexibility within a more clearly defined set of boundaries. Using the new tools available to us from the ICT Transformation project we will build a more user-friendly interface to enable our staff to access the information they need to make the best decisions across all our operations.

We continue to develop interfaces between existing systems to enable more efficient and effective use of information. This is supported by a performance and assurance project that looks to provide a tool for capturing data from a range of systems to enable improved performance management.



People and leadership

Point of contact: Head of Human Resources

Our aim:

Our people will understand expectations on goals, standards and behaviours, and feel motivated and equipped to perform highly.

Service improvements:

We launched the Firefly development programme in conjunction with Hampshire Constabulary and Hampshire County Council through our shared services partnership. This programme was set up to take cohorts through a service improvement challenge, providing them with new skills, tools and support from peers and mentors. The programme has now been completed by three cohorts with further cohorts to be arranged. In addition to this we launched a Supporting Through Change and New Managers programme in July 2016.

We held a People Workshop in Basingstoke where many of our staff attended from various locations across the county. This workshop captured discussions which were used to develop action plans. Attendees were also encouraged to take back their own actions

to implement improvements at their local workplace.

We completed a middle management review to change the establishment in support of the Service Delivery Redesign programme. The new positions were set up to fit the new seven group structure and address the number of temporary contracts.

A new team Performance and Development Review approach was introduced to support a high performance culture across the Service. By changing the focus from individual objectives to team objectives we aim to engage our staff with strategic objectives of the organisation, whilst also enabling them to develop within their own careers.



Technology

Point of contact: Head of Information Communication Technology

Our aim:

To improve the technology we deploy to increase quality, agility and reduce cost across our business, establishing it as a driver for innovation and improvement.

Service improvements:

We reconfigured and simplified our wifi across the county to address immediate limitations with the service. This was a step towards a complete refresh of our wifi service scheduled for 2017/18. We then upgraded our wide area network and implemented a new internet protocol (IP) scheme in December 2016. This infrastructure work was required to support the Estate Transformation Project and meet the growing needs of the Service.

We completed a wide-reaching review of requirements for ICT in support developing business needs. The review assessed our needs against our existing ICT provision and led to our ICT Transformation programme to provide more of our services from the cloud. A number of work streams were initiated to create a more flexible, agile ICT infrastructure that would drive innovation within the Service and save money.

The core part of our ICT transformation took place in May 2017, when we transferred the majority of our services to the cloud and moved to a new infrastructure to support mobile and desktop based services. This included:

- Cloud based email and office suite
- Document management system
- New computer desktop solution
- Managed print service

Further work is underway to complete the remaining work streams including a new desktop telephony and unified communications system. We will also continue to assess ICT equipment at fire stations and replace the mobile presentation units.



Working with partners

Point of contact: Head of Knowledge Management

Our aim:

We will place partnerships at the heart of all our work.

Service improvements:

Our Network Fire Strategic Partnership (NFSP) with Devon and Somerset, and Dorset and Wiltshire fire services provides us with greater resilience, 'borderless' mobilising and ensures that the closest asset can be used to attend an incident.

We are delivering against the plan set out in our strategic partnership with the Isle of Wight Council. We now provide the Isle of Wight Fire & Rescue Service with 999 call handling and mobilisation services.

We share a number of our sites with Hampshire Constabulary and are now progressing with Phase 2 of the Headquarters transformation. We also share our accommodation with other partners including Health and the Maritime and Coastguard Agency (MCA).

We are working with the police and ambulance service on further blue light collaboration which builds on the partnership work we have been doing for some years. This strategy looks to build greater relationships with partner agencies to enable joint working in support of shared operational objectives and a Director of Blue Light Collaboration has been appointed to lead this work.

Further work is underway to develop a partnership policy and supporting guidance to help our teams in key decision making when considering joint working arrangements. This will support staff in taking the right steps and ensuring appropriate governance is put in place before an agreement is made.

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Approved

Date **4 OCTOBER 2017**

Title **SERVICE DELIVERY REDESIGN UPDATE**

Report of Chief Officer

EXECUTIVE SUMMARY

1. The Medium Term Financial Plan (MTFP) identifies £4.1 million savings by Service Delivery over the next four financial years.
2. The Service Delivery Redesign Programme (SDR) has been set up to implement the changes identified by the Risk Review Project in order to make these savings.
3. This paper is an update on progress to date.

BACKGROUND

4. In 2014, we carried out the Risk Review Project. The purpose of the project was to create a plan which would see the Service providing a smarter, more effective and more efficient public safety service to the residents of Hampshire. This plan explored new approaches and technology to improve service delivery. By adopting a co-design approach, we were able shape a set of proposals that were informed by our staff, the public and our stakeholders.
5. The proposals from this project are now agreed and the Service Redesign Programme (SDR) is now tasked with implementing the approved proposals and empowering staff to be part of the necessary changes that will improve and ensure:
 - Savings are made
 - Operational effectiveness
 - Firefighter Safety
 - Public Safety
6. Major Developments continue within the programme, namely the WholeTime and retained duty systems trials. All stations will be trialling their duty systems by January 2018. The programme remains on track to deliver the redesign of our Service over the coming years. Appendix A shows SDR timeline.

SPECIFIC PROJECT UPDATES

7. New Vehicles and Equipment – The First Response Capability (FRC) ‘proof of concept’ trial has come to an end. The two Iveco FRCs were piloted at five stations and enabled firefighters to analyse the capabilities and its equipment, providing an insight into specification, design and effectiveness on the fire ground.
8. Retained Duty System (RDS) – The RDS Support Officers trial launched in June 2017. During the first month of the Support Officers being in post we saw 700 positive hours of appliances being put back on the run. We also saw our monthly average of RDS recruitment increase from four to 32.
9. People Plan, Organisational Redesign and Duty Systems – The WholeTime duty system (WDS) trials being launched in three stages: Winchester started their trial in June 2017, the other WDS stations are beginning in October 2017 and January 2018. All WDS trials will run for 12 months and receive formal quarterly review check points. Following a recent joint decision from HFRS and FBU, no trials will involve compulsory 24 hour shifts.
10. Medical Response and Selective Alerting – The work package on Automatic Vehicle Location Services (AVLS) to South Central Ambulance Service (SCAS) control room is progressing. HFRS AVLS data is successfully being sent to SCAS as a list of 86 vehicles with an Automatic External Defibrillator available for use with cardiac arrest calls. The next phase is for SCAS to add these resources to their command and control system to enable them to mobilise the vehicles when needed. We are awaiting the impact of recent changes the ambulance service response times and currently liaising with the ambulance service to consider the effects on the trials.

SAVINGS

11. The timeline for savings can be seen in Appendix 1. The first tranche of savings, £970,000 have been achieved. These are from the Workforce Plan and Community Safety Work streams and involve changes to teams in the Community Safety and Community Response Departments.
12. The programme remains on track to deliver the next tranche of £2.4m in April 2019.

AUDIT

13. As an additional quality assurance check the Programme Team was audited by Hampshire County Council to confirm our processes. Their findings were presented to PRSC. The reviewer reported that based on the audit evidence obtained, that adequate assurance can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

14. These changes have previously been agreed by other decision making bodies; the proposals on Community Response were made by the Fire Authority (Feb 2016) and the proposal for Community Safety by SMT (July 2015).
15. Implementation of these changes is therefore in line with the current corporate objectives.
16. Following the recent review of the Service Plan and the many changes to the Fire Service environment over the last two years, and as part of the programme management process, a light review of the Risk Review proposals will be undertaken over the next quarter. This check point review will ensure the suggested organisational structure remains suitable and relevant.

CONSULTATION

17. Stakeholder workshops, working groups and user groups have been set up in each Work stream and Representative Bodies have been involved. This will continue throughout the life of the programme.
18. Communications are continuing with emphasis on the people and new vehicle projects. We are working closely with these teams to ensure that station staff and those at Service Headquarters remain updated and engaged. We are achieving this through many different methods including regular face to face meetings, video updates, internal blogs and social media.

RESOURCE IMPLICATIONS

19. Having achieved the first tranche of savings and making progress through the individual work streams, as detailed in paragraphs 7-10 the SDR programme is on target to achieve the projected savings of £4.1 million.
20. The Medium Term Financial Plan recognised the need for strong programme and project management to be in place to oversee this implementation. To continue the central coordination of strong programme management an additional £780,000 is required to fund the SDR team until March 2019.

Workstream		Year 16/17 £'000s	Year 17/18 £'000s	Year 18/19 £'000s	Year 19/20 £'000s	
Activity Based Resourcing and New Equipment	Staff	404	362	403	168	
	Equipment	711	180	47	17	
Fire as a Health Asset	Staff	286	0	0	0	
	Equipment	200	0	0	0	
Workforce and Duty systems (project staff costs)		165	215	167	16	
Central Programme Team (project staff costs)		288	327	308	0	Total for programme
TOTAL		2,054	1,084	925	201	4,264
Approved funding (3,484)		2054	1084	346	0	Total funding gap
Funding Gap		0	0	579	201	780

Table 1. Funding requirement for SDR programme, showing additional funding required is £780,000

21. At this time, the next phase of savings from SDR is not expected until 2019/20, however the MTFP recognises it is likely that some will be available for 2018/19 as individual stations start their crewing trials and begin to implement the Risk Review findings.
22. Early underspends are created before the planned savings are needed. These approved efficiencies allow the trials to be fully evaluated. It is requested that these group underspends are transferred to the SDR programme to allow the central coordination and evaluation of the trials.
23. These approved efficiencies will provide the £780,000 required to continue the programme until 2019. Other approved efficiencies are set out in Appendix B of the MTFP update, and further opportunities will be drawn out as part of the 2018/19 budget setting process.
24. To date the programme has been successful in delivering the changes to the workforce and introducing new equipment and new ways of working. This success had been because of high level of staff engagement and support from the programme team. It is recognised that although this funding is not

additional to the base budget, it is additional to the original transformation funds allocated to the Service Delivery Redesign programme.

25. The additional funding will allow the high level of programme management, staff engagement to continue.

PEOPLE IMPACT ASSESSMENT

26. The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.
27. The People Plan project is moving from our current establishment to our future establishment which will result in a reduction of 60 WDS posts and a reduction of 165 RDS posts. In order to start the crewing and duty system trials, a significant amount of this reduction will be achieved by January 2018.
28. With careful project planning we are delivering this reduction through the predicted leaver profile and ending temporary promotion chains. This has avoided the need for redundancies.
29. There will be some disruption to the workforce to ensure we have the correct number of people in each workplace. Some people will inevitably be required to move their workplace. This is always a difficult and unpopular process and is being carried out with constant communications and engagement with all involved and affected.

OPTIONS

30. It is essential that decision makers make informed choices. This section must clearly set out in sufficient detail all options and assist the decision makers in approving/not approving the recommendations.

RISK ANALYSIS

31. This Full Risk Assessment was undertaken on these changes for the Fire Authority Decision of February 2016.
32. There will be a Risk Assessment of the implementation of the changes. Throughout 2018 there will be close monitoring and evaluation whilst the duty system trials are running.

CONCLUSION

33. The SDR programme has made significant progress in delivering the recommendations identified in the Risk Review project. This has resulted in improvements in the delivery of the service and achieving the projected financial savings as part of the MTFP.

RECOMMENDATION

34. That the content of the report and the progress made to date be noted by Hampshire Fire and Rescue Authority
35. That £780,000 of the approved efficiencies resulting from early underspends be allocated for continuation of the SDR programme.

APPENDICES ATTACHED

36. Service Delivery Redesign Timeline – Appendix 1

BACKGROUND PAPERS

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

Service Management Team Risk Review Proposals, 15 July 2015
Hampshire Fire Authority Risk Review Final Proposals, 24 February 2016
Finance and General Purposes Committee Medium Term Financial Plan to 2020/21, 1 September 2016.
HFRS Effectiveness of SDR1617 Final Report, 6 April 2017

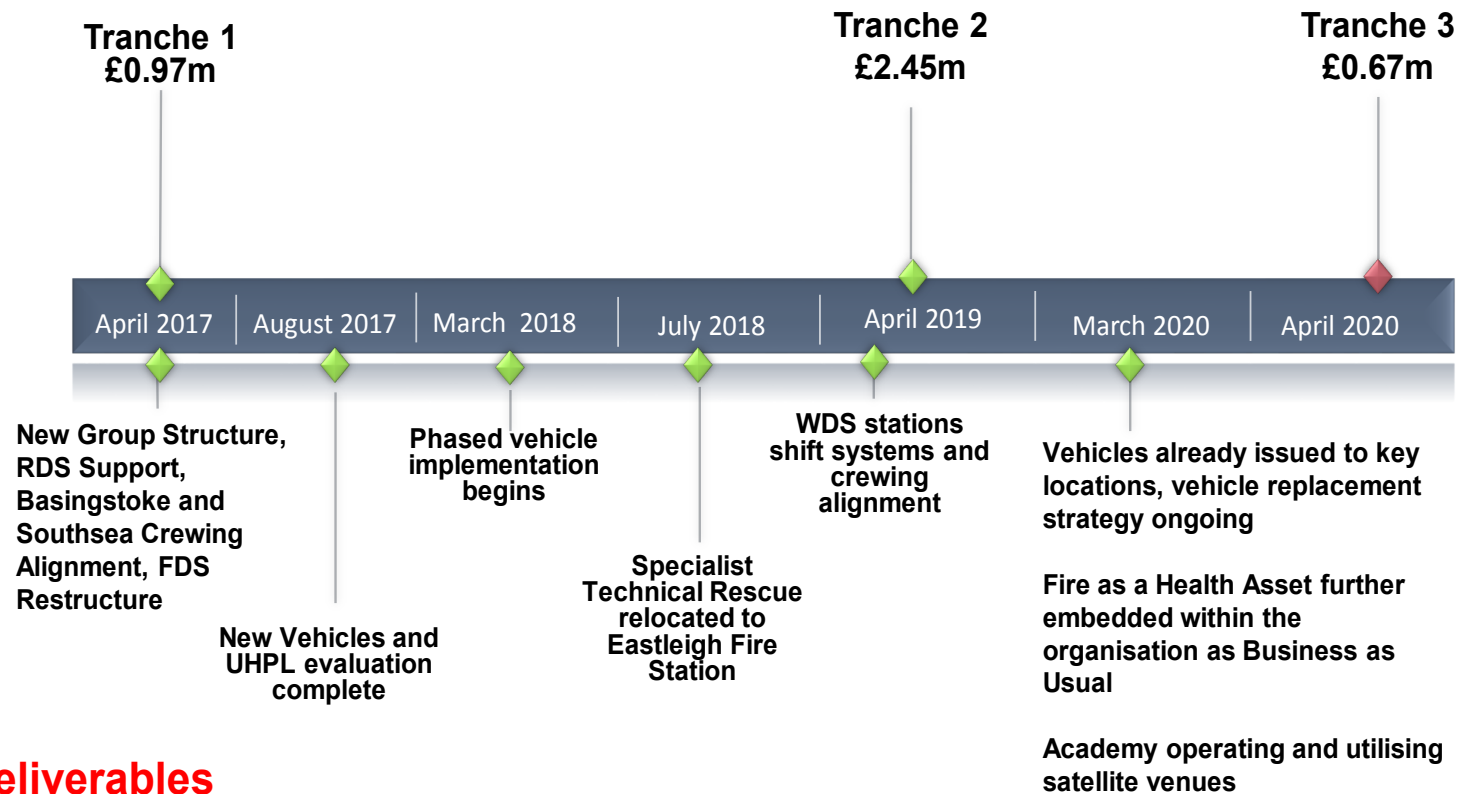
Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

Contact:

Howard Watts, Area Manager, howard.watts@hantsfire.gov.uk, 07918 887607

Service Delivery Redesign Timeline

Savings



Deliverables



We make life safer

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Approved

Date 04 OCTOBER 2017

Title HAMPSHIRE FIRE AND RESCUE AUTHORITY GOVERNANCE
IMPROVEMENT PLAN

Report of Committee Clerk

EXECUTIVE SUMMARY

1. This report relates to the Authority paper published in June 2016, whereby the Authority approved a number of recommendations related to the Hampshire Fire and Rescue Authority (HFRA) Governance Review, including actions within the Governance Improvement Plan.
2. This report seeks approval for closure of the Governance Improvement Plan.

BACKGROUND

3. At its December 2015 meeting, the HFRA (the Authority) commissioned a cross party, Member led Working Group to review its governance arrangements and framework. The aim of the work was to ensure that the Authority was in the best position to continue to lead Hampshire Fire and Rescue Service in delivering excellent quality services to the residents of Hampshire, whilst remaining resilient and responsive to change and challenges in the future and operating efficiently.
4. The report of the Working Group was considered at the Authority's June 2016 meeting and a number of recommendations were approved.
 - (a) The Authority accepts a strategy to offer the Police and Crime Commissioner (PCC) a seat on the Authority with effect from the beginning of the 2017/2018 municipal year.
 - (b) With immediate effect, invite the PCC to future full Authority meetings, in a non-voting capacity but with the ability to comment on items of business.
 - (c) Open dialogue with South Central Ambulance to identify options for reciprocal input into each other's strategic decision making.
 - (d) Approve the contents of the Governance Improvement Plan.

In addition to the recommendations above, the Authority also agreed to consult with stakeholders on size options for the Authority.

5. At its September 2016 meeting, the Authority considered the outcomes of stakeholder consultation and subsequently agreed to reduce the number of Members from 25 to 10 with effect from the annual general meeting in June 2017. The Authority also agreed to the inclusion of the PCC as an HFRA Member with full voting rights from June 2017 and instructed the Clerk to make the necessary amendments to the Combination Order to facilitate this.
6. During the September 2016 meeting, the HFRA delegated authority to the Clerk to prepare appropriate draft revisions of the Authority's Standing Orders, the Authority's Scheme of Delegation, Committee Terms of Reference and other relevant governance documentation for consideration at the annual general meeting in June 2017.

RECOMMENDATIONS FROM JUNE 2016 AUTHORITY MEETING

7. *The Authority accepts a strategy to offer the Police and Crime Commissioner (PCC) a seat on the Authority with effect from the beginning of the 2017/2018 municipal year*

The HFRA Combination Order is currently in draft with the Home Office for Home Secretary approval. Once the Combination Order has been approved, the PCC can request a voting seat on the Authority, as is stated in the Policing and Crime Act 2017.

8. *With immediate effect, invite the PCC to future full Authority meetings, in a non-voting capacity but with the ability to comment on items of business.*

The PCC is invited to all Fire Authority meetings. He has attended and has taken part in meetings.

9. *Open dialogue with South Central Ambulance to identify options for reciprocal input into each other's strategic decision making*

Dialogue has started with the Chair of the Council of Governors from South Central Ambulance Service (SCAS) to identify how the Authority could be represented on the Council of Governors. It has been identified that the composition of the Council of Governors is reviewed every couple of years with the next review likely towards the end of the year. HFRS Officers have expressed an interest in creating more political linkage between SCAS and the Hampshire Fire and Rescue Authority and this has been well received by the Chair of the Council of Governors. Officers have asked for these views to be fed into the next review. Conversations continue with the Chair of the Council of Governors and Members will be updated on any developments.

10. *Approve the contents of the Governance Improvement Plan*

The Authority approved the actions within the Governance Improvement Plan in June 2016. During the September 2016 meeting, delegation was given to the Clerk to prepare appropriate draft revisions of the Authority's Standing Orders, the Authority's Scheme of Delegation, Committee Terms of Reference and other relevant governance documentation for consideration at the annual general meeting in June 2017. This actions is included within the Governance Improvement Plan.

The Governance Improvement Plan has nine actions. The table in appendix A gives an update on the key pieces of work that have taken place to complete the nine actions. The table illustrates that all actions are now complete and Authority approval is required to close the plan.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

11. A Governance Review was carried to ensure that the Authority was in the best position to continue to lead Hampshire Fire and Rescue Service in delivering excellent quality services to the residents of Hampshire, whilst remaining efficient, resilient and responsive to change and challenges in the future. The Governance Review and the Authority wanting to be in the best possible position to lead the Service supports the Service Plan 2015-2020 in its aim to make life safer for everyone in Hampshire.

CONSULTATION

12. There is no statutory duty to consult required for the closing of the Governance Improvement Plan.

COLLABORATION

13. The Fire Authority welcome the opportunities that collaboration with our blue light partners present and will consider further opportunities as they arise.

RESOURCE IMPLICATIONS

14. Officers from HFRS and Hampshire County Council work together to ensure that the administration of the Fire Authority runs as efficiently and effectively as possible. Any further work required as a result of not closing the Governance Improvement Plan will be carried out with current resources.

LEGAL IMPLICATIONS

15. Legal implications of the HFRA Governance Review have been considered in previous reports. There are no legal implications to consider for this report.

PEOPLE IMPACT ASSESSMENT

16. A people impact assessment is not required for the closing of the Governance Improvement Plan.

OPTIONS

17. Option one: Acknowledge the completion of the Governance Improvement Plan and approve its closure.

The actions within the Governance Improvement Plan have all been completed with the majority having been included within the Constitution which was approved by the Authority at the June 2017 Annual General Meeting.

The closure of the Governance Improvement Plan does not restrict further refinement and development of all HFRA governance documents. It would be beneficial for the Fire Authority to evaluate itself one year on from operating in its new model to ensure it is continuously learning and evolving.

It would be beneficial to acknowledge that the actions are complete and give the Authority the opportunity to embed the new operating model and reflect on the changes made and new governance processes at a later date.

18. Option two: Choose not to close the Governance Improvement Plan.

The Authority may choose to leave the Governance Improvement Plan open and may request further work be carried out by Officers.

This is not the preferred option. A considerable amount of work has gone into ensuring the actions within the Governance Improvement Plan are carried out. Leaving the plan open and requesting further work could mean that the new operating model isn't given a chance to embed itself.

RISK ANALYSIS

19. The new style Fire Authority is currently operating with its reduced number and newly created Constitution. It would be beneficial to allow the Authority time to embed the new ways of working. To close the Governance Improvement Plan would conclude the Governance Review and mean Members can proceed with fulfilling the role of ensuring that Hampshire has an efficient and effective fire Service which makes life safer for everyone. The Authority carried out the Governance Review to operate in the most efficient and effective way, there is a risk that if the Governance Improvement Plan is left open and the loop not closed, that the Authority are not demonstrating efficient and effective practice.

CONCLUSION

20. The Authority carried out a Governance Review in 2016 which resulted in several actions and recommendations requiring completion. In June 2017, the newly formed Fire Authority approved a new Constitution and began working with their new more efficient and effective model. The Governance Improvement Plan has been completed and it is recommended that the Authority approve closure of the plan.
21. It should be noted that the Fire Authority are a progressive team striving to lead the Service to make life safer for Hampshire. Further reviews and refinement to any of the documents created can be carried out as required.

RECOMMENDATION

22. That the Hampshire Fire and Rescue Authority approve closure of the Governance Improvement Plan.

APPENDICES ATTACHED

23. Appendix A – Governance Improvement Plan

Contact Point:

Kevin Greenhough, kevin.greenhough@hants.gov.uk, 01962 847483

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Approved

Date: 4 OCTOBER 2017

Title: **HFRS ACADEMY FUNDING – PRINCE PHILIP BARRACKS AND
DECENTRALISED TRAINING**

Report of: Chief Officer

EXECUTIVE SUMMARY

1. The success of community safety activity has seen a 50% fall in incidents, therefore training in realistic environments for all staff is vital in improving firefighter and public safety whilst delivering the highest level of service to the public of Hampshire.
2. HFRS has introduced a pioneering approach nationally to firefighting known as SAVE (Scan, Attack, Ventilate, Enter and Extinguish) through the use of new equipment technology and techniques.
3. Prince Philip Barracks (PPB) in Bordon provides a unique training facility in the north of Hampshire to enable firefighters to receive initial acquisition/ongoing training and to practice SAVE in the most realistic environment using live fires and UHPL.
4. Financial investment is required by Hampshire Fire and Rescue Authority to ensure the continued successful delivery of high quality training to our operational crews at the Prince Philip Barracks site, and through a decentralised delivery model across the county of Hampshire.
5. The purpose of this paper is to seek formal approval to continue to fund realistic, live fire training, delivered through the HFRS Academy until March 2022. A total of £499,521.40 is required to achieve this.

BACKGROUND

6. Hampshire Fire and Rescue Service has a justifiably excellent reputation (nationally and internationally), with regard to its operational and specialist response capabilities. HFRS aims for operational excellence in all of our response activities and is committed to supporting and enabling our staff to

perform as highly as possible, both individually and collectively as part of our twin aims of making Hampshire safer and being the best fire and rescue service, we can be.

7. In order to achieve this, our priority is to strengthen our drive for operational effectiveness by improving the way we respond to and support incidents. We also seek to improve the way we train and develop the skills, knowledge and experience of all response staff. We focus on how we train and prepare incident commanders and firefighters for the potentially complex task of firefighting, and the range of firefighting strategy and tactics available for an incident commander to deploy.
8. This approach will integrate with and inform the Service Delivery Redesign programme ensuring that our priority and objectives remain central to our approach.
9. We have identified a number of key objectives in the coming years concentrating on these will help to ensure our communities and staff are safer in the future. One example is the development and utilisation of our satellite training facility at Prince Philip Barracks (PPB) in Bordon, Hampshire.
10. PPB has also been used for training exercises by London Fire Brigade, Kent Fire and Rescue Service and South Central Ambulance Service with interest also shown by Royal Berkshire and West Sussex Fire and Rescue Services in buying time and facilities on site.
11. As part of the HFRS Academy business plan we will seek to 'sell' on any spare capacity as a source of income to HFRS, whilst ensuring all HFRS requirements are met first. A typical example with one partner would see full cost recovery arrangements generating approximately £34,000 per annum.

AIMS AND OBJECTIVES

12. HFRS works hard to keep our communities safe through education and safety measures. However, we accept incidents will still occur and in the event of a call to an emergency, we must have effective strategies in place to respond to numerous types of incidents.
13. Risks around Hampshire are changing constantly which means we must be smart in adapting to these. Our goal is for all of our resources to be safe, flexible, adaptable and state-of-the-art in order to minimise the impact of incidents and the number of deaths and injuries across the county. Our people should be multi-skilled and our equipment, vehicles and procedures multi-purpose.

14. To achieve this, we have introduced a new capability-based response to incidents, targeting our resources in the most responsive and cost-efficient way. We will also make the best possible use of new technologies, such as cold-cut technology, which uses ultra-high pressure water that lowers temperatures in fires from 600 to 60 degrees Celsius in less than 40 seconds, and improves firefighter and public safety.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

15. Continuation of initial acquisition and ongoing maintenance of competence of ultra-high pressure lance (UHPL), breathing apparatus, positive pressure ventilation, marauding terrorist firearms attack (MTFA) and command decision making is integral to HFRS's Community Response Delivery Plan 2015-2020. The identified priorities within the Response Delivery Plan integrate with the overall key priorities for the Service of "Making Life Safer" and "Making our Service Stronger" and our overall aim to "make Hampshire safer".
16. By further developing and embedding firefighting strategies and tactics using UHPL, compressed air foam systems (CAFS) and positive pressure ventilation (PPV) based on the SAVE system our firefighters will be more effective and safer. We aim to have fully developed live fire training for all operational Groups through Prince Phillip Barracks and other satellite sites by March 2018.
17. In developing this strategy, many factors have been considered in order to ensure the Service continues to provide the best possible emergency response to the communities of Hampshire and to complement the Service's plan and pathway towards 2020.
18. The end state for Community Response is that all of our resources, people, equipment, fleet, procedures being multi-skilled and multi-purpose, flexible and adaptable and 'state of the art'; to maximise impact and minimise the number of people killed and injured. We will have made the maximum use of technology to improve our operational effectiveness and will have built on the Risk Review outcomes and have implemented a new approach to firefighting and rescue (SAVE).
19. We are seen by our staff, our communities, our partners and other FRS' as the leading operational service in the UK protecting people, property and the environment using all of our resources as efficiently and effectively as possible.

TRAINING THROUGH A DECENTRALISED DELIVERY MODEL

20. The HFRS Academy has adopted a delivery model of training by providing to our operational crews through a more flexible model to ensure equal provision to all staff. Prince Philip Barracks being located at the north of Hampshire does limit the practical availability of the site to some teams, primarily those furthest away in the New Forest for example.
21. The funding requirements account for the provision of localised training equipment. These mobile burn boxes and cutting rigs will enable managers and HFRS Academy Associate Trainers to deliver this important instruction to crews locally and reduce travel time and costs.
22. The delivery of training in this manner is cost effective, particularly with respect to RDS teams, and builds local ownership to training provision, raising professional standards and embedding new ways of working.

CONSULTATION

23. Although there was no statutory duty to consult, the Fire Brigade's Union have been engaged with and are fully supportive of the continued presence of their members at Prince Philip Barracks. The FBU like HFRS is keen to ensure its members are fully prepared and trained when dealing with operational incidents and in the light of falling call rates they feel realistic, live fire training is vital in keeping firefighters safe.
24. No further consultation was necessary beyond that stated above as this request is to continue an existing practice.

COLLABORATION

25. Prince Philip Barracks has been used to facilitate and promote collaborative training and multi-agency exercise. It is the aim of HFRS to continue to use PPB for this purpose until the end of the lease. This has improved the ability for all agencies involved to respond more effectively to a range of emergency incidents under the Joint Emergency Services Interoperability Principles (JESIP).
26. The HFRS Academy will always seek to promote Prince Philip Barracks, its facilities and our Trainers as a sellable asset. Where appropriate we have, and continue to work with blue light partners and other agencies to facilitate and support their own training needs on a full costs recovery basis.

RESOURCE IMPLICATIONS

27. A total of £499,521.40 is required to deliver the outcomes presented in this paper and would come from a combination of transformation funding, ongoing revenue budgeting and capital expenditure.
28. A summary of costs for the five-year period until 2021-22 is presented in Appendix A and shows the required equipment, consumables and human resources.
29. The associated costs have been verified and are supported by Heads of Service, the Director of Finance and HFRS Directors.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

30. Current assessment of environmental impacts are constantly reviewed by the HFRS Academy through existing work practices to minimise the impact on the local environment from smoke and fumes. No additional impacts have been identified other than the duration of the five-year lease that this funding will secure.

LEGAL IMPLICATIONS

31. There are no additional legal implications above the existing agreed lease arrangements with Whitehall and Bordon Regeneration Company (WBRC), who are the site developers
32. HFRS are able, under the terms of the lease to withdraw after six months from the original date of signing (July 2017), with three months' notice, if a building is not available for live fire purposes. Use of other buildings is on a case by case agreement.
33. The WBRC have a break out clause at the end of the second year (2018-19), to allow for changes in the demolition schedule. This may lead to a loss in investment in building works to building 51A, and will be in the region of £60,000.
34. There are no known cost implications if HFRS withdraw for any other reason.

PEOPLE IMPACT ASSESSMENT

35. The proposals in this report must be considered compatible with the provisions of equality and human rights legislation.

36. No other People Impact Assessments have been carried out as this is a continuation of current working practices which have previously been subject to a PIA.

RISK ANALYSIS

37. HFRS Academy has a dedicated Station Manager whose role is to manage the effective and efficient use of the site. The role is also a liaison role with WBRC. Maintaining clear and open communications with their counterpart in WRBC will mitigate any adverse reputational or relationship risks associated with this partnership.
38. Live-fire training will maximise the opportunity or benefit to our operational staff and is part of our strategy to combat firefighters having less experience of dealing with fires and introduce the new ways of working and equipment FRS agreed under Risk Review/Service Delivery Redesign. If we are not able to invest in this opportunity, we will need to find other alternatives to achieve our aims.

CONCLUSION

39. Since August 2016 Hampshire Fire and Rescue Service, via the HFRS Academy have used the Prince Philip Barracks (PPB) site in Bordon for realistic, live-fire training. This is under an established and agreed lease arrangement with the site developers until the end of March 2022.
40. PPB is integral to the ongoing training programme which underpins the introduction of Ultra-High Pressure Lance (UHPL) technology and the SAVE principle when responding to operational incidents. The venue also enables crews to train with other firefighting media (water, CAFS), breathing apparatus and positive pressure ventilation fans. The site is also used by other agencies, blue light partners and for joint training (MTFA).
41. The initial acquisition period for training with UHPL will continue until the end of March 2018 however the site will remain available for maintenance of competence and other training courses, both internally (HFRS) and externally to third parties until March 2022.
42. Allocated money (£499,521.40) will fund the training team, equipment and site facilities (lease payments and the development of Building 51A) which will improve the safety and operational effectiveness of our firefighters, and the command decision making of our incident commanders

RECOMMENDATION

43. That £499,521.40 is approved by Hampshire Fire and Rescue Authority to enable the HFRS Academy to deliver realistic, live fire training through Prince Philip Barracks and locally at station level over a five-year period, until 2021-22.

APPENDICES ATTACHED

44. Appendix A – Summary of funding request HFRS Academy - Prince Philip Barracks and Delivery of Decentralised Training

Contact:

Jason Avery, Area Manager. jason.avery@hantsfire.gov.uk, 07918 887850

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Appendix A

Summary of funding request HFRS Academy – Prince Philip Barracks and delivery of decentralised training

	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Cap/Rev
Building works Block 51A	£89,308.40					£89,308.40	Transformation
funding							
Lease	£16,145.00	£16,145.00	£16,145.00	£16,145.00	£16,145.00	£80,725.00	On-going Revenue
Budget							
Staff costs	£137,688.00					£137,688.00	Transformation
funding							
Training equipment & compressor	£62,800.00					£62,800.00	Capital
Mobile burn units and cutting rigs	£43,000.00	£43,000.00	£43,000.00			£129,000.00	Capital
Total	£348,941.40	£59,145.00	£59,145.00	£16,145.00	£16,145.00	£499,521.40	

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Agenda Item 12

AT A MEETING of the of HFRA Standards and Governance Committee held at
Fire & Police HQ, Eastleigh on Friday, 15th September, 2017

Chairman:

* Councillor Luke Stubbs

* Councillor Roz Chadd
Councillor Jonathan Glen
* Councillor Sharon Mintoff

Councillor Roger Price
* Councillor Rhydian Vaughan

*Present

1. **APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Glen and Cllr Price.

2. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed

4. **DEPUTATIONS**

There were no deputations for the meeting.

5. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements.

6. **EXTERNAL AUDIT REPORT**

The Committee received a covering report from the Treasurer (Item 6 in the Minute Book), along with the External Auditor's Audit Results report.

The Chairman welcomed Adam Swain and Maria Grindley to the meeting from Ernst & Young.

External Audit were pleased to confirm that the Audit had been a smooth process with nothing to cause concern, and it was highlighted that the deadline for signing off the accounts for 2017/18 was the end of July, which would require a meeting of S&G Committee at that time.

It was also noted that given the restricted timescales, the appropriate papers for those meetings were likely to only be available at the actual Committee.

RESOLVED

The Committee:

- a) Received the External Auditor's HFRA Audit results Report for 2016/17; and
- b) Endorsed the proposal to appoint Ernst & Young as external auditors from the 2018/19 audit of accounts for a period of 5 years.

7. INTERNAL AUDIT ANNUAL REPORT AND OPINION 2016/17

The Committee received a report from the Chief Internal Auditor (Item 7 in the Minute Book) which provided an opinion on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending in March 2017.

The Chief Internal Auditor confirmed that framework of risk management, control and governance continued to be adequate. A summary of actions for limited opinions had been listed, which were mainly based around procurement and would be monitored going forward.

RESOLVED:

The Committee accepted the Chief Internal Auditor's annual report and opinion statement for 2016/17

8. INTERNAL AUDIT PROGRESS REPORT

The Committee received a report from the Chief Internal Auditor (Item 8 in the Minute Book), which provided an update regarding internal audit work completed in accordance with the approved audit plan, and an overview of the status of 'live' reports.

It was confirmed that some actions were listed as 'pending', meaning that the due date had not yet been reached. Members queried why safeguarding was included in the plan and officers confirmed that it covered every aspect of the service and was particularly important due to firefighters being in contact with vulnerable people and children.

RESOLVED:

The Committee noted the progress of internal audit work for the period ending 31 August 2017.

9. **IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS -
PROGRESS REPORT**

The Committee considered a report from the Chief Officer (Item 9 in the Minute Book), which provided an overview of work done to oversee the implementation of internal audit recommendations and respective actions, and also an update on actions not yet completed along with their status. It was confirmed that department managers were responsible for agreeing actions to be taken in response to audit findings to mitigate risk. The action plans clearly identify the proposed action, responsible officer and target completion date.

There were some aspects on Page 85 regarding Provided Vehicle Policy where updates were not possible due to the changes in taxable benefits, but this would return to Committee once it had been resolved.

RESOLVED:

The progress made towards the implementation of the internal audit management actions was noted and continues to be monitored.

10. **ANNUAL ASSURANCE STATEMENT**

The Committee received a report from the Chief Officer (Item 10 in the Minute Book), which asked Members to approve the Statement of Assurance as part of the Fire and Rescue National Framework requirements.

It was confirmed that the format and interpretation of the Statement was different across Authorities, but the Home Office had been happy with HFRS's version and so it had been continued this year following last years submission.

RESOLVED:

The Annual Assurance Statement 2017 was received and approved by the Committee.

11. **STATEMENT OF ACCOUNTS INCLUDING ANNUAL GOVERNANCE
STATEMENT**

The Committee considered a report from the Treasurer (Item 11 in the Minute Book), which asked Committee to approve the Statement of Accounts for 2016/17 and Letter of Representations.

RESOLVED:

- A) The Statement of Accounts for 2016/17 was approved subject to any minor amendments, of which the Treasurer had delegated authority to approve as necessary.
- B) The Letter of Representations contained in Appendix 2 was considered and approved by the Committee

12. **ANNUAL REPORT OF PENSION BOARD**
Page 85

The Committee received a report from the Chief Finance Officer (Item 12 in the Minute Book) which summarises work of the Pension Board for 2016/17 and provided an update on key issues.

It was confirmed that initially the Board were dealing with historical admin issues early in 2016/17, but more recently, the Board and officers supporting them had been much more proactive in their approach to various issues, including increasing communications with Members and employees. A new interactive pensions website had also been developed which provided up to date information and tools which allowed Officers to more simply request information such as personalised pension estimates.

RESOLVED:

- A) The contents of the report were received and acknowledged by the Committee

HFRA S&G Chairman,