

## Standards and Governance Committee

Purpose: Approval

Date: **23 July 2020**

Title: **ANNUAL GOVERNANCE STATEMENT 2019/2020**

Report of Chief Fire Officer

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**HAMPSHIRE  
FIRE AND  
RESCUE  
AUTHORITY**

### SUMMARY

1. Hampshire Fire and Rescue Authority (HFRA) is legally required to publish an Annual Governance Statement (AGS) each year. The Authority has delegated to the Standards and Governance Committee, as per its terms of reference, to consider and approve the Annual Governance Statement, and once approved the AGS will be signed by the HFRA Chairman and the Chief Fire Officer.
2. The approved AGS will form part of the Annual Statement Accounts 2019/2020, which is a statutory requirement of The Accounts and Audit Regulations 2015.
3. The AGS for 2019/2020 is attached in **Appendix A** for consideration and approval that the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

### BACKGROUND

4. Governance comprises the arrangements put in place to ensure our intended outcomes are defined and achieved. Good governance enables fire and rescue authorities to set a strategic policy agenda that meets the needs of communities and to discharge their statutory responsibilities efficiently and effectively.
5. The AGS is produced by every local authority following the principles contained within the Chartered Institute of Public Finance and Accountancy (CIPFA) publication titled *Delivering Good Governance in Local Government Framework 2016* (hereafter known as the Framework 2016).

6. The Framework 2016 brings together an underlying set of legislative requirements, governance principles and management processes. The framework recommends that local authorities review their existing governance arrangements against a number of key principles and report annually on their effectiveness in practice.
7. The Framework 2016 sets out the following core principles that form the basis on which effective governance should be built:
  - a) Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law;
  - b) Ensuring openness and comprehensive stakeholder engagement;
  - c) Defining outcomes in terms of sustainable economic, social and environmental benefits;
  - d) Determining the interventions necessary to optimise the achievement of the intended outcomes;
  - e) Developing the entity's capacity including the capability of its leadership and the individuals within it;
  - f) Managing risks and performance through robust internal control and strong public financial management;
  - g) Implementing good practices in transparency, reporting and audit to deliver effective accountability.
8. There is a requirement for the AGS to include an agreed action plan to deal with significant governance issues, including reference to actions taken or proposed. It should also include summary of progress of how issues raised in the previous year's AGS action plan have been resolved.
9. Guidance on the production of the AGS is produced by the CIPFA and the Society of Local Authority Executives and Senior Managers (SOLACE) in a publication titled *Delivering Good Governance in Local Government – Guidance Note for English Authorities*.

#### HFRS GOVERNANCE ARRANGEMENTS

10. The process of producing the AGS involves reviewing the effectiveness of a wide range of controls and measures that are indicators of the effectiveness of good governance.

11. HFRS governance arrangements have been reviewed in accordance with the Framework 2016 and guidance note, which has enabled the AGS 2019/2020 to be produced.
12. The process of preparing the AGS should itself add value to the effectiveness of the governance and internal control mechanisms. The AGS is a valuable means of communication. It enables the Authority to explain to the community, service users, tax payers and other stakeholders, its governance arrangements and how the controls it has in place manages risks of failure in delivering its outcomes.

### ACTION PLAN

13. The AGS (as seen in Appendix A) incorporates the action plan at Section 6 of significant governance issues, including reference to actions taken or proposed. An update on progress against actions from the year 2018/19 is detailed at Section 7.

### SUPPORTING OUR SERVICE PLAN AND PRIORITIES

14. In reviewing our existing governance arrangements and identifying areas to be improved, HFRS are ensuring accountability for making Hampshire a safer place.
15. **Public Value.** We plan over the longer-term to ensure our decisions and actions deliver efficient and effective public services.
  - a) Governance reviews and supports good governance practice, which supports our Safety Plan and priorities by ensuring an efficient and effective process for decision making and providing clarity and visibility to ensure the Service meets the needs of our communities and delivers public value.

### RESOURCE IMPLICATIONS

16. The AGS has no additional resource implications and is prepared at no additional cost to the Service. The work is currently carried out within existing budget and resource from the Governance and Compliance team within the Corporate Services directorate.

### ENVIRONMENTAL AND SUSTAINABILITY IMPACT ASSESSMENT

17. As detailed within the AGS the Service has embedded within its governance process, impact assessment mechanisms. By identifying impacts early, we can better plan for them, act to mitigate the risk or issue, inform policy and our plans and provide crucial evidence. This ultimately provides assurance

to the Service, Authority and our communities that we at all times apply due consideration of change and support informed decision making.

18. There are no specific changes as a result of this annual report, and therefore there are no positive or negative impacts to the environment or sustainability which may result due to this report. However, these mechanisms support good governance.

## LEGAL IMPLICATIONS

19. The AGS is a statutory requirement and explains how the Authority meets the requirements of The Accounts and Audit (England) Regulations 2015 and complies with the principles contained in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance in Local Government Framework 2016 edition.

## PEOPLE IMPACT ASSESSMENT

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

## OPTIONS

21. Option 1 – to approve the Annual Governance Statement 2019/2020 as set out in **Appendix A**, for Members to acknowledge that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016 and for the approved AGS to be included into the Annual Statement of Accounts to meet the Authority's statutory requirement.
22. Option 2 – to approve the Annual Governance Statement 2019/2020 with amendments.
23. Option 3 – not to approve the Annual Governance Statement 2019/2020 at this time, requesting further review and return at a future date capturing comments raised. However, this option is not recommended as it would result in the Authority not meeting its legal compliance.

## RISK ANALYSIS

24. Annual reporting ensures regular review of governance arrangements and monitors how the controls in place effectively manage risks of failure in delivering an organisation's outcomes. Without this regular review, the organisation may stifle innovation, learning and increase risks in delivering public value and delivery of efficient and effective services to our communities

25. As stated the AGS is an annual statutory requirement, and therefore if it is not approved may risk legal non-compliance.

### EVALUATION

26. It is important that service activities are evaluated to identify what/how we can learn, understand, plan and do better for the organisation and our communities.
27. Included in the AGS is the action plan to deal with significant governance issues. Delivery against the proposed action plan in Appendix A will be undertaken across the next year and evaluated in the Annual Governance Statement 2020-2021.

### CONCLUSION

28. The AGS is submitted to the Authority in accordance with The Accounts and Audit Regulations 2015, for approval and inclusion in the Annual Statement of Accounts 2019/2020. It is recommended that Option 1 above be approved by the Authority.

### RECOMMENDATION

29. That the Annual Governance Statement 2019/2020 as set out in **Appendix A** is approved by the Standards and Governance Committee:
- a) Members acknowledge that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016; and
  - b) The approved AGS to be included into the Annual Statement of Accounts to meet the Authority's statutory requirement.

### APPENDICES ATTACHED

30. **Appendix A** – Annual Governance Statement 2019/2020 for Hampshire Fire and Rescue Authority

### BACKGROUND PAPERS

*Delivering Good Governance in Local Government Framework – 2016 Edition*  
*CIPFA and SOLACE*

*Delivering Good Governance in Local Government – Guidance Note for English Authorities*

*CIPFA and SOLACE*