

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, 26th September, 2018 10.30 am	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	Wellington Room - HCC	
<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 - 10)

To confirm the minutes of the previous meeting, which took place on the 12 July 2018.
- 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 DEPUTY CHIEF FIRE OFFICER APPOINTMENT COMMITTEE (Pages 11 - 18)

To consider a report from the Head of Human Resources regarding and Appointment Committee for a new Deputy Chief Fire Officer.

8 MEDIUM TERM FINANCIAL PLAN (Pages 19 - 38)

To consider a report from the Treasurer, which provides an update to the Authority on the budget development process for 2019/20 and the medium term position for Hampshire Fire and Rescue Authority's (HFRA) finances to 2021/22.

9 SERVICE PLAN PROGRESS REPORT (Pages 39 - 56)

To receive a report from the Chief Fire Officer, which provides Hampshire Fire and Rescue Authority (HFRA) with a comprehensive overview of the Service's performance against its strategic goals, the Safer and Stronger Priorities contained within the Service Plan 2015-2020.

10 HEALTH AND SAFETY ANNUAL REPORT 2017 - 2018 (Pages 57 - 64)

To receive the Health and Safety Annual report for 2017-18, for endorsement by the Full Authority.

11 MINUTES FROM THE STANDARDS AND GOVERNANCE MEETING ON THE 26 JULY 2018 (Pages 65 - 70)

To receive the draft Minutes from the Standards and Governance Committee meeting, which took place on the 26 July 2018.

12 EXCLUSION OF PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

13 **STATION INVESTMENT PROGRAMME** (Pages 71 - 80)

To consider an exempt report from the Chief Fire Officer regarding the Station Investment Programme going forward.

14 **EXEMPT MINUTE FROM 12 JULY HFRA MEETING** (Pages 81 - 82)

To approve the exempt Minute from the HFRA Full Authority meeting on 12 July 2018.

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 of HAMPSHIRE COUNTY COUNCIL held at the castle, Winchester on Thursday, 12th July, 2018

Chairman:

* Councillor Christopher Carter

* Councillor Liz Fairhurst
* Councillor Roz Chadd
* Councillor Jason Fazackarley
* Councillor Jonathan Glen
* Councillor Geoffrey Hockley

* Councillor Sharon Mintoff
* Councillor Roger Price
* Councillor David Simpson
* Councillor Rhydian Vaughan

*Present

102. APOLOGIES FOR ABSENCE

Apologies were received from the Police and Crime Commissioner, Michael Lane. A representative from the Office of the Police and Crime Commissioner (OPCC) attended as an observer.

103. DECLARATIONS OF INTEREST

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

104. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

105. DEPUTATIONS

There were no deputations for the meeting.

106. CHAIRMAN'S ANNOUNCEMENTS

The Chairman confirmed his attendance at the Chiefs and Chairs 'Broadening the Role' meeting on 28 June and the LGA conference in Birmingham on the 3 and 4 July, which focused on fire Safety and Building Control. He also informed Members of the Assaults on Emergency workers (Offences) Bill 2017-19, which was currently in the House of Lords having had its second reading and is waiting for the Committee Stage.

The Chairman also congratulated the newly appointed Area Managers, following a national recruitment campaign and Howard Watts, Jason Avery and Rob Cole subsequently joined Kev Evenett and Tom Simms as permanent Area Managers. The Chairman also thanked Iain Hardcastle, who was leaving the

Service, for his loyal and dedicated service.

107. MEMBER DEVELOPMENTS AND COMMENTS

The Chairman confirmed that on an 8 week basis, Members will receive an email detailing HFRS events, providing key dates for members to be aware of.

108. MINOR AMENDMENTS TO THE CONSTITUTION AND APPOINTMENT OF MEMBER DEVELOPMENT LIAISON CHAMPION

The Authority considered a report from the Clerk to the Fire Authority (Item 7 in the Minute Book) regarding changes to the Constitution and the appointment of a new Member Development Liaison Champion.

The changes were highlighted in section 5 of the report, but it was confirmed that the majority of changes were around key roles and titles for clarification purposes, and that all 'Chief Officer' references had been updated to 'Chief Fire Officer'. The changes in process on page 23 were highlighted, along with the importance of officers having the ability to make deposits in cases of emergency only. This enabled the Authority to act in a more agile way in the commercial property market, whilst at the same time ensuring the Authority retains decision making over completion of high value land transactions. There was also a proposal to increase the value above which the disposal of land or buildings through leases or licenses need to come to the full Authority for approval. The current value is £25,000 and it was proposed that this should be increased to £100,000, with a requirement to report to the Authority any leases or licenses that are approved by the Chief Fire Officer.

In cases where the Chairman was unavailable for consultation on emergency spend, the Vice Chairman would deputise.

RESOLVED:

1. The Authority approved the amended version of the Constitution at Appendix 1; and
2. The Authority agreed to delegate authority to the Clerk to make minor changes to the Constitution to reflect the agreed position regarding CMT, once agreed by Members; and
3. The Authority agreed to delegate authority to the Clerk to finalise the version of the Constitution at Appendix 1 and arrange for this to be published on the Authority's website.
4. The appointment of a Member Development Liaison Champion was deferred to a future meeting of the fire Authority.
5. That paragraph 3.4 in the Constitution, relating to Members of the Firefighter's Pension Board, is removed and 3.3 is updated accordingly to give the Pension Board more flexibility in the appointments.

109. **OUTTURN REPORT 2017/18**

The Authority considered a report from the Chief Financial Officer (Item 8 in the Minute Book) regarding the Outturn for 2017/18.

It was confirmed that there was an underspend of £434,800 against budget. This is after having absorbed the significant overspend on the ICT Transformation project and a small overspend on Property Services that had already been reported during the year. The forecast for the expected 2018/19 revenue spend as of month two estimated an underspend of £1.7m due to staff savings.

On page 138 of the pack, it was noted that there was a large increase in the net cost of pensions and support staff, which would be investigated by the Treasurer and reported back to the Authority.

RESOLVED:

1. The accounts for 2017/18, including the use of reserves set out in paragraph 22, and Appendix D of this report was approved by Hampshire Fire and Rescue Authority;
2. That the carry forward requested in paragraph 2 of this report was approved;
3. The request that funding be taken from the 2017/18 underspend to cover one-off IT spend as set out in paragraph 4 of this report was approved;
4. The changes to the capital payments in 2017/18 and the impact on the capital spend profile going forward as set out in Appendices B & C was approved by Hampshire Fire and Rescue Authority;
5. The financing for capital payments as set out in paragraph 18 was approved by Hampshire Fire and Rescue Authority;
6. That the annual treasury outturn report set out in Appendix E of this report was approved by Hampshire Fire and Rescue Authority; and
7. The refresh of the Reserves Strategy detailed in Appendix F was approved by Hampshire Fire and Rescue Authority.
8. The increase in the net cost of pensions and support staff would be investigated by the Treasurer and reported back to Full Authority at the next meeting.

110. **PERFORMANCE REPORT**

The Authority received a report from the Chief Fire Officer (Item 9 in the Minute Book) which updated Members on Performance.

It was highlighted that critical response was an ongoing challenge but shifts lost due to sickness had seen a dramatic improvement. On paragraph 13 of the report, it was requested that data around critical response times in urban and rural areas be broken down for more detailed analysis. Members queried the short and long-term sickness data in paragraph 14 of the report, but it was confirmed that this would be covered in the Workforce report that would go to Authority later in the year.

RESOLVED:

a) The Hampshire Fire and Rescue Authority reviewed the performance detailed in Appendix A and noted the strategies for improvement.

b) That in future reports, data on critical response times be broken down according to urban and rural areas for more detailed analysis.

111. **ANNUAL STATEMENT OF EQUALITY**

The Authority considered a report from the Chief Fire Officer (Item 10 in the Minute Book) regarding the Equality Statement following Hampshire Fire and Rescue Services (HFRS) updated equality objectives.

It was confirmed that the figures within the statement were proportional to the national demographic and the focus was to achieve a principle as opposed to specific figure. In paragraph 10 (Key Area 3) Cllr Mintoff spoke of the good community engagement in Southampton, particularly with minority groups.

RESOLVED:

a. The listed Equality Objectives were approved by Hampshire Fire and Rescue Authority; and

b. The Annual Statement of Equality (Workforce demographics) was noted by Hampshire Fire and Rescue Authority.

112. **FIRE AND RESCUE NATIONAL FRAMEWORK FOR ENGLAND**

The Authority received a report from the Chief Fire Officer (Item 11 in the Minute Book) regarding the Fire and Rescue National Framework for England.

A consultation had been released in December 2017, allowing the Authority to comment on proposals to update the Fire and Rescue National Framework. The new Framework was published in May 2018. It sets out the government's priorities and objectives for fire and rescue authorities. .

Members acknowledged the Framework.

RESOLVED:

The revised Fire and Rescue National Framework be noted by Hampshire Fire and Rescue Authority and Members agreed to pay due regard to the Framework

when carrying out the Authority's functions.

113. BUILDING A SAFER FUTURE - INDEPENDENT REVIEW OF BUILDING REGULATIONS AND FIRE SAFETY FINAL REPORT

The Authority received a report from the Chief Fire Officer (Item 12 in the Minute Book) regarding an independent review of building regulations and fire safety.

The work had been a large scale review and there were some high level areas, like high risk residential buildings and competency frameworks that may have an adverse effect on the Service.

In paragraph 22 of the report, Members were concerned that budget restraints would have an adverse effect on Fire Safety teams, but this would be reviewed once the recommendations were known following consideration by Government.

RESOLVED:

a. The Fire and Rescue Authority noted the establishment and work of the post Grenfell working group and the independent review and reports that had been produced since the Grenfell Tower fire.

b. The Fire and Rescue Authority noted the work HFRS had 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.

114. EXCLUSION OF PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

115. PROVISION OF LIVE FIRE TRAINING

The Authority considered an exempt minute regarding the provision of live fire training (Item 14 in the Minute Book) [SEE EXEMPT MINUTE]

116. LEARNING FROM A MAJOR INCIDENT

Cllr Glen left the meeting before this item was discussed.

The Authority received an exempt report from the Chief Fire Officer (Item 15 in the Minute Book) regarding learning from a major incident.

Members were happy with the proposed actions being taken.

RESOLVED:

The actions of Hampshire Fire and Rescue Service following the release of the Kerslake report were noted by the Authority.

117. **EXEMPT MINUTE FROM 13 JUNE FULL AUTHORITY MEETING**

The exempt minute from the 13 June Full Authority meeting was approved.

Chairman,



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Decision

Date **26th September 2018**

Title **DEPUTY CHIEF FIRE OFFICER APPOINTMENT COMMITTEE**

Report of Director of Human Resources

EXECUTIVE SUMMARY

1. This report notes the Deputy Chief Fire Officer's resignation, which will take effect in June 2019. It also proposes that an Appointment Committee is established and that authority is delegated to that Appointment Committee to determine and implement an appropriate recruitment strategy, and to make the appointment of a new Deputy Chief Fire Officer for both Hampshire Fire and Rescue Authority (HFRA) and Isle of Wight Council (IWC).

BACKGROUND

2. The current Deputy Chief Fire Officer, Andy Bowers, has confirmed his intention to retire in June 2019.
3. Andy Bowers is currently the Deputy Chief Fire Officer of Hampshire Fire and Rescue Service (HFRS) and also Isle of Wight Fire and Rescue Service (IWFRS), pursuant to the Delivering Differently in Partnership ("DDIP") agreement.
4. In light of the complex national and local context within which both fire services are operating, it is important for the Authority to make considered and informed decisions about the strategy to recruit a new Deputy Chief Fire Officer and the basis on which any appointment will be made.
5. In order to ensure that the Authority is able to explore and consider all relevant issues and devise a strategy and process that meets both HFRA and IWC requirements, it is recommended that an Appointment Committee is set up. The Appointment Committee will determine the recruitment strategy, recruitment process and basis on which the appointment of a new Deputy Chief Fire Officer should be made.
6. Proposed terms of reference for the Appointment Committee are set out at Appendix 1. It is proposed that 5 members of HFRA are appointed to the Appointment Committee, as per the Terms of Reference and that the HFRA Chairman is appointed as Chairman. It is also proposed that a Member of the IWC is invited to join the Appointment Committee.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

7. Recruiting a Deputy Chief Fire Officer with the right skills to lead the Service through a period of change over the next two to five years is vital in order to support the delivery of the Service Plan.

CONSULTATION

8. It is recommended that the Appointment Committee consult the IWC with a view to determining appropriate involvement of the IWC in the process as a stakeholder. Inviting a Member of the IWC to participate in the Appointment Committee (as a non voting stakeholder) will assist with this consultation.
9. The Appointment Committee will also wish to identify other key stakeholders and consider appropriate consultation, as per the proposed Terms of Reference.
10. Public consultation is not required, as this is an internal employment matter.

RESOURCE IMPLICATIONS

11. Delivery of the recruitment strategy determined by the Appointment Committee will need to be appropriately resourced. Human Resources (HR) will lead the process as part of the business as usual HR processes and members of the Appointment Committee will need to be available to participate in the process.

LEGAL IMPLICATIONS

12. HFRA is able to form committees pursuant to ss101 and 102 of the Local Government Act 1972 and is able to delegate functions to such a committee.
13. Any recruitment strategy and process undertaken by the Appointment Committee will need to meet the Authority's statutory equality obligations. Decision making must be in accordance with the constitution and other legal requirements. Legal advice will be given to the Appointment Committee as required.

PEOPLE IMPACT ASSESSMENT

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

OPTIONS

15. The Authority has the options of:

- (a) delegating the responsibility for appointing a new Deputy Chief Officer to an Appointment Committee pursuant to the terms of reference set out at Appendix 1; or
- (b) reserving the decision to appoint to Hampshire Fire and Rescue Authority, as a decision of the full authority.

RISK ANALYSIS

16. The risks of not establishing an Appointment Committee are that the contextual factors that are relevant to a Deputy Chief Fire Officer recruitment strategy and process may not be appropriately considered, leading to a decision or decisions which may be open to challenge or which will otherwise adversely affect the Authority.
17. The timescales for successfully appointing a new Deputy Chief Fire Officer who can take up post with effect from April 2019 (to allow for a handover) are tight. If an Appointment Committee is not given delegated authority to make the appointment and instead has to report back to HFRA for a full authority decision, this is likely to cause a delay.

CONCLUSION

18. For the reasons set out in this report it is recommended that an Appointment Committee is established with delegated responsibility for appointing a new Deputy Chief Fire Officer.

RECOMMENDATION

19. That the Authority notes the Deputy Chief Fire Officer's resignation which will take effect in June 2019; and
20. That the Authority agrees to establish an Appointment Committee on the basis set out in the proposed Terms of Reference at Appendix 1; and
21. That the Authority appoint 5 members of the HFRA to the Appointment Committee; and
22. That authority is delegated to the Clerk to the Authority to invite the IWC to nominate a Member of the IoW Council to join the Appointment Committee as a non voting stakeholder.

APPENDICES ATTACHED

23. Appendix 1 – Proposed Terms of Reference for the Appointment Committee

Contact: Molly Rowland, Senior HR Business Partner, 07701 020288
molly.rowland@hants.gov.uk

Appendix 1

Proposed Terms of Reference for Appointment Committee

1. Background

The Deputy Chief Fire Officer, Andy Bowers, has given notice of his resignation, which will take effect in June 2019. Andy Bowers is currently the Deputy Chief Fire Officer for HFRA and also the IWFRS, pursuant to the Delivering Differently in Partnership (“DDIP”) agreement. In light of the complex external context (both nationally and locally) within which HFRA is operating, the Authority needs to investigate and consider how best to deal with the Deputy Chief Fire Officer vacancy that will arise in 2019.

2. Objectives and Scope

The Appointment Committee (AC) shall undertake a review of the national and local context, including national policy direction. The AC will consider the requirements of both HFRA and the Isle of Wight Council (IWC), and the future direction of the Services in order to formulate an appropriate recruitment strategy and associated processes for the appointment of a new Deputy Chief Fire Officer. For the avoidance of doubt, the decision to appoint a new Deputy Chief Fire Officer is delegated to the AC.

3. Deliverables

The AC will meet as required to make a number of key decisions in relation to the Deputy Chief Fire Officer vacancy, that will inform the finalised recruitment strategy.

A non-exhaustive list of the key decisions are:

- What are the immediate requirements of the role?
- Is strategic command experience essential?
- Will the requirements of the role change over time? How will this affect the appointment process and contractual terms?
- How will key stakeholders be engaged within the selection and appointment process?
- What governance arrangements are necessary to deliver the process?
- How will selection and appointment processes and timescales be decided?

The AC will also need to consider various recruitment options and make a decision on the best approach based on the merits and demerits of each option. As a minimum, the AC will consider options including:

- Appointment through a temporary promotion arrangement
- Appointment through a fixed term contract (i.e. temporary arrangement)
- Permanent appointment

The AC shall commission and instruct the Senior Human Resources (HR) Business Partner, the Clerk/Monitoring Officer and the Democratic Services Manager as appropriate in order to carry out its functions.

4. Proceedings

The AC shall meet as required in order to discharge its functions. All meetings will take place at a suitable venue and time to be agreed by Chairman of the AC.

HFRA's Standing Orders shall apply to meetings of the AC and in particular, those Standing Orders in respect of quorum, voting and access to information.

The Secretary of the AC will give notice to the public of the time and place of any meetings in accordance with Part VA of the Local Government Act 1972.

Meetings of the AC shall be open for members of the public to attend unless the it is determined necessary to exclude members of the public in accordance with Part VA of the Local Government Act 1972 or the AC determines that it is necessary to close the meeting to the public because of a disturbance.

Copies of the agenda for meetings of the AC and any reports for its meetings shall be open to inspection by members of the public at the offices of the Authority with the exception of any report which the Secretary to the AC determines relates to items which in his or her opinion are likely to be determined to include exempt information and result in a resolution at the meeting to exclude the public. Categories of exempt information are set out at Schedule 12A of the 1972 Act.

5. Membership, Roles and Responsibilities

The following membership is suggested for the AC:

5 members of HFRA including:

- 3 Conservative members,
- 1 Liberal Democrat Member,
- 1 Labour member,

The Chairman of HFRA shall be the Chairman of the AC. The Vice-Chairman of the AC will be appointed from time to time by the members of the AC.

The AC will remain in existence until the successful appointment of a new Deputy Chief Fire Officer. It will then be dissolved.

Each appointed member of the AC shall be entitled to remain on the committee until it is dissolved but shall cease to be a member if he or she ceases to be a member of the Authority appointing them or if that Authority removes the appointed member.

A key part of the AC's role shall be to engage with the IWC as a key stakeholder to ensure that the recommended strategy/processes are supported by the IWC and are in accordance with HFRA's constitutional requirements and any applicable constitutional requirements of IWC.

The Clerk/Monitoring officer to HFRA shall act as the Secretary to the AC.

The Chairman may direct the Secretary of the AC to call a meeting and may require any item of business to be included in the summons.

Officer support to be provided as required but likely to include:

Neil Odin – Chief Officer

Molly Rowland – Senior HR Business Partner

Paul Hodgson and Katy Sherwood - Legal and Democratic Services

6. Stakeholders (without voting rights)

Fire Authority Members not part of the Appointment Committee

IWC Councillors

The Police and Crime Commissioner for Hampshire

Such other Stakeholders as the Appointment Committee shall determine

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Purpose: Approval

Date **26th SEPTEMBER 2018**

Title **MEDIUM TERM FINANCIAL PLAN**

Report of Treasurer



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

SUMMARY

1. This report provides an update to the Authority on the budget development process for 2019/20 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 2017 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 plans for future requirements are discussed within this report.
5. Reductions in Government grant have been assumed as continuing for the foreseeable future, although there have been no announcements beyond 2019/20. Precept increases at the 2018/19 referendum limit of 2.99% have been included in the figures for 2019/20, then reducing back to 1.99% for future years.
6. The Authority is asked to review these updates and agree to the changes to be built into the 2019/20 budget, which will be presented to the Authority in February.
7. The report also considers the appropriate timescales for dealing with the forecast budget deficit by 2021/22.

BACKGROUND

8. 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.
9. 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 many years, but have also provided surplus resources to fund the cost of transformation and improvement across the Service.
10. 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.
11. 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.
12. This balanced approach is based on the experience of the last 8 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

13. 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 2017 and the 2018/19 Budget Report of February 2018.
14. Appendix A sets out the forecast for the years to 2021/22, in both subjective and functional format.

Funding

15. A four year grant settlement, which commenced from 2016/17, is currently in place. This has provided a good level of stability over recent years and has allowed early planning for budget setting. 2019/20 is the final year of that settlement agreement, so there is a high level of certainty for the grant due in that year, however the following years are now having to be estimated.

16. These estimates have been built into the MTFP based on a slowing down of the reductions over recent years, as had been indicated by the Government. However, given the pressures on the NHS and other protected public services, there is little certainty that this level of funding will be received.
17. 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	Actual	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%

Precept

18. An increase of 2.99% has been included in this MTFP for 2019/20, in line with the temporary changes to the referendum limit for 2018/19, but reducing to 1.99% in future to 2021/22. This is on the assumption that the referendum limit will remain at 2.00% post 2019/20.
19. The referendum limit had been set at 2% since 2016/17, prior to which no increases had been made. However, Government policy is now moving towards allowing greater increases to local funding to reduce the pressure on services, without the need to increase grant funding from Central Government. It is therefore expected that the referendum limit for 2019/20 will be set at 3%.
20. Prior to October 2017, no increase in the council tax base had been included within the MTFP. However, in each of the years prior to that, increases were then been built into the budget due to the levels of housing growth within Hampshire. In the October 2017 MTFP, a 0.5% increase was therefore built in to the Council Tax Base. As recent increases have been well above that level, this has now been increased to 1%, which is still prudent, but gives a more realistic funding forecast in line with the principles outlined in the Background section. An additional 0.5% a year provides around an extra £200,000 of recurring council tax income to the Authority.
21. 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 increases and assumes the 2018/19 budgeted council tax base level remains constant.

Year	Band D Council Tax £	Annual Increase £	Total Precept £m	Increase in Precept £m
2018/19	65.74		41.21	
2019/20	67.71	1.97	42.44	1.23
2020/21	69.06	1.35	43.29	0.85
2021/22	70.43	1.37	44.15	0.86

Efficiencies

22. With the exception of Service Delivery Redesign (SDR), all phase 2 and 3 savings plans have now been completed. The original plan had included £296,000 of savings from the Training Academy and £550,000 from sharing our estate.
23. Sharing our estate has already made savings of £534,000, but the original target was an ambitious estimate, and the final £16,000 has not been achievable to date and it is therefore proposed that this be incorporated into future savings plans.
24. The Training Academy has made £85,000 of the savings requirements, which were part of the original Professional Services Redesign, when the Training Department was part of that Directorate. Since that time, a review of the Academy has found that there is currently no available capacity and that further savings would be detrimental to the current operational requirements. It is therefore proposed that this requirement also be removed as part of this MTFP update and this shortfall be built into future savings plans across lower priority areas of the Service.
25. The SDR 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, to ensure that the new working practices will be achievable in the long term. These pilots are due to be completed shortly and the teams will start to move to the new model of working.
26. Savings of £1.1m have already been realised and built into the budget and the figures within the MTFP include £2.3m saving due to SDR in 2019/20, with a further £0.8m being achieved in 2020/21. The project has progressed well and it is expected that the majority of the changes will be achieved in 2019/20. However, until the pilots have been completed and the changes fully embedded, some additional resource will be required, therefore the MTFP will continue to forecast the current phasing.

27. With current agreed savings, the funding gap stands at around £4m by 2021/22. The timing of any future savings plans is discussed in more detail below but the Authority needs to ensure it continues to give itself the time and capacity to achieve savings and stay ahead of the curve in terms of planning and delivery.

Growth

28. For the 2017 MTFP, a new process was introduced whereby senior managers within HFRS were asked to put forward requests for additional funding where there are specific pressures or ideas for initiatives across the service. This worked well and allowed budget to be allocated in line with service priorities, rather than for historical reasons. This process has therefore been repeated for 2018.
29. The requests put forward have been considered by the senior officers and five requests are supported at this stage. These are detailed at Appendix D for consideration. These have been included within the MTFP at this stage, to show the effect should they be included within the budget in future years.
30. 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.
31. 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%. The Government have recently agreed to lift the 1% cap and have started to approve pay awards at higher levels. Recent negotiations have resulted in a proposal of a 2% increase for firefighters for the July 2018 increase, but this is yet to be voted on and therefore remains uncertain. Unions are suggesting that this should be accepted, but that future years' increases should be higher. The pay inflation built into the MTFP has therefore been increased to 2.5% for 2019/20 onwards. This will need to be reviewed as the negotiations develop.
32. The Station Investment Programme (SIP) is at a very early stage and has been presented to the HFRA in principle. The financial details are currently very uncertain, however for the purposes of the MTFP it has been assumed that repayment of borrowing will initially be required from 2021/22, based on around £15m of capital spend to that point. This would require £1.035m of revenue funding, which has been built into the MTFP. Total potential spend of over £50m could be required from the SIP and the revenue costs of borrowing for this will need to be factored into the MTFP as more detail of the programme becomes available and is signed off through the Authority on a case by case.

Balancing the Budget

33. Appendix A shows a funding gap of £3.97m by 2021/22. This includes all currently planned savings being implemented within the Service and assumes that growth bids are approved.
34. The Integrated Risk Management Plan (IRMP) for the Service will be updated during 2019/20, so future plans will need to be developed in line with this. It is therefore suggested that a target of £4m of further savings be set for the Service to develop during the year financial 2019/20, for implementation from 2020/21 onwards, with the full value being required by 2021/22.
35. Although the savings will technically be required at that point, 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. This strategy has served the Authority well and has meant that implementation of the SDR savings in particular have been developed in an appropriate and planned way rather than being driven from a purely financial imperative.
36. During the detailed budget setting process for 2019/20, 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

37. 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.
38. 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).
39. RCCOs have been increased over recent years in order to bring them to £3.905m, which is the level needed 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 will be reviewed in line with future vehicle and property strategies.
40. The table at Appendix B shows the expected capital spend and Appendix C provides the funding plan over the coming years.

RESERVES

41. 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.
42. An updated Reserves Strategy was approved by the Authority at the July 2018 meeting.
43. 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.
44. The current position, as set out on the table below, shows a current balance of £30.332m in reserves, the majority of which are already earmarked for specific purposes as part of our transformation and vehicle replacement programmes.

	2017/18 Closing balance	2018/19 Closing balance	2019/20 Closing balance	2020/21 Closing balance	2021/22 Closing balance
	£'000	£'000	£'000	£'000	£'000
Transformation reserve	-3,754	-563	-202	-202	-202
Capital Payments reserve	-23,266	-15,160	-12,205	-9,163	-8,568
Capital Receipts unapplied reserve	0	0	0	0	0
Capital Grants unapplied reserve	0	0	0	0	0
Earmarked under spends reserve	-196	-129	-129	-129	-129
Revenue Grants unapplied reserve	-616	-616	-616	-616	-616
General fund balance	-2,500	-2,500	-2,500	-2,500	-2,500
Total	-30,332	-18,968	-15,652	-12,610	-12,015

45. Whilst the capital programme shows a healthy balance there are potential commitments that will use up the majority of the funding subject to approval by the Authority.

2018/19 REVISED BUDGET AND MONITORING

46. The 2018/19 revised budget can be seen at Appendix A. Movements within the budget have been made during the year in line with the Financial Regulations.

47. Some 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 2019/20 forecast budget. Where the changes are permanent, they will be retained be included in the base for the 2019/20 budget.
48. The table below shows the budget monitoring for 2018/19 as at 31st July 2018.

	Annual Budget	Actuals YTD	Outturn Forecast	Outturn Forecast Variance
	£'000s	£'000s	£'000s	£'000s
- Staff	10,101	3,264	9,878	-223
- Agency Staff	7	30	60	53
- Retained Fire Fighters	6,360	2,187	6,461	101
- W/T Fire Fighter	32,230	10,021	30,563	-1,667
Total Pay costs	48,698	15,502	46,962	-1,736
Indirect Employee Expenses	1,899	343	1,867	-32
Premises Related Expenditure	5,606	1,381	5,751	145
Transport Related Expenditure	1,788	753	1,933	145
Supplies and Services	7,529	2,241	7,639	110
Third Party Payments	2,132	-41	2,152	20
Expenditure	67,652	20,179	66,304	-1,348
Fees and Charges	-237	-119	-255	-18
Interest	0	0	0	0
Grants and Contributions	-1,349	-110	-1,264	85
Rental Income	-703	-184	-703	0
Sales Income	-109	-32	-104	5
Other Miscellaneous Income	-208	3	-208	0
Income Recharges (above the line)	-80	0	0	80
Income	-2,686	-442	-2,534	152
Net Current Expenditure	64,966	19,737	63,770	-1,196

49. The main points to note are:

- (a) Staff – there are currently a number of vacant posts, but this is partially offset by some being filled by agency staff.
- (b) Wholetime Firefighters – the SDR crewing trials are generating an early achievement of savings, some of which may be utilised for the programme team spend.
- (c) Retained Firefighters – the current position is a forecast of £101k over budget caused by high demand for retained services in the recent months. This may reduce over coming months when demand is expected to reduce.
- (d) Transport - the majority of this is for firefighter mileage claims caused by the reimbursement of those on temporary postings. This is based on current trend and does not account for any future planned reductions in temporary postings.
- (e) Premises - some revenue costs for the Station Improvement Programme have been included, however these will be offset if use of the Reserve is agreed.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

- 50. The MTFP allows financial decisions and resource allocation to be made on the basis of Service priorities, with additional budget being allocated to high priority areas.
- 51. The longer term timescales of the plan allow for efficiency plans to be made in advance of being required, which enables time to work through operational implications without needing to make snap decisions to reduce costs.

CONSULTATION

- 52. 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.
- 53. Further consultation is expected to take place with business and Unions as part of the budget setting process for 2019/20.

RESOURCE IMPLICATIONS

- 54. There are no specific resource implications contained within this report, however the overall themes within the report do have a significant effect on the financial position of the Authority.

LEGAL IMPLICATIONS

55. The proposals within this report are not considered to have any legal implications.

PEOPLE IMPACT ASSESSMENT

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

OPTIONS

57. 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

58. 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.
59. 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.
60. 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 and contributes on an annual basis to reserves through the revenue budget, both of which could be used to meet any budget gaps thereby mitigating this risk in the short to medium term.

CONCLUSION

61. It is recommended that the Authority approve the assumptions made within this report, which will be used as the basis for 2019/20 Budget setting.

RECOMMENDATIONS

62. That the update to the Medium Term Financial Plan and changes to the financial forecast to 2021/22 be noted by Hampshire Fire and Rescue Authority.
63. That the assumption that for financial planning purposes council tax be increased by 2.99% for the 2019/20 budget be endorsed by Hampshire Fire and Rescue Authority. Final decision on this will be made by the Authority at the February meeting.
64. That savings targets of £211,000 from Training and £16,000 from Property Services be removed from the current savings plans and the shortfall be incorporated into this updated MTFP and included within future savings plans.
65. That the growth proposals listed in Appendix B of this report be approved for inclusion in the based budget from 2019/20.
66. That a new savings target of a further £4.0m by 31st March 2021 be adopted by the Authority as a planning assumption.

APPENDICES ATTACHED

67. Appendix A – Revised Budget and MTFP
68. Appendix B – Growth Proposals
69. Appendix C – Capital Programme
70. Appendix D – Capital Funding Plan

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Outline Budget 2017/18 - Subjective

2018/19 Original Budget	2018/19 Revised Budget		2019/20 Forecast Budget	2020/21 Forecast Budget	2021/22 Forecast Budget
30,273	31,550	Whole Time Firefighters	29,852	29,977	30,726
6,036	6,034	Retained Firefighters	5,579	5,519	5,656
9,098	9,918	Staff	9,861	10,107	10,359
1,094	1,094	Net cost of pensions	1,121	1,150	1,178
754	754	Employers LGPS contribution re pension deficit	888	888	888
813	831	Other Employee Costs	776	789	802
48,069	50,181		48,078	48,430	49,610
4,298	5,606	Premises	4,527	4,601	4,676
1,697	1,847	Transport	1,786	1,813	1,840
7,919	9,466	Supplies & Services	8,757	9,140	9,529
61,983	67,100		63,148	63,984	65,655
-2,443	-2,855	Income	-2,594	-2,633	-2,672
-1,149	-1,193	Specific Grant	-1,193	-1,193	-1,193
150	-2,543	Transformation Reserve Funding	416	666	916
58,541	60,509		59,777	60,824	62,706
3,699	3,699	Revenue contributions to capital	3,905	3,905	3,905
1,889	1,459	Contingency	1,897	2,268	2,652
64,129	65,667	Net Cost of Service	65,578	66,997	69,263
184	184	Interest payable / (receivable)	184	180	123
414	414	Provision for debt repayment	395	377	1,395
0	-1,539	Contribution to / (from) reserves	0	0	0
64,727	64,727	Budget Requirement	66,158	67,554	70,781
-41,209	-41,209	Precept	-42,868	-44,160	-45,486
-8,118	-8,118	Revenue Support Grant	-7,215	-6,495	-6,170
-722	-722	Other Non-Specific grants	-361	0	0
-7,296	-7,296	Business Rates Top-Up Grant	-7,561	-7,561	-7,561
-7,037	-7,037	Locally Retained Business Rates	-7,108	-7,179	-7,251
-312	-312	CT Collection Fund Balance	-312	-312	-312
-33	-33	BR Collection Fund Balance	-33	-33	-33
-64,727	-64,727		-65,458	-65,740	-66,813
0	0	Funding Gap / (Surplus)	700	1,814	3,968

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
761	768	Plan	979	1,000	1,022
41,184	44,032	Do	41,045	41,495	42,773
4,670	5,148	Review	4,910	5,020	5,133
9,710	11,378	Enabling	10,382	10,570	10,762
217	-122	Finance	35	35	35
1,094	1,094	Net Cost of Pensions	1,121	1,150	1,178
754	754	Employers LGPS contribution re pension deficit	888	888	888
150	-2,543	Transformation Reserve Funding	416	666	916
58,541	60,509		59,777	60,824	62,706
3,699	3,699	Revenue contributions to capital	3,905	3,905	3,905
1,889	1,459	Contingency	1,897	2,268	2,652
64,129	65,667	Net Cost of Service	65,578	66,997	69,263
184	184	Interest payable / (receivable)	184	180	123
414	414	Provision for debt repayment	395	377	1,395
0	-1,539	Contribution to / (from) reserves	0	0	0
64,727	64,727	Budget Requirement	66,158	67,554	70,781
Funded By:					
-41,209	-41,209	Precept	-42,868	-44,160	-45,486
-8,118	-8,118	Revenue Support Grant	-7,215	-6,495	-6,170
-722	-722	Other Non-Specific grants	-361	0	0
-7,296	-7,296	Business Rates Top-Up Grant	-7,561	-7,561	-7,561
-7,037	-7,037	Locally Retained Business Rates	-7,108	-7,179	-7,251
-312	-312	CT Collection Fund Balance	-312	-312	-312
-33	-33	BR Collection Fund Balance	-33	-33	-33
-64,727	-64,727		-65,458	-65,740	-66,813
0	0	Funding Gap / (Surplus)	700	1,814	3,968

Growth Item		2019/20	2020/21	2021/22
Station Investment Programme Resourcing	Additional temporary posts to resource the initial stages of the SIP.	114,000	114,000	114,000
NFSP - Additional Costs	Increased running costs of NFSP due to expansion and enhancement of the systems and partnership.	30,000	30,000	30,000
Performance Management Software	Estimated annual running cost of a new business intelligence tool.	27,000	27,000	27,000
Mental Health Resource	Costs for Psychological Screening, TRiM and other mental health intervention.	185,000	185,000	185,000
FireWatch Posts	On-going cost of staffing to continue running the FireWatch system.	61,600	61,600	61,600
Total		417,600	417,600	417,600

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Project Details	Approved Spend	Pre 2018/19	2018/19	2019/20	2020/21	2021/22	Latest Estimate	Balance Over(-) / Under
	£000	£000	£000	£000	£000	£000	£000	£000
2012/13 starts								
Basingstoke Fire Station	6,875	6,685	190	0	0	0	6,875	0
Fire control system - (FGP 4/12) NFCSP	729	671	58	0	0	0	729	0
2014/15								
Estates Transformation - Ringwood Station	210	193	17	0	0	0	210	0
Solar photovoltaic panels	1,076	1,053	23	0	0	0	1,076	0
2015/16								
Transforming on call arrangements	1,112	1,004	108	0	0	0	1,112	0
Breathing apparatus telemetry	560	4	0	556	0	0	560	0
Thermal imaging cameras	350	22	164	164	0	0	350	0
2016/17								
Fire ground radios	503	487	16	0	0	0	503	0
2017/18								
VEHICLES	279	250	29	0	0	0	279	0
USAR Relocation	271	258	13	0	0	0	271	0
Estates Transformation -HQ Phase 2	4,613	1,146	3,367	100	0	0	4,613	0
Estates Transformation - contingency	0	0	0	0	0	0		
2018/19								
VEHICLES	7,250	30	3,720	3,500	0	0	7,250	0
Estates trans - Technical Services coll'n c/fd from 2014/15	393	0	0	393	0	0	393	0
Pr Philip Barracks: Mobile Burn unit & cutting rigs	43	0	43	0	0	0	43	0
Retained Station replacement programme	2,165	0	0	0	2,165	0	2,165	0
2019/20 Provisional								
VEHICLES	4,760	0	0	4,760		0	4,760	0
Pr Philip Barracks: Mobile Burn unit & cutting rigs	43	0		43	0	0	43	0
Retained Station replacement programme	450	0	0	0	0	450	450	0
2020/21 Provisional								
VEHICLES	4,739	0	0	0	4,739	0	4,739	0
Pr Philip Barracks: Mobile Burn unit & cutting rigs	43	0	0	0	43		43	0
Retained Station replacement programme	450	0	0	0	0	450	450	0
Total 2012/13 to 20/21	36,914	11,803	7,748	9,516	6,947	900	36,914	0

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Financing of existing & proposed capital programme

	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Payments: existing schemes	7,748	4,713	2,165	14,626
Payments: proposed programme 2019/2020 to 2020/21	0	4,803	4,782	9,585
Total payments	7,748	9,516	6,947	24,211
Financed by:				
Capital payments reserve	5,666	9,516	6,947	22,129
Revenue Grant unapplied reserve	82	0	0	82
Capital receipts	1,500	0	0	1,500
Partner contributions*	500	0	0	500
Total financing	7,748	9,516	6,947	24,211

* SHQ Phase 2 contribution

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date: 26 September 2018

Title: SERVICE PLAN PROGRESS REPORT

Report of Chief Fire Officer

SUMMARY

1. This report provides Hampshire Fire and Rescue Authority (HFRA) with a comprehensive overview of the Service's performance against its strategic goals, the Safer and Stronger Priorities contained within the Service Plan 2015-2020.
2. Each of the three Safer and six Stronger Priorities focus on a specific goal which contributes to the HFRA's missions of making life in Hampshire safer. Under each Safer or Stronger Priority there are several deliverables that will enable the specific goal of that Priority to be reached.

BACKGROUND

3. The Service Plan 2015-2020 is reviewed annually against the evolving needs of communities in Hampshire and changing risks. It is used as our overarching document that enables us to achieve our core purpose of making Hampshire an even safer place to live, work and travel.
4. By presenting our progress against the Service Plan on a bi-annual basis to the Fire and Rescue Authority, the Service ensures scrutiny of its progress towards the strategic goals and assurance on our ability to serve our communities with the Fire and Rescue Service that they deserve.
5. Appendix A provides the identified deliverables for each of the priorities within the Hampshire Fire and Rescue Service Plan 2015-2020 and progress against each deliverable. The Service Plan is made up of nine Priorities:
 - Building resilience
 - Creating safer communities
 - Responding to incidents
 - Assets & money
 - Communications & engagement
 - Knowledge
 - People & leadership
 - Technology
 - Working with partners

DELIVERABLES

6. These deliverables are focussed on implementing initiatives or changes that will improve our Service for the benefit of the public of Hampshire. As each deliverable, on an individual basis, is a significant change activity, it may take between 6 months to 1 year to fully implement.
7. The focus on performance of all medium-term activity across the Service is derived through the Performance and Assurance function in the new operating model. This will provide assurance to the public that we are managing our Service efficiently and effectively as well as making identifiable improvements to our organisation.

AMENDMENTS TO PRIORITY DELIVERABLES

8. The following deliverable for the Assets & Money priority has been removed:
“Agree and deliver forward plans for all our assets, ensuring value for money and effectiveness.”
9. The reason for its removal is that this deliverable previously fell within the remit of the Physical Assets team. As that team has now been separated into two distinct areas, Property Services working in the Enable area under the Chief of Staff and Technical Services working in the Operations area under the Director of Operations, the delivery of the plans is covered separately, and progress will therefore be monitored separately.
10. The following deliverable for Working with Partners has been amended to include Solent University:
“Deliver realistic live fire and other training through Prince Philip Barracks and Solent University at Warsash and maximise its use through arrangements with other blue light partners.”

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

11. The Service Plan through the Fire and Rescue Authority sets strategic direction for organisational goals. Reporting on the progress against the Safe and Stronger Priorities allows progress to be scrutinised by a variety of stakeholders.

RESOURCE IMPLICATIONS

12. The management of the Service Plan is undertaken across the new functional areas of Risk and Strategy (where the focus on Service Planning occurs and benefits identified) and Performance and Assurance (where the focus is on the Performance of the Service against its Plan and identification of the benefits that has been realised as a result of the deliverables being achieved).

13. The costs associated with Service Planning and the performance of the Service Plan are borne within current resource plans.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

14. There are no environmental or sustainability impacts associated with this report.

LEGAL IMPLICATIONS

15. There are no legal implications of the contents of this report.

EQUALITY IMPACT ASSESSMENT

16. The contents in this report are considered compatible with the provisions of equality and human rights legislation.

OPTIONS

17. This report is for the HFRA to note progress and no options are presented.

RISK ANALYSIS

18. Scrutinising the progress of Service Plan deliverables is a key aspect of mitigating risks to public safety and communities in Hampshire. However, it is also necessary to identify and mitigate organisational risks.

CONCLUSION

19. In support of HFRA scrutiny this report presents the service mid-term progress report and therefore enables HFRA to note progress towards the Service Plan 2015-2020.

RECOMMENDATION

20. That the removal of the Assets and Money deliverable as set out in paragraph 8 be noted by Hampshire Fire and Rescue Authority.
21. That the amendment of the Working with Partners deliverable as set out in paragraph 10 be noted by Hampshire Fire and Rescue Authority.
22. That the progress made against the Service Plan 2015–2020 be noted by Hampshire Fire and Rescue Authority.

APPENDICES

23. Appendix A - Service Plan Mid Term Progress Report

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Appendix A



Service Plan Mid Term Progress Report

August 2018

Performance & Assurance

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Assets & Money	6
Communications & Engagement.....	7
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Building Resilience

Director Performance & Assurance



To continuously improve how our organisation and communities are more resilient in an ever-changing world and that we prepare for, deal with and recover from significant events.

Deliverable	Completion Date	Progress
Deliver and test our business continuity & emergency plans to ensure the organisation can still operate in the event of any loss of key facilities or teams.	December 2018	<p>On track</p> <p>The success of Service Headquarter (SHQ) evacuation on 27 June and follow up learning with individual teams and SHQ based Police teams demonstrate strong confidence that this deliverable is on track. Portfolio of Business Continuity plans is under rolling programme of review by accountable teams with Resilience expertise provided centrally.</p>
Review all response plans for known risks across Hampshire to ensure interoperability with other emergency Responders and the Local Resilience Forum.	March 2019	<p>On track</p> <p>Rolling programme of work and recently revised Risk Policy out for consultation.</p>
Produce, test and exercise community resilience plans with our partners in the Local Resilience Forum. Lead the 'Resilient Place' agenda by engaging with our communities and partners to help them become more resilient.	September 2019	<p>On track</p> <p>81 Community Emergency Action Plan (CEAP) in place (increase of 10 from previous year) and active testing of CEAP with community leaders.</p> <p>In last 12 months, HFRS have exercised specifically with Local Resilience Forum (LRF) on 3 occasions to address named risks and HIOW LRF will be contributing to Service Exercise in October 2018.</p>

Creating Safer Communities

Director of Operations



Identifying and mitigating risks to people and property within Hampshire.

Deliverable	Completion Date	Progress
Work with children and young people to make them safer and healthier. Create a formal financial agreement detailing the scope and benefits of this work.	September 2018	Complete Creation of agreements contained within normal business. Formal evaluation routinely undertaken to identify benefits and learning.
Implement a 'Falls Response' service with South Central Ambulance Service. Crews will deal with the emergency and initiate a range of interventions to safeguard vulnerable people.	October 2018	On track Trials taking place at New Milton and Wickham Fire Stations with a further 5 appliances undertaking this work. South Central Ambulance Service (SCAS) will be completing formal review of trial.
Embed our suite of 'Fire as a Health Asset' products within Clinical Commissioning Groups and be a key partner within the Health and Wellbeing Boards across Hampshire to make the community more healthy and safe.	March 2019	Complete
Deliver Community Safety activities with our Blue Light partner organisations to deliver what the people of Hampshire need to stay safe and be reassured after all types of emergencies.	March 2019	On track Multiple workstreams dedicated to this deliverable, examples being; enabling volunteers further, optimising collaboration in Children and Young People's work
Develop our firefighter's skills in Community Safety allowing us to deliver more safety in the built environment through a suite of toolkits and qualifications.	December 2019	On track
Train and qualify new fire engineers from our current workforce by providing specific opportunities to build our key skills in this vital area.	December 2019	On track

Responding to Incidents

Director of Operations

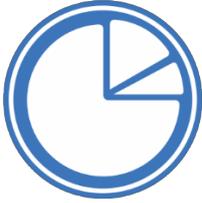


Improving the way we respond to and support incidents.

Deliverable	Completion Date	Progress
<p>Develop, equip, trial and deliver: A new specification of First Response and Intermediate Response vehicles which include medical and community safety capabilities; The latest firefighting equipment and techniques to keep our firefighters safe.</p>	<p>December 2018</p>	<p>On track Intermediate Capability evaluation completed. First Response capability pilot of MK2 vehicle commenced.</p>
<p>Support the development and pilot of a range of new crewing systems on our fire stations to ensure we work in the most effective and efficient way.</p>	<p>January 2019</p>	<p>On track Eastleigh go live 1 January 2019 as last WDS station.</p>
<p>Work with blue light partners to create further efficiencies in delivering our emergency response capability.</p>	<p>January 2019</p>	<p>On track Work progressing on Marine unit and Drones.</p>
<p>Implement the proposals of Service Delivery Redesign to make improvements to the safety of firefighters and our communities, and help meet our financial savings target.</p>	<p>March 2019</p>	<p>On track</p>

Assets & Money

Chief of Staff



To optimise the utilisation of our physical assets and use medium term financial planning to ensure we effectively prioritise our resources.

Deliverable	Completion Date	Progress
Train and engage all relevant staff across the organisation to ensure they understand effective financial management.	March 2018	Complete Financial training sessions were completed in March for budget holders, with guidance materials provided across the organisation
Work collaboratively with commercial partners to maximise the benefits to the Authority in the delivery of training courses on a commercial basis.	December 2018	On track A framework is being developed to further support work with commercial partners. Notable benefits maximise the use of resources for HFRS while developing skillsets of individuals and recovering costs.
Present a funding plan that can deliver the vehicles and equipment our people need to be operationally effective.	September 2018	On track A funding forecast will be available at the end of September 2018, however the completed plan will be presented at the end of March 2019.
Develop and present a funding plan that can deliver our future Estates requirements.	December 2018	On track The Station Investment Programme identifies the future strategy for our built estate with the funding required to deliver this. A report will be presented to HFRA in September 2018, with the funding implications included within the Medium Term Financial Plan.

Communications & Engagement

Director of Risk & Strategy



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

Deliverable	Completion Date	Progress
Provide intelligence-led, audience-relevant, digital and face to face communications to enable two-way interaction between staff, partners, key stakeholders and communities.	July 2018	Complete
Improve our profile at civic events and gain the support of key civic posts to help promote, support and advocate our aims and objectives in our delivery of services to our communities.	July 2018	Complete
Be recognised nationally as one of the leading fire and rescue services through award schemes, using national bodies such as the National Fire Chief's Council and ensure our work is reflected in professional and national media.	July 2018	Complete
Develop a measurable approach to Inclusion which sees difference as a strength, supported by a variety of innovations, to attract a higher proportion of minority groups to work for us.	December 2018	On track Multiple targeting activities to improve the opportunities of all underrepresented groups joining our organisation.
Develop a customer insight tool to ensure that the organisation understands the needs of our diverse community, so that we can adapt operationally to relevant needs.	December 2018	On track Scoping of tool underway and opportunities to collaborate in this area with Hampshire Constabulary.

Knowledge

Director of Performance & Strategy



To put trusted knowledge at the heart of decision making.

Deliverable	Completion Date	Progress
Prepare the Service for the new General Data Protection Regulation (GDPR) to ensure we comply with this legal requirement.	May 2018	Complete The main functions of establishing General Data Protection Regulation (GDPR) compliance are now in place. A practical working relationship has been established with the Information Commissioner's Office. Assurance on compliance is sought through a mix of mechanisms, including the Risk, Resilience and Assurance Board, Internal Audit and Standards and Governance Committee. All staff are mandated to complete training. Further work is under way to ensure all our information assets are compliant with the new legislation.
Deliver up to date information to our teams to help them manage performance.	May 2018	Complete The delivery of self service and ad-hoc reporting in support of performance management continues. Core performance measures in addition to other Service reports are available through the Reporting Services tool.
Ensure we are prepared for the new HMICFRS Inspection regime so that the best possible outcome and learning is achieved.	June 2018	Complete
Deliver a Knowledge Management strategy aligned to and supported by the ICT strategy that promotes efficiency, helps manage risk, enhances resilience and provides a corporate memory framework.	August 2018	Complete. New Operating Model and synergies between Plan, Do and Review and Enable, facilitate a strategic approach that achieves this deliverable.

<p>Implement an interface between the Operational Availability System and the Command and Control Mobilisation System to provide visibility to our partners and facilitate the implementation of Attribute Based Response.</p>	<p>October 2018</p>	<p>Delayed New ICT infrastructure not configured to fully support FireWatch interface and remedial work currently being undertaken.</p>
<p>Deliver a refreshed Data Quality Policy and delivery plan. Ensure the data we use provides us with better insight into our community risks to inform the development of our risk reduction activities.</p>	<p>March 2019</p>	<p>On track Data Quality plan produced and currently being embedded across Service. (This links to a deliverable with the Communications and Engagement Priority on community insight tool.)</p>
<p>Ensure that all policies are up to date and in line with the Service's Policy Framework.</p>	<p>March 2019</p>	<p>On track Policy Development now located within the area of Risk and Strategy, the new operating model enables policy gaps to be identified and recommendations made from evaluating our operations and activities.</p>

People & Leadership

Director of HR



Our teams feel liberated, empowered and safe to be the very best that they can be and feel equipped and motivated to support and drive innovation and improvement towards making Hampshire safer.

Deliverable	Completion Date	Progress
Deliver and establish a refreshed Appointments and Promotions policy and associated guidance.	June 2018	Complete.
Develop a well-being strategy with a high-level action plan to secure the delivery of the wellbeing aspects of the People Strategy.	December 2018	On track The Health & Safety committee is monitoring progress of the strategy of the delivery and implementation ensuring that relevant toolkits and information are made available to staff.
Refresh our cultural vision and the People Strategy.	December 2018	On track Reviewing cultural survey findings and undertaking stakeholder engagement to identify key areas of refresh.
Continue to support our journey towards a high- performance culture through: a refresh of the Personal Development Review process increasing the uptake of the leadership offer and coaching available through Workforce Development supporting the development, delivery and embedding of a National Leadership Framework within HFRS.	December 2018	On track Personal Development Review (PDR) Policy has been approved at Executive Group. PDR training will be rolled out to this group as a pilot over the period September – December 2018. Regular monitoring of uptake of leadership offer is showing an increase.
Review the current pay and reward schemes and develop a future vision to inform a new strategy.	March 2019	On track Identifying current risks and control measures to better understand gaps in frameworks.

Work with the Inclusion Team to increase our employment of women and BAME groups through developing and resourcing a strategy that promotes the use of positive action.	March 2019	On track Researching use of Positive Action Statements across fire and rescue sector and other local government organisations.
Develop and implement effective workforce planning to ensure our workforce is aligned to the Service Plan and that recruitment/resourcing plans are based on robust data.	March 2019	On track Resource Management Group (RMG) established and regularly monitoring workforce and providing scrutiny and oversight of resourcing plans
Deliver a programme of commercial skills development to underpin delivery of the commercial vision for the Service.	March 2019	On track In development through Workforce Development Team in Shared Services.
Develop an Apprenticeship Programme that attracts new apprentices to HFRS and provides development opportunities for existing staff, whilst maximising the use of the Apprenticeship Levy.	March 2019	On track Funding approved for appointment of an Apprenticeship Coordinator in the Academy.
Support the changes required under Service Delivery Redesign to achieve savings through a reduced establishment.	March 2019	On track All new contractual documentation being developed ready for roll-out post final sign off of crewing arrangements.

Technology

Chief of Staff



Drive innovation and improvement across the whole Service through the deployment and effective use of technologies.

Deliverable	Completion Date	Progress
Establish the Digital Technology Board as the central hub through which the Service can focus its aim to use up to date technologies that drive and support change.	June 2018	Complete Board, now named the Digital Technology Forum has been established.
Identify and then either minimise or remove technological barriers that inhibit the organisation in delivering its objectives.	June 2018	Complete. All actions delivered except for those dependent upon the revised contract with our Internet Service Provider (ISP). Contract negotiations are now complete, and a paper is being taken to Executive in September to agree the way forward.
Deliver the technologies through the ICT Transformation Programme that provide a better platform to enable staff to respond with agility and pace to changing business needs.	June 2018	Complete ICT Transformation Project now closed.
Ensure that staff can access their information, systems and office services wherever and whenever they are working.	September 2018	On track Outstanding actions are dependent upon completion of the ISP contract.
Provide reliable access to quality information to support evidence based decision making.	September 2018	On track System upgrades agreed for Multi-media presentation units (MPU), Windows 10 and Business Intelligence Server. Wireless upgrade dependent upon ISP contract.
Deliver cloud based ICT services that enable managers to review and improve working processes which can improve efficiency and effectiveness.	September 2018	On track Awaiting ISP Contract and internal systems changes to further enhance system security.

Working with Partners

Chief of Staff



To put partnerships at the heart of all our work.

Deliverable	Completion Date	Progress
Deliver a partnership policy to improve governance over partnerships.	September 2018	On track
Deliver a business case for the review of governance options for Hampshire and Isle of Wight.	November 2018	On track Public consultation has been agreed by both Authorities. The final business case will be presented in January 2019. The delay is due to scheduling of Authority papers for meetings.
Look for opportunities to use our capabilities and resources to support other agencies where it contributes to making Hampshire safer.	March 2020	On track Blue Light collaboration programme pursues 13 opportunities. Following successful development of the Networked Fire Services Partnership (NFSP) for providing a new control facility with Dorset & Wiltshire FRS and Devon & Somerset FRS, the Chairman and Chief Fire Officer endorsed a proposal to further develop relationships and seek further opportunities. This will develop throughout Quarter 2 of 2018.
Deliver realistic live fire and other training through Prince Philip Barracks (PPB) and Solent University at Warsash and maximise its use through arrangements with other blue light partners.	March 2022	On track HFRS crews continue to use PPB for realistic scenario training utilising the live fire facility. The venue has also been used by commercial partner to offer live fire training to private fire services, and to host meetings for external FRS.

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date: 26 September 2018

Title: HEALTH AND SAFETY ANNUAL REPORT 2017 - 2018

Report of Chief Fire Officer

SUMMARY

1. The Annual Health and Safety Report for 2017-2018 which covers the period 01/04/2017 to 31/03/2018, shows that the Hampshire Fire and Rescue Service (HFRS) is successful in implementing the agreed Objectives and Improvement Plan.
2. HFRS seeks continuous improvement in all aspects of Health, safety and Wellbeing (HSW), from promotion of a positive HSW culture, to identification and mitigation of risk and personal competence. HFRS strives to make its employees and Hampshire safer whilst delivering a wide range of essential services to the community.
3. Assurance is given that HFRS's Health and Safety Management System (HSMS) is suitable and sufficient for the needs of the organisation and establishes minimum legal compliance regarding health and safety legislation.
4. HFRS's performance is constantly monitored and measured against agreed standards and the HSW Strategy to reveal where and when improvement is needed.
5. Work is progressing to ensure compliance is maintained in terms of future commitments and changing industry standards, as well as working towards notable good practice where reasonably practicable.
6. A Health, Safety and Wellbeing Strategy was agreed by the Health and safety committee in June 2017 which details our key deliverables for this three-year period. This builds on previous achievements and addresses identified improvement needs.

7. The HFRS seek support and endorsement from the members of the Hampshire Fire and Rescue Authority for the recommendations stated within the report.

BACKGROUND

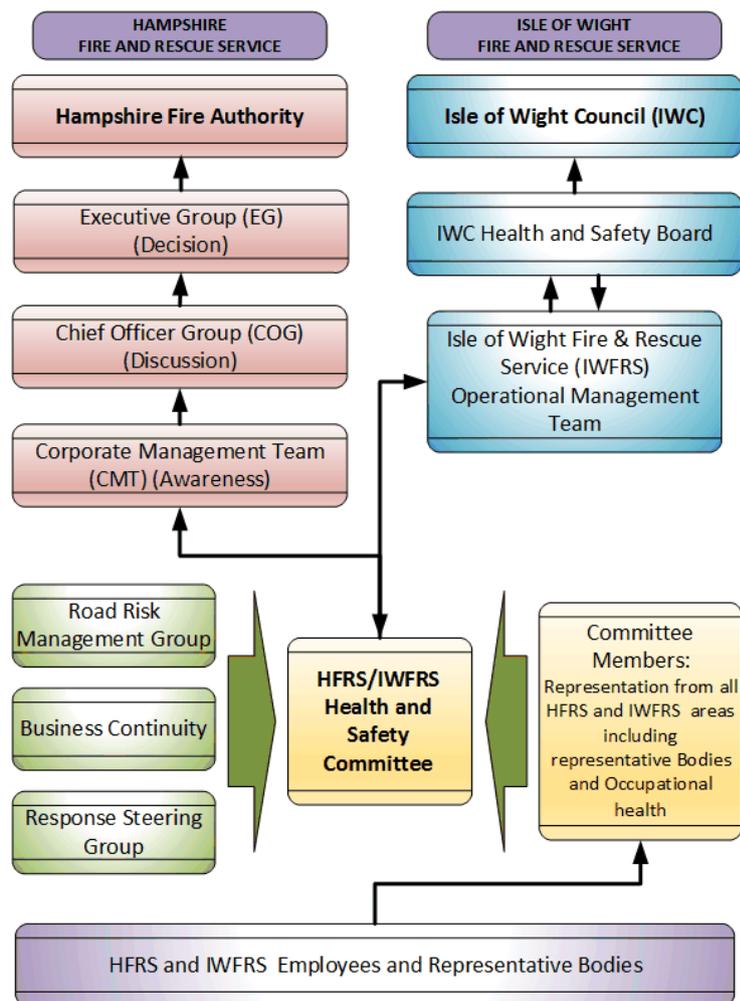
8. The annual report follows the Health and Safety Executives management system process 'Plan, Do, Check, Act (PDCA) detailed within the Health and Safety Guidance Document (HSG65) which treats health and safety management as an integral part of good management generally, rather than as a stand-alone system.
9. This approach seeks to achieve a balance between systematic and behavioural aspects of safety management, in other words; successful health and safety management is not focused on ensuring that all processes are in place but about the integration of these processes into the organisational work streams.

PLAN

10. The Health and Safety Statement of Intent, as signed by the Chair of the Hampshire Fire and Rescue Authority and the Chief Fire Officer outlines the principles and intentions of the organisation regarding Health, Safety and Welfare.
11. The organisations Health, Safety and Welfare Policy builds on this, identifying measurable objectives to be implemented to maintain a safe and healthy working environment.
12. These in turn are reviewed by the Health and Safety Committee, driving the Objectives and Improvement Plan contained within the three-yearly Strategy.

DO

13. Health, Safety and Wellbeing forms an integral part of all organisational works streams. The Health and Safety Team takes a central role in ensuring this process is informed and aligned with the aims of the Statement of Intent and through objectives of the Health, Safety and Wellbeing Strategy.



14. Within this process the practical organisation, prioritisation and implementation is located within the respective work streams. Stakeholder groups emerging individual works streams provide decision making forums and means of networking.

CHECK

15. Progress is monitored through a range of proactive and reactive indicators and processes, on which the Health and Safety Team reports monthly.

These include:

- Safety Events (accident, incident, near miss, cause for concern);
- Vehicle accident data and trends;
- Workplace Inspections;

- Health and Safety Audits;
- Health and wellbeing (sickness) trends;
- Medical Referrals trends;
- Employee Assistance trends;
- Trauma Risk Management (TRiM) overview of provision and take up;
- Fitness assessments.

ACT

16. The information gathered in the processes detailed above is utilised to review performance and identify learning points. This process forms the basis for the Health, Safety and Wellbeing Strategy.

OBJECTIVES AND IMPROVEMENT PLAN (Three yearly Strategy 2017-2020)

17. The Health, Safety and Wellbeing Strategy is structured into five workstreams:
 - To assist in the delivery of a competent workforce
 - Proactively promote a positive health and safety culture
 - Continue to build firm links between the HS Team, Academy, Occupational Health and Human Resources Department in order to work effectively together with regards to injury, ill health and wellbeing.
 - Upstream targets.
 - Downstream targets.

Each of these work is split into objectives with identified KPI's. A detailed breakdown and report on progress is provided in the six-monthly report to the DCFO.

18. Over the first year 29.86% of the three-yearly strategy have been achieved, indicating good progress though being slightly below the intended target of 33%. This is mainly due to the roll out of our third-party provided web based Accident Management System having been delayed to July this year. Completion of which will see 97% of Key Performance Indicators (KPI's) for the first year achieved (current progress is at 87%).
19. The remaining 3% relating to updating procedures on working with lead (OIP002d) and the establishment of regular meetings with Representative Bodies (OIP002c), which will be absorbed into the current year and are expected to be achieved by March 2019.

SAFETY EVENTS

20. The Health and Safety Team reports regularly on proactive and reactive indicators through monthly and bi-annual reports to the Health and Safety Committee, management team and Group Managers. The reports contain detailed dashboards, which analyse these indicators and place them within the organisational context. All reports are accessible via the internal network or on request.
21. Proactive indicators are those where safety events are reported before an adverse event occurred (preventative reporting), such as Near Miss and Cause for Concern reports. Reactive indicators are where safety events are reported after an adverse event took place such as injuries or policy/procedure violations.
22. Proactive indicators allow organisational and personal learning to take place before an adverse safety event occurs and provide learning points that are of direct relevance to safety events. This makes it desirable to aim for a position where reported proactive indicators outweigh reported reactive indicators. It is impracticable to work towards defined margins, as this risks impacting on the unbiased and accurate reporting of safety events. The aim is for proactive indicators to outweigh reactive indicators by a significant amount.
23. Statistics indicate that we have an improving picture with injury reports making up 77% of all HS Events in 2015 dropping to 48% in the year ending 2018. This means that proactive reporting (near miss / cause for concern) now exceeds reactive reporting (injuries).

HSMS positive indicator:	2015	2016	2017	2018
Total recorded events:	144	163	187	199
- Total Injuries:	110	114	98	96
- Lost time injury	n/a	37	29	35
No lost time injury	n/a	77	68	61
Near Miss & Cause for concern	29	45	87	103

24. Safety event trends are monitored and in-depth examination is undertaken via focus reports where significant trends are identified. Where relevant these raise action points, concluding the process of deriving tangible improvements from the examination of proactive and reactive indicators.
25. Proactive indicators are followed up as part of our business as

usual plan and the work to address and improve the areas identified informs the Health, Safety and Wellbeing (HSW) Strategy.

26. The HSW Strategy focuses strongly on finding means to improve trends towards a culture where proactive indicator reporting is inherent to all work streams of the organisation and outweighs reactive indicators by a significant factor. In addition, the introduction of the integrated Accident Management System (AMS) will enable HFRS to analyse underlying behavioural factors and root causes consistently and to a significantly improved standard.
27. The current analyses of root causes and behavioural factors indicates human factors to account for most events due temporary lapses in the application of policies and procedures.

FORWARD PLANNING

28. The H&S Team will continue to implement the 2017 - 2020 Health, Safety and Wellbeing Strategy, which focuses on championing a common-sense approach to the management of risk.
29. The Health, Safety and Wellbeing Strategy sets clear objectives to achieve this. Each objective identified in the strategy is associated with clearly defined outcomes and Key Performance Indicators (KPI) to measure progress and success.

SUPPORTING OUR SERVICE PLAN AND PRIORITIES

30. Robust health and safety arrangements support our aim of being one of the best fire and rescue services in the country and supports our aim to make our communities safer and stronger.
31. The proposed Health, Safety and Wellbeing Strategy endorses and supports the Workforce Development Plan.

CONSULTATION

32. The content of this report has been discussed with representative bodies and approved by the Health and Safety Committee. In addition; consultation took place with other stakeholders.

RESOURCE IMPLICATIONS

33. The nature of an annual report, in presenting an account of events and processes, does not create specific resource implications that are not already considered within budgets elsewhere.

ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

34. The nature of an annual report, in presenting an account of events and processes, does not create specific impacts that are not already considered within relevant assessments elsewhere.

LEGAL IMPLICATIONS

35. The nature of an annual report, in presenting an account of events and processes, does not create legal implications regarding human rights or inclusion/diversity legislation.
36. Besides the report being a policy requirement no legal implications are associated with the report.

EQUALITY IMPACT ASSESSMENT

37. No impacts have been identified.

OPTIONS

38. This report is for the HFRA to note progress and no options are presented.

RISK ANALYSIS

39. Scrutinising the progress of the service's health and safety culture is a key aspect of mitigating risks to public safety and organisational risk.

CONCLUSION

40. The HFRS concludes that good progress has been made in meeting the targets of the three-yearly strategy.
41. The analyses of proactive and reactive indicators evidences that HFRS is making progress in regard to behavioural safety and safety culture, which are essential to the effective management of health and safety.

RECOMMENDATION

42. That the Annual Health and Safety Report be noted by the Hampshire Fire and Rescue Authority

Contact:

David Lack, Health & Safety Manager,

fire.healthandsafety@hantsfire.gov.uk, 02380 725 260

AT A MEETING of the HFRA Standards and Governance Committee held at Fire and Police HQ, Eastleigh on Thursday, 26th July, 2018

Chairman:

* Councillor Liz Fairhurst

* Councillor Jonathan Glen

* Councillor Geoffrey Hockley

* Councillor Roger Price

* Councillor Sharon Mintoff

*Present

Also present with the agreement of the Chairman:
Councillor Chris Carter, Chairman of the Fire Authority
Maria Grindley and Adam Swain, Ernst and Young

35. APOLOGIES FOR ABSENCE

All Members were present and no apologies were noted

36. 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.

37. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed and signed by the Vice Chairman, who was present at the previous meeting.

38. DEPUTATIONS

There were no deputations for this meeting.

39. CHAIRMAN'S ANNOUNCEMENTS

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

40. **EXTERNAL AUDIT RESULTS REPORT 2017/18**

The Committee received the External Audit report (Item 6 in the Minute Book) on behalf of the Treasurer.

External Audit thanked officers for their hard work to meet the 31 July deadline this year and congratulated the Authority on getting everything ready for sign-off for the meeting. The 'significant' risks identified in the report were standard risks to be identified, but these had been tied off and there was nothing of concern.

In Section 4 of the report (Page 31 of the pack) one unadjusted difference had been listed in relation to the pension fund asset figure on the LGPS scheme, where the Authority's share of the pension fund asset had been understated by £195,000. It was explained that this was due to a difference between the December 2017 asset value estimate and March 2018 estimate, in which time the stock market value had changed. As both were estimates, this was purely a timing issue and not a concern that would need management going forward.

RESOLVED:

The Standards and Governance Committee received the External Auditor's HFRA Audit results Report for 2017/18

41. **INTERNAL AUDIT PROGRESS REPORT 2017/18 & 2018/19**

The Committee considered a report from the Chief Internal Auditor (Item 7 in the Minute Book) regarding the Internal Audit progress report for 2017/18 and 2018/19. The paper gave Members an overview of internal audit work completed, as well as the status of 'live' reports.

It was confirmed that actions that remained incomplete were in Section 4 of the progress report, starting on page 66 of the pack. It was confirmed that management actions that remained incomplete were in Section 4 of the progress report, starting on page 66 of the pack. It was confirmed that an audit review will remain on the list until all issues related to it have been completed. It was noted that some outstanding actions relate to external factors out of the control of management. Members felt that it would be helpful if narrative could be provided to explain why older issues remained in the table in case the item was looked at independently from the pack. This can be achieved by referencing to the report of the Chief Officer on the Implementation of Internal Audit Recommendations – progress report.

On Page 4 of the progress report, it was confirmed that 'Limited' referred to the category of the assurance opinion, and referred to significant weaknesses identified that could place the achievement of system objectives at risk. The Chief Fire Officer assured Members that it was important for weaknesses to be identified so that they could be rectified and that a new role, Director of Performance and Assurance, had been created specifically to focus on improving these areas. The Chief Internal Auditor was confident that the weaknesses identified would be managed effectively by Directors and their

teams and that a good working relationship had been paramount in identifying risks in emerging systems at an early stage.

RESOLVED:

The Standards and Governance Committee noted the progress of internal audit work for the period ending June 2018.

42. **ANNUAL INTERNAL AUDIT REPORT AND OPINION 2017/18**

The Committee considered a report from the Chief Internal Auditor (Item 8 in the Minute Book), which provided Members with an opinion on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2018.

The report had been reformatted slightly to give justification for the 'limited' opinion from Audit. It was explained that audit work relating to both the shared services with Hampshire County Council and the Police (for example Human Resources and Facilities Management) and areas specific to HFRS were taken into account in forming the internal audit opinion. The chart on page 7 of the appendix (page 83 of the pack) showed a summary of the audit opinions given in each of these areas.

On page 9 of the appendix (page 85 of the pack) the key observations were listed where a limited assurance had been given. Members requested that updates on progress with these come back to Committee in three months time. Committee discussed the process with Disclosure and Barring Service (DBS) check and it was confirmed that whilst re-checks were not obligatory, it was in the policy to do so, and therefore important this was maintained. Officers agreed to review the policy around DBS checks and decide whether this was something that should go to CMT for a formal review.

RESOLVED:

a) The Standards and Governance committee accepted the Chief Internal Auditors annual report and opinion statement for 2017/18.

b) That an extraordinary Standards and Governance Committee meeting be arranged for October 2018 to review progress on areas given limited assurance by the Chief Internal Auditor.

c) Officers agreed to review the policy around DBS re-checking and decide whether it would need formal review at CMT going forward.

d) Officers would confirm which staff received a DBS check upon joining the Fire Authority and this information would be brought back to the next committee meeting in October 2018.

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

The Committee received a report from the Chief Fire Officer (Item 9 in the Minute Book), which provided Members with an overview of the work done to oversee the implementation in internal audit recommendations and their respective actions.

It was confirmed that the report had been shortened to focus on areas of greatest risk and the new role focusing on performance and assurance would primarily concentrate on aligning the different assurance systems.

In the table on page 92 of the pack, it was confirmed that despite some deadlines being moved under 'Business Continuity', this was due to some areas not being completely tied off, and officers were content that the delay posed no risk. It was also confirmed that all training regarding budget management under 'Budgetary Control' had been completed by those who it applied to and was scheduled to run periodically as a refresher or to capture new employees. Further updates to these areas would be discussed at a proposed extraordinary Standards and Governance Committee meeting for October 2018.

RESOLVED:

- a) The progress made towards implementation of the internal audit management actions was noted and a direction of travel regarding the actions would be reported back at an extraordinary meeting proposed for October 2018.
- b)

44. **ANNUAL ACCOUNTS 2017/18**

The Committee considered the Annual Accounts for 2017/18, (Item 10 in the Minute Book) as reported by the Treasurer.

The draft Statement of Accounts were published by the statutory deadline of 31 May and then audited by Ernst and Young before being approved by the Standards & Governance Committee. There was one unadjusted difference regarding the two estimates, as discussed as part of the External Audit report (Item 6).

It was confirmed that the Annual Governance Statement (AGS) (Page 180 of the pack) had been amended slightly to reflect the Internal Audit Opinion and would be approved as part of the Statement of Accounts.

In paragraph 3.1.1 of the AGS (Page 181 of the pack) it was noted that reference to the Police and Crime Commissioner (PCC) attending meetings would be altered to reflect the changes made to the proposed consultation document for the Combined Fire Authority that went to the Full Authority meeting in June. This would mean the wording in paragraph 3.1.1 of the AGS being amended from "The Police and Crime Commissioner (PCC) attends Authority meetings..." to "Police and Crime Commissioner (PCC) 'can' take part in Authority meetings and has the ability to speak on items on the agenda..."

RESOLVED:

- a) The attached Statement of Accounts for 2017/18 were approved subject to the amendments to the Annual Governance Statement minuted above.
- b) The Treasurer was given delegated authority to approve any minor amendments to the Statement of Accounts as required.
- c) The Letter of Representations contain in Appendix 2 was considered and signed by the Committee

45. ICT PROJECT - UPDATE ON FINANCIAL MANAGEMENT ACTION PLAN

The Committee received a report from the treasurer (Item 11 in the Minute Book), which provided an update on the management action plan submitted in response to the internal audit reports on the ICT transformation project overspend and budgetary control.

It was confirmed that the relevant training had been put together and completed by all applicable staff. Information was also now available on the web, brought into a single pack and source of reference. The only remaining outstanding actions related to project management checking by the PMO to ensure that highlight reports were being completed appropriately, and this was to be included as part of the formal review process going forward. It was acknowledged that some actions would effect several systems and so work was being done to ensure everything came together.

The Committee recognised the amount of work done by officers to get processes in place and welcomed an update on progress at an extraordinary meeting in October 2018

RESOLVED

- a) The Standards and Governance Committee noted the update on the management actions detailed in Appendix 1.
- b) An update would be provided to Members at an extraordinary Standards and Governance Committee meeting proposed for October 2018.

46. INFORMATION GOVERNANCE

The Committee received a report from the Chief Fire Officer (Item 12 in the Minute Book), which provided an update of Information Governance in HFRA and progress towards preparing for the new General Data Protection Regulation (GDPR).

A revised report had been published and covered various data legislations including Freedom of Information (FOI) requests and data protection. There would be audits on GDPR going forward and so this was a new focus for officers alongside other data systems in place.

The officer summarised the report and confirmed that appropriate training would be provided for all staff, with Green Book staff and Station Managers and above

having specialised training, as well Watch Manager level and below. Limited assurance had been given due to the Information Asset Register being a newly implemented system, but this was a new system that would be closely monitored and soon embedded as part of day-to-day workings.

Despite some concerns from Members regarding actions in the original report, it was confirmed that these were all in hand and had already been included as part of previous audit papers for discussion.

RESOLVED:

- a) The Standards and Governance Committee noted the performance in respect of Information Governance.

47. **FIRE PENSION BOARD ANNUAL REPORT**

The Committee received the annual Pension Board report from the Chief Finance Officer (Item 13 in the Minute Book) for noting.

At the start of the item, Cllr Price declared a non-pecuniary interest as a member on the Fire Pension Board.

The officer summarised the report and highlighted the increase in activity and monitoring around pensions since the 2015 scheme and subsequent changes, with different areas working well in partnership for a proactive approach. An Employer Pensions Manager had also been employed at Hampshire County Council to oversee pensions and the Fire Authority would also benefit from this appointment.

It was confirmed that three retired members of staff had not completed the declaration regarding the 30 year pension contribution holiday, but after several communications being sent, these were no longer being pursued.

It was acknowledged by Committee that the Fire Fighter Pension Scheme was very complicated with several Fire Services getting caught out by the changes in 2015, but many steps had been taken to ensure this would not happen again.

RESOLVED:

- a) The contents of the report were received and noted by the Standards and Governance Committee.

Chairman,

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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