

# Public Document Pack



**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## NOTICE OF MEETING

<i>Meeting</i>	<b>Hampshire and Isle of Wight Fire and Rescue Authority</b>	<i>Clerk to the Hampshire &amp; Isle of Wight Fire and Rescue Authority</i> <b>CFO Neil Odin</b>
<i>Date and Time</i>	<b>Tuesday 14th December, 2021</b> <b>10.30 am</b>	<i>Fire &amp; Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i>
<i>Place</i>	<b>Room X/Y/Z - Fire &amp; Police Shared HQ, Eastleigh</b>	
<i>Enquiries to</i>	<b><u><a href="mailto:members.services@hants.gov.uk">members.services@hants.gov.uk</a></u></b>	

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 - 8)

To receive and approve the minutes from the Full Authority meeting that took place on 14 September 2021.

### 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**

To receive any updates from Members of the Combined Fire Authority.

**7 BUDGET UPDATE REPORT (Pages 9 - 44)**

To consider a report from the Chief Financial Officer, which provides a first look at the budget setting process for 2022/23, an update on the development of the MTFP and an update on the financial position of the Authority in 2021/22.

**8 APPOINTMENTS REPORT AND MINOR CONSTITUTIONAL UPDATES (Pages 45 - 62)**

To consider a report from the Monitoring Officer, regarding some minor updates to the Constitution and appointment proposals.

**9 ANNUAL STATEMENT OF EQUALITY AND EQUALITY OBJECTIVES (Pages 63 - 96)**

To consider a report from the Chief Fire Officer, which shares the new HIWFRS equality objectives for 2022 – 2026, as well as the governance and monitoring arrangements for delivery of them.

**10 MID-YEAR PERFORMANCE REPORT (Pages 97 - 112)**

To consider a report from the Chief Fire Officer, which explains how the Service has performed over the last six months and highlights current progress in delivering Year 2 improvements of our 2020-25 Safety Plan.

**11 GRENFELL TOWER PROGRESS REPORT DECEMBER 2021 (Pages 113 - 122)**

To consider a report from the Chief Fire Officer, which provides the Fire and Rescue Authority with an extensive update since the previous report brought to the Authority in June 2021.

**12 MINUTES FROM THE STANDARDS AND GOVERNANCE COMMITTEE - 29 SEPTEMBER 2021 (Pages 123 - 126)**

To receive the minutes from the Standards & Governance Committee that took place on 29 September 2021.

**13 MINUTES OF THE STANDARDS AND GOVERNANCE COMMITTEE MEETING - 16 NOVEMBER 2021** (Pages 127 - 146)

To receive the minutes from the Standards & Governance Committee meeting on 16 November 2021 and consider the recommendation in the attached report.

**14 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.

**15 EXEMPT MINUTES OF THE PREVIOUS MEETING - 14 SEPTEMBER 2021** (Pages 147 - 148)

To receive and approve the exempt minutes from Full Authority meeting that took place on 14 September 2021.

**16 PRINCIPAL OFFICER LOCAL PAY AWARD (GOLD BOOK) - MEMBERS ONLY**

For Members to consider a report from the Director of People and Organisational Development regarding the Principal Officer Local Pay Award.

**ABOUT THIS AGENDA:**

This agenda is available through the Hampshire & Isle of Wight Fire and Rescue Service website ([www.hantsfire.gov.uk](http://www.hantsfire.gov.uk)) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

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# Agenda Item 3

AT A MEETING of the Hampshire and Isle of Wight Fire and Rescue Authority  
held at Fire & Police HQ, Eastleigh on Tuesday 14th September, 2021

Chairman:

\* Councillor Rhydian Vaughan MBE

- |                                |                             |
|--------------------------------|-----------------------------|
| * Councillor Roz Chadd         | * Councillor David Harrison |
| * Councillor Liz Fairhurst     | * Councillor Gary Hughes    |
| * Councillor Jason Fazackarley | * Councillor Derek Mellor   |
| * Councillor David Fuller      | * Councillor Roger Price    |
| * Councillor Jonathan Glen     | Councillor Ian Stephens     |

Also present with the agreement of the Chairman: Donna Jones, Police and Crime Commissioner

## 36. APOLOGIES FOR ABSENCE

Apologies had been received from Councillor Ian Stephens.

## 37. 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.

## 38. DRAFT MINUTES OF HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE AUTHORITY - 27 JULY 2021

The minutes of the last meeting were reviewed and agreed.

## 39. DEPUTATIONS

There were no deputations.

## 40. CHAIRMAN'S ANNOUNCEMENTS

The Chairman confirmed that he had been over to visit the Fire Stations over on the Isle of Wight on the 9<sup>th</sup> August and there were also plans for another recruitment phase in early 2022, where the Service hoped to expand on a more

diverse workforce.

**41. MEMBER DEVELOPMENTS**

The Chairman confirmed attendance at a Firefighters graduation that had taken place as well as a Governance and Leadership LGA conference that had also been attended by Councillor Fuller and Councillor Harrison.

Councillor Glen confirmed attendance at a Prince's Trust event and Councillor Hughes thanked Waterloo Fire Station for a beneficial visit.

Councillor Price had also attended a meeting of the Fire Commission.

**42. HIWFRA MODERN SLAVERY STATEMENT 2020-2021**

The Full Authority considered a report from the Chief Fire Officer on the Modern Slavery Statement for 2020-21 (item 7 in the minute book), which outlined the Service's commitment to prevent modern slavery and actions proposed to be taken.

Members learned that despite close working with the Police being important, the Fire Service and paramedics were more often those who discovered cases of modern slavery taking place.

It was agreed that updated figures would be looked at as part of ongoing reporting to the Full Authority and further training would be looked at for Members.

RESOLVED

The HIWFRA Modern Slavery Statement 2020-2021 was approved by the HIWFRA Full Authority for publication on the Authority's website.

**43. APPOINTMENTS REPORT AND UPDATES TO HIWFRA CONSTITUTION**

The Full Authority considered a report from the Monitoring Officer (item 8 in the minute book) that captured some minor amendments to the Constitution as well as the proposed appointment of a new Chief Financial Officer.

Members felt that having deputies would be beneficial for sub-committees to ensure attendance and it was agreed that this would be discussed at a future APAG meeting.

Rob Carr was thanked for his work as the current Chief Financial Officer and Catherine was welcomed and congratulated in her new role.

RESOLVED

- a) The Authority appointed Catherine Edgcombe as its Chief Financial Officer with effect from 1 March 2022.

- b) The Authority delegated authority to the Chief Financial Officer to appoint a Deputy Chief Financial Officer from within the Shared Services Finance Team.
- c) The Authority delegated authority to the Chief Fire Officer to agree from time to time, in consultation with the Chairman, for individual members to act as Member Champions in respect of specific matters.
- d) The Authority approved the minor changes to the Constitution set out at Appendix 1.

44. **MINUTES OF THE STANDARDS & GOVERNANCE COMMITTEE MEETING - 27 JULY 2021 (TO FOLLOW)**

The minutes from the Standards and Governance Committee were received by the Full Authority.

45. **OPEN MINUTES FROM STAKEHOLDER COMMITTEE MEETING - 29 JULY 2021**

The minutes from the Stakeholder Committee meeting were received by the Full Authority.

46. **EXCLUSION OF PRESS AND PUBLIC**

It was resolved that the public be excluded from the meeting during the following items of business, as it was 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 outweighed the public interest in disclosing the information, for the reasons set out in the reports.

47. **PROVISION OF LIVE FIRE TRAINING FACILITIES**

The Full Authority considered an exempt report from the Chief Fire Officer (item 12 in the minute book) regarding the provision of live fire training facilities [SUMMARY OF EXEMPT MINUTE]

48. **EXEMPT MINUTES FROM STAKEHOLDER COMMITTEE MEETING - 29 JULY 2021**

The exempt minutes from the Stakeholder Committee meeting were received by the Full Authority.

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Chairman,





**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Full Authority**

Purpose: Approval

Date: **14 DECEMBER 2021**

Title: **BUDGET UPDATE REPORT**

Report of Chief Financial Officer

### SUMMARY

1. In previous years the Budget Update report has followed the Medium Term Financial Plan (MTFP) presented in September and has provided an update on this plan in advance of the Budget and Precept Report in February. Due to the uncertainty around the medium term financial position, no MTFP was produced this September. This report therefore provides a first look at the budget setting process for 2022/23, an update on the development of the MTFP and an update on the financial position of the Authority in 2021/22.
2. The position in 2021/22 to date is a positive one, with an underspend against the budget of £0.897m currently forecast. Further detail is provided in paragraphs 12-17.
3. The setting of the budget for 2022/23 has worked alongside the development of the priorities for year three of the Safety Plan. As part of this work Executive Group, informed by directorates, have considered requests for additional funding and opportunities for delivering efficiencies. This report requests approval for changes to the base budget as an outcome of this work.
4. This report also sets out a high-level view of the medium term financial position for the Fire Authority based on the announcements made as part of the Autumn Budget on 27<sup>th</sup> October 2021. A full MTFP will be produced and presented to the Authority alongside the Budget and Precept Report at the February meeting.

5. This report also covers two pensions matters. The first is a recommendation for an increase to the cost cap envelope relating to the cost of pensions for temporary promotions, covered in paragraphs 52 – 54. The second is an update to the LGPS discretions policy on additional voluntary contributions, covered in paragraphs 55 to 56 and Appendix D.

## BACKGROUND

6. A series of single year financial settlements have made forward financial planning for the Authority challenging. Prior to the Autumn Budget and Spending Review, the Authority had no visibility of its financial prospects beyond March 2022.
7. The Autumn Budget and Spending Review contained limited information about the specifics of the funding settlement for Fire. Therefore, this report is based on a number of assumptions. Inevitably the final settlement will differ in some respects from these assumptions. Any changes will be reflected in the Budget and Precept report and the MTFP.

## FINANCIAL PRINCIPLES

8. Given the coming multi-year settlement and the development of an MTFP, it seemed an appropriate time to formalise a set of financial principles for the Authority. These principles will guide the development of the MTFP and will provide a useful reference point for future financial decision making.
9. These principles are not a fundamental change in our approach to the Authority's finances. This approach has served us well and means that we are in a stable financial position. Rather the aim is to clearly articulate these principles to ensure that Members and officers have a shared understanding of the underlying principles that continue to shape our approach.
10. The principles were discussed and agreed by Executive Group as part of the early planning for setting the 2022/23 budget. They are set out for Member approval as Appendix A.
11. The rest of the report assumes that these principles have been adopted.

## 2021/22 BUDGET MONITORING

12. The forecast position for the Authority in 2021/22 is an underspend of £0.897m. This position includes £0.575m of COVID related expenditure matched by grant funding carried forward from the previous financial year. A breakdown of the position is set out below.

	<b>Budget</b>	<b>Forecast</b>	<b>Over / (under) spend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Employee costs	61,841	60,191	(1,650)
Premises	8,449	8,628	179
Transport	1,792	2,010	218
Supplies and Services	9,947	10,200	253
Third Party Payments	2,481	2,319	(162)
Income	(3,480)	(3,304)	176
<b>Net expenditure</b>	<b>81,028</b>	<b>80,044</b>	<b>(984)</b>
Funding	(81,028)	(80,941)	87
<b>Net position</b>	<b>-</b>	<b>(897)</b>	<b>(897)</b>

13. Currently, additional COVID related expenditure, including some amounts related to COVID recovery are covered by grant funding. The position above includes this funding and the associated forecast expenditure. If there were to be further COVID response costs with no associated additional funding, these costs would become a pressure on the bottom line.
14. The majority of the underspend is made up of lower employee costs, mainly within the Operations directorate. This underspend has been achieved by proactively managing staff costs within the area.
15. There is currently a forecast overspend on premises, largely relating to pressures on reactive maintenance. The property team are working to contain this pressure and will reprioritise work to bring spend in line with budget by year end.

16. The forecast overspend on transport mainly relates to travel costs for firefighters covering absence on other stations. These costs are related to and more than offset by the underspend on pay costs. We have also seen an impact from higher fuel prices.
17. Supplies and services overspends relate primarily to the costs of ICT contractors to fill ICT vacancies and a pressure on the Networked Fire Services Partnership (NFSP) budget. ICT contractor costs are offset by staff vacancies and work is underway to address the NFSP budget pressure.

### 2022/23 BUDGET SETTING

18. The process of setting the budget for 2022/23 is underway. Budget setting is inextricably linked to the development of the annual Safety Plan priorities, so these processes run in tandem.
19. The Budget and Spending Review did not contain specific information about the Fire financial settlement. Specific detail will not be available until the Local Government funding settlement announcement is made in December 2021. However, the key points that are currently assumed from the settlement are as follows:
  - Council tax rises for Fire Authorities will be limited to 1.99% (without a referendum)
  - Grant funding is assumed to increase by 1.8%
  - There is an assumption that current specific grants will continue.
20. The Fire Sector had made representations to Government about the benefits of a £5, rather than 1.99%, Council Tax referendum limit. Based on the announcements it seems that the referendum limit will remain at 1.99%, making the medium term financial position of the Authority significantly more challenging.
21. Billing authorities have recently provided more up to date information on changes to the Council Tax base. Based on this information, an increase of 1% is assumed. No information on collection fund surpluses or deficits is available so an assumption of no surplus or deficit has been made. Again, any changes to these assumptions will affect the position.
22. A number of assumptions about expenditure have also been included in the financial modelling. The Station Investment Programme (SIP) is funded from prudential borrowing. As the projects that form part of the SIP progress



the repayment of this borrowing has to be factored into the budget, with a further £580,000 required next year.

23. Reasonable assumptions about pay and non-pay inflation are included as part of the budget setting process. However, inflation on some non-pay items is currently significantly higher than would normally be expected. It is difficult to predict if these elevated rates will continue or if there are short term factors affecting prices. Therefore, an inflation contingency of £300,000 is proposed, to be managed centrally to support areas of the service disproportionately affected by inflationary rises.
24. Due to the high levels of uncertainty no MTFP was produced in 2021/22. There was an underlying budget deficit of £778,000 which was met by a one-off draw from the Grant Equalisation Reserve. This becomes the starting point for 2022/23 budget setting.
25. In line with our financial principles, we will aim to set a fully balanced budget for 2022/23 (i.e., without the use of reserves). However, given the relatively short period of time between the details of the financial settlement becoming available and the start of the next financial year, it may not be possible to achieve this. In that case we may need to temporarily reduce our contributions to reserves while plans are developed to deliver further efficiencies or service reductions.

### DELIVERY PRESSURES

26. Given the financial pressures on the Authority, it is more important than ever to limit increases in base expenditure. In previous years there has been the opportunity for areas across the organisation to put forward a case for growth in their budgets to deliver organisational benefit. This year this process was not carried out. Instead, Executive Group had the opportunity to identify only essential delivery pressures. Some of these were brought forward from last year as they were not affordable within the budget at that time. Executive Group have considered and robustly challenged these pressures and are proposing only the highest priority areas for inclusion in the 2022/23 base budget. The total cost of these delivery pressures is £592,000. A full breakdown, including the split between pressures brought forward and new pressures, is included as Appendix B.
27. In addition to the agreed delivery pressures, a medium term need to increase contributions to ICT reserves to support a timely refresh of ICT equipment was also noted as a requirement. The level of additional funding needed (£218,000) means that an on-going contribution is unlikely to be affordable next year. Instead, the pressure will be addressed in future years

as part of the MTFP. A one-off contribution to ICT reserves from underspend will instead be made during 2022/23 subject to affordability.

28. Although these pressures have been identified as high priority for including within the 2022/23 budget, until the final settlement has been announced it is not clear whether they will be affordable and ultimately, savings may be required in other areas in order to accommodate them in the budget. Therefore, it is recommended that these delivery pressures are proposed for inclusion in the 2022/23 budget subject to affordability based on the outcome of the funding settlement.
29. In order to deliver the priorities set out in the 2022/23 Safety Plan, one off investment will be required. This investment can be funded from the Transformation Reserve, a reserve held by the Fire Authority for this purpose. The total investment required will be included in the Budget and Precept report.

#### CAPITAL INVESTMENT PRIORITIES

30. As a sector Fire receives no capital funding from Government. In order to provide essential funding to invest in our estate and vehicles, the Authority has an existing strategy of making annual contributions to the Capital Payments Reserve to fund future capital investment.
31. As noted in the Reserves Strategy presented to the Authority in February 2021, although the current balance on the Capital Payments Reserve remains high, the total balance and future contributions are fully committed to the current vehicles replacement programme and other previously agreed capital schemes.
32. Despite the annual contributions to capital, there is insufficient reserve funding available to support new major capital schemes. The Authority has agreed to fund the Cosham and Redbridge schemes that form part of the Station Investment Programme (SIP) from prudential borrowing. Prudential borrowing provides access to significant funds for investment but the interest payments and provision for the repayment of capital (known as the Minimum Revenue Provision or MRP) become a growth pressure on the revenue budget.
33. An additional £580,000 has been built into the revenue budget to cover the SIP prudential borrowing and future increases will be included in the MTFP.
34. As part of the budget setting process and developing early thoughts around the MTFP, Executive Group also considered future capital investment priorities. The affordability of these schemes will need to be considered

when the details of the financial settlement are available. The indication that the council tax referendum limit will remain at 1.99% means that the funding of these essential schemes is now extremely challenging.

35. The first priority is to complete the essential estates improvement works on the Isle of Wight. The Authority agreed £1.1m for the first phase of this work in September 2020. In order to complete the work a further £3.1m is likely to be required from 2022/23 – 2023/24.
36. In July 2021 the Authority agreed funding for Carbon Reduction Surveys. The funding to complete the necessary works that these surveys identify will also need to be considered as part of the capital programme from 2023/24.
37. Funding to retrospectively apply the Station Improvement Design Principles to existing stations also needs to be considered. This work will concentrate on addressing fireground decontamination and providing inclusive facilities.
38. New schemes as part of the SIP in Fareham and Gosport, East Cowes and Newport are also under consideration. A £200,000 provision for a potential Gosport site is included in the existing capital programme. Although the original site under consideration is no longer available, this allocation will be retained to allow a suitable site to be secured. There is an existing delegation in place for this deposit to be used to secure a suitable site in advance of a full business case being approved by the Authority.
39. The full details of the forward capital programme will be included in the Budget and Precept Report in February 2022. This will include options for funding the proposals. Reports or business cases will be brought to the Authority to seek approval for the specific schemes, but it seemed useful at this point to provide a sense of the scale of the potential capital investment requirements. The current indications about the financial settlement suggest that funding these high priority schemes will be extremely challenging.
40. It is also worth noting that there are currently additional cost pressures on capital schemes on both materials and labour relating to COVID and supply chain issues.

#### EFFICIENCY MEASURES

41. In order to balance the financial position of the Fire Authority over the medium term, it will be necessary to develop and deliver efficiency measures. Depending on the details of the medium term financial settlement it may also be necessary to look at options for service reductions.

42. Executive Group have considered what level of efficiencies may be achievable. Efficiency savings of £212,000 have already been identified, relating to the deletion of the vacant Assistant Chief Officer post and some smaller non-pay savings.
43. In addition, Executive Group have committed to develop an efficiency and effectiveness plan which will deliver efficiencies during 2022/23 and 2023/24. Initial high-level thinking suggests that £1.15m could be delivered during 2022/23 with a further £1.15m in the following financial year.
44. Progress on the development and delivery of the efficiency and effectiveness plan will be monitored within the service and reported to the Authority during 2022/23.

### BUDGET POSITION

45. The final 2021/22 budget setting position was a deficit budget of £778,000. This deficit was met by a one-off draw from and a one-off reduction in the contribution to the Grant Equalisation Reserve (GER).
46. The starting position for 2022/23 budget is that this deficit of £778,000 is rolled forward. There are several other known changes that impact this position. Most of these changes have been covered elsewhere in the report.
47. It is worth remembering at this point that the position during the budget setting process was a 0% public sector pay award. In fact, a 1.5% pay award was agreed for grey book staff with the green book pay award still subject to negotiation. Therefore, there is an estimated £900,000 unbudgeted pressure from these pay awards. A contingency of £500,000 was included within the budget for unforeseen costs during the first year of the new Fire Authority. This contingency was fully used to fund the pay award, leaving a net deficit of £400,000 for the pay award.
48. The known changes are as follows:

	£'000
Inflation contingency	300
Removal of Council Tax Support Grant	695
Revenue implications of the Station Investment Programme	580

2022/23 forecast pay and non-pay inflation	1,250
2022/23 National Insurance increase	350
2022/23 delivery pressures	592
Full year effect of the 2021/22 unbudgeted pay award	900
Removal of contingency	(500)
2022/23 efficiency measures	(1,362)
2022/23 forecast Council Tax increase (including council tax base increase)	(1,480)
2022/23 forecast grant increase	(770)
<b>Net impact</b>	<b>555</b>

49. Adding these changes to the deficit brought forward of £778,000 would mean a deficit position of £1.333m prior to the announcement of the detailed settlement. This position is based on the development and implementation of an efficiency and effectiveness plan during 2022/23. It is clear that the delivery of efficiency measures is essential to balancing the 2022/23 budget. There are potential one-off changes that could be made which would allow the deficit to be managed in 2022/23. The potential mitigations are as follows:

	£'000
Utilise remaining GER balance	472
No contribution to the GER	625
Use of 2021/22 underspend	236

<b>Total mitigations</b>	<b>1,333</b>
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50. These mitigations would bring the balance on the GER to £0 and would reduce the ability of the service to make full use of the underspend to support future change activities from the Transformation Reserve.
51. In the event that the financial settlement is significantly worse than forecast, or efficiency savings cannot be made to this level, it may be necessary to temporarily reduce the reserve contributions currently built into the base budget. This may result in the need to fund some capital schemes from borrowing that are currently funded from reserves, creating greater future revenue pressures. For this reason, this should be viewed as a last resort.

## PENSIONS

52. In August 2016 the Authority made decisions about temporary promotions and their treatment in terms of pensions for different cohorts of employees. These decisions committed the Authority to pay for the difference between their benefits based on temporary promotion and their legislative benefits.
53. The maximum cost envelope for accepted members was £256,000 for lump sums and £35,700 for annual pensions. The majority of members have since retired and the costs have been contained within the original estimates. However, due to factors that could not have been anticipated when the original estimates were made, it is necessary to seek approval from the Fire Authority to increase the cost cap envelope as follows:
- (a) For lump sums from £256,000 to £291,000 (increase of £35,000)
  - (b) For annual pensions from £35,700 to £38,700 (increase of £3,000).
54. The proposal to increase the cost cap envelope was noted by the HIWFRA Firefighters Pension Board at its April meeting.
55. In addition, there is a proposal to allow members of the Local Government Pension Scheme to purchase Additional Voluntary Contributions (AVC) in the form of a Salary Sacrifice Shared Cost AVC. This is a tax efficient way for employees to increase their pension.
56. The mechanism for this to be approved is via an amendment to the LGPS discretions policy, attached as Appendix D. There are no financial implications of making this change as the cost of paying into the scheme is borne by the employee and not the service.

## TREASURY MANAGEMENT

57. The mid-year Treasury Management Report is attached as Appendix C. It provides an update of the Authority's return on investment as at 30th September 2021.

## SUPPORTING OUR SAFETY PLAN AND PRIORITIES

58. Ensuring that funding is appropriately accounted for is vital for all public sector organisations. Good budget management in the past has allowed underspends to be achieved, which have been added to reserves to fund future investment and change activities.
59. As resources are scarce and a good deal of uncertainty remains, it is essential that spend is carefully prioritised and that resources are directed to the highest priority areas in line with the Safety Plan.

## CONSULTATION

60. Consultation on the budget proposals will take place with businesses and Unions as part of the budget setting process for 2022/23.

## RESOURCE IMPLICATIONS

61. Decisions made in this report will be reflected in the final 2022/23 Budget and Precept Report, to be presented to the Authority in February 2022.

## IMPACT ASSESSMENTS

62. The proposals within this report are considered compatible with the provisions of relevant equality and human rights, Data Protection and Health and Safety Legislation.

## LEGAL IMPLICATIONS

63. The Fire Authority is required to set a balanced budget and council tax level by 1 March 2022. This report provides background information and initial proposals which will be expanded on in the Budget and Precept report.

## OPTIONS

64. The process of setting a budget is a series of options about how best to use the resources available to deliver organisational priorities. This report has provided some information about the proposed options based on the current best available information. Full detail on the options proposed will be

provided to the Authority as part of the Budget and Precept Report and MTFP in February 2022.

### RISK ANALYSIS

65. Over recent years financial management processes within the service have improved meaning that the risk of unexpected financial pressures has reduced.
66. Uncertainty over the medium term financial position and potential funding cuts are risks identified in the organisational risk register. The outcome of the Budget and Spending Review will impact on these risks. However, the Authority is in a stable financial position and has reserves that could be drawn on to mitigate this risk in the short term while plans to address funding shortfalls are developed.

### EVALUATION

67. This report provides an update to the Authority on the budget setting progress to date. Full details will be provided as part of the Budget Setting and Precept report in February 2022.
68. Evaluation of the impact of the growth pressures and high level efficiencies will be picked up as part of business as usual processes within the service.

### CONCLUSION

69. It is recommended that the Authority consider the content of this report, including areas where there is still uncertainty about the medium term position.

### RECOMMENDATIONS

70. That the financial principles in Appendix A be approved by the HIWFRA Full Authority
71. That the budget monitoring position be noted by the HIWFRA Full Authority
72. That the increase to the cost cap envelope is approved by the HIWFRA Full Authority.



73. That the Delivery Pressures set out in Appendix B be approved by the HIWFRA Full Authority for inclusion in the 2022/23 budget subject to affordability
74. That the mid-year review of treasury management activities set out in Appendix C be approved by the HIWFRA Full Authority
75. That the updated LGPS Discretions Policy set out in Appendix D be approved by the HIWFRA Full Authority

APPENDICES ATTACHED

76. Appendix A – Financial Principles
77. Appendix B – Delivery Pressures
78. Appendix C – Treasury Management Mid-Year Report
79. Appendix D – LGPS Discretions Policy

Contact: Catherine Edgecombe  
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## APPENDIX A – FINANCIAL PRINCIPLES

The following financial principles have been developed by Executive Group to guide budget setting and medium term financial planning:

- 1.A corporate approach will be taken to the development of budgets and savings programmes
- 2.Savings delivery will be planned so that savings are delivered at the optimum time to balance the budget
- 3.Financial planning assumptions will be realistic and prudent and will take account of pay and price inflation
- 4.One off and recurring growth will be limited
- 5.Revenue contributions to reserves for capital investment, IT and other equipment replacement will be maintained
- 6.The revenue budget and capital investment will be aligned with strategic priorities and risks
- 7.Reductions in planned reserve contributions will be used as a last resort to balance the budget.

## APPENDIX B – DELIVERY PRESSURES

Category	Narrative	Value (£'000)
ICT reserve contributions	An increase in the annual contribution to the ICT reserve to cover the current projected costs of the refresh of equipment for increasing provision to include IOW equipment.	89
Equipment reserve contributions	An increase in the annual contribution to the Equipment reserve to cover the current projected costs of the refresh of equipment for increasing provision to include IOW equipment.	65
<b><i>Sub-total</i></b>	<b><i>Pressures delayed from 2021/22</i></b>	<b><i>154</i></b>
Strategic partnerships resource	2 FTE additional resources to secure our ability to foster influential relationships with stakeholders and to understand and meet the needs of our communities. Supporting our evolving understanding of risk and our commitment to make evidence based decisions	65
Communications resources	2 FTE additional resources to strengthen our communications team and to add more specialist skills to our creative communications capabilities, allowing us to create more engaging communications to our staff and the communities we serve.	80
Driver training	1 FTE additional resource plus costs of providing driver training following the increase in duration of driver training courses from one to three weeks.	83
Recruitment resource	1 FTE dedicated resource to take a strategic overview of recruitment across the organisation.	60

HR resource	Additional HR resource to deliver organisational priorities and continue the strong focus on our people.	80
ICT base budget increase	Net increased required to address resourcing pressures within the ICT team, other pressures have been managed via savings	27
Carbon reduction post	Approved in principle by the Authority as part of the Carbon Reduction Pathway report in July 2021	43
<b><i>Sub-total</i></b>	<b><i>Newly identified pressures</i></b>	438
<b>Total</b>		<b>592</b>

## APPENDIX C – TREASURY MANAGEMENT MID-YEAR REPORT

### Treasury Management Mid-Year Monitoring Report 2021/22

#### Purpose of the Report

1. Hampshire and Isle of Wight Fire and Rescue Authority has adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), last updated in 2017. The CIPFA Code requires the Fire and Rescue Authority to approve a treasury management strategy before the start of the year and a semi-annual and annual treasury outturn report. The purpose of this report is therefore to meet this obligation by providing an update on the performance of the treasury management function at the mid-year point.

#### Summary

2. This report fulfils the Fire and Rescue Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code and provides an update on the performance of the treasury management function at the mid-year point.
3. The Fire and Rescue Authority's treasury management strategy was most recently updated and approved at a meeting of Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority) in February 2021. The Fire and Rescue Authority has borrowed and invested sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Fire and Rescue Authority's treasury management strategy.
4. Treasury management in the context of this report is defined as: "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
5. This mid-year report sets out the performance of the treasury management function from the beginning of April to the end of September 2021, to include the effects of the decisions taken and the transactions executed.
6. Overall responsibility for treasury management remains with the Fire and Rescue Authority. No treasury management activity is without risk and the

effective identification and management of risk are therefore integral to the Fire and Rescue Authority's treasury management objectives.

7. All treasury activity has complied with the Fire and Rescue Authority's Treasury Management Strategy and Investment Strategy for 2021/22, and all relevant statute, guidance and accounting standards. In addition, support in undertaking treasury management activities has been provided by the Fire and Rescue Authority's treasury advisers, Arlingclose.
8. The 2017 Prudential Code includes the requirement to produce a Capital Strategy, a summary document approved covering capital expenditure and financing, treasury management and non-treasury investments. The latest iteration of the Fire and Rescue Authority's Capital and Investment Strategy, complying with CIPFA's requirement, was approved by the Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority) in February 2021.

## **External Context**

9. The following sections outline the key economic themes in the UK against which investment and borrowing decisions have been made to date in 2021/22.

### **Economic commentary**

10. The coronavirus pandemic continued to dominate the news during the period, with economic resurgence following the rapid vaccination programme.
11. The Bank of England (BoE) has held Bank Rate at 0.1% since March 2020 and has maintained its Quantitative Easing programme at £895bn since November 2020. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% from 2.9%, in part reflecting tighter supply conditions. CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation.
12. The BoE's Monetary Policy Committee (MPC) does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating the economy's spare capacity and achieving the 2% inflation target sustainably.

## **Financial markets**

13. Ongoing monetary and fiscal stimulus together with improving economic growth prospects and successful vaccine rollout programmes continued to boost equity markets over the period. In the UK, the FTSE 250 index continued making gains over pre-pandemic levels and the more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.
14. Inflation worries continued during the period but declines in bond yields between April and June suggest bond markets may be expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and European Union, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instances, led to higher prices. UK government bonds remained positive over the period.

## **Credit review**

15. Credit default swap spreads were flat over the period and are broadly in line with their pre-pandemic levels. Credit default swaps are used as an indicator of credit risk, where higher premiums indicate higher perceived risks.
16. Over the period credit ratings agencies, Fitch and Moody's, upwardly revised to stable the outlook on a number of UK banks and building societies on Arlingclose's counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.
17. The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.
18. On 24 September 2021 Arlingclose published its review of its credit advice on unsecured deposits, judging that the UK has seen six months of positive GDP growth, and while forward-looking indicators suggest that economic growth has entered a slower phase as the UK heads into autumn, and the risks around both the continuing pandemic and a period of economic adjustment post government support remain, the likelihood of

further significant economic fallout from the pandemic impacting on the financial viability of certain banks has diminished. As a result Arlingclose has updated its treasury management advice, allowing maximum durations of 100 days for unsecured investments with some UK banks on their list of recommended counterparties.

## Local Context

19. At 31 March 2021 the Fire and Rescue Authority's underlying need to borrow for capital purposes was £10.3m as measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment and amounted to £29.5m. These factors are summarised in Table 1.

<b>Table 1: Balance sheet summary</b>	<b>31/03/21 Balance £m</b>
CFR	10.3
Less: External borrowing	
- Public Works Loan Board	(7.1)
<b>Internal Borrowing</b>	<b>3.2</b>
Less: Usable Reserves	6.3
Less: Working Capital	(35.8)
<b>Net Investments</b>	<b>(26.3)</b>

20. The Fire and Rescue Authority's strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing, to reduce risk and keep interest costs low. The treasury management position at 30 September 2021 and the movement since 31 March 2021 are shown in Table 2.

<b>Table 2: Treasury management summary</b>	<b>31/03/21 Balance £m</b>	<b>Movement £m</b>	<b>30/09/21 Balance £m</b>	<b>30/09/21 Rate %</b>
Long-term borrowing	(6.65)	-	(6.65)	4.69
Short-term borrowing	(0.45)	-	(0.45)	4.50
<b>Total borrowing</b>	<b>(7.10)</b>	<b>-</b>	<b>(7.10)</b>	<b>4.68</b>
Long-term investments	8.00	1.00	9.00	4.19
Short-term investments	14.00	1.00	15.00	0.07
Cash and cash equivalents	4.79	10.69	15.48	0.01
<b>Total investments</b>	<b>26.79</b>	<b>12.69</b>	<b>39.48</b>	<b>0.98</b>



<b>Net investments</b>	<b>19.69</b>	<b>12.69</b>	<b>32.38</b>	
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Note: the figures in Table 2 at 31 March 2021 are from the balance sheet in the Fire and Rescue Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

21. The increase in net investments of £12.69m shown in Table 2 reflects an increase in investment balances and no change in borrowing, in line with the Fire and Rescue Authority's policy on internal borrowing. Further details are provided in the Borrowing Activity and Treasury Investments Activity sections of this report.

## **Borrowing Update**

22. Local authorities can borrow from the Public Works Loan Board (PWLB) provided they have not purchased an investment asset primarily for yield since 26 November 2020 and can confirm they are not planning to do so in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 / Section 95 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.
23. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.
24. Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.
25. The Fire and Rescue Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to fully access the PWLB if required.
26. CIPFA has recently released a further consultation on its Prudential Code (more information provided at paragraph 62 of this report) ahead of the new Code being released in December 2021. The consultation documents include the guidance that authorities 'must not borrow to invest for the primary purpose of financial return', and the sector was concerned that the documentation also seemed to read that those authorities who were invested in pooled funds would not be able to access borrowing from the PWLB. However CIPFA have subsequently published early guidance on not borrowing to invest which covers existing commercial investments:

27. “The Code’s statement that authorities ‘must not borrow to invest for the primary purpose of financial return’ is not intended to require the forced sale of existing commercial investments, whether commercial properties or financial investments. Selling these investments and using the proceeds to net down debt does, however, reduce treasury risks on both sides of the balance sheet and is therefore an option which should be kept under review, especially if new long term borrowing is being considered.”
28. Responses to this consultation are expected by 16 November 2021 before the final Code is released in December 2021, and the Fire and Rescue Authority as well as its adviser, Arlingclose, intends to respond to this consultation.

### **Revised PWLB Guidance**

29. HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an ‘investment asset primarily for yield’. The principal aspects of the new guidance are:

- Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an ‘investment asset primarily for yield’.
- Capital plans should be submitted by local authorities via a DELTA return. These open for the new financial year on 1st March and remain open all year. Returns must be updated if there is a change of more than 10%.
- An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.
- Further detail on how local authorities purchasing investment assets primarily for yield can access the PWLB for the purposes of refinancing existing loans or externalising internal borrowing.
- Additional detail on the sanctions which can be imposed for inappropriate use of the PWLB loan. These can include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

### **Changes to PWLB Terms and Conditions from 8 September 2021**

30. The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB

against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.

## Borrowing Activity

31. At 30 September 2021 the Fire and Rescue Authority held £7.1m of loans (which represents no change since from 31 March 2021) as part of its strategy for funding previous years' capital programmes. The mid-year treasury management borrowing position and movement since 31 March 2021 are shown in Table 3.

<b>Table 3: Borrowing position</b>	<b>31/03/21 Balance £m</b>	<b>Net movement £m</b>	<b>30/09/21 Balance £m</b>	<b>30/09/21 Weighted average rate %</b>	<b>30/09/21 Weighted average maturity (years)</b>
Public Works Loan Board	(7.10)	-	(7.10)	4.68	9.7
<b>Total borrowing</b>	<b>(7.10)</b>	<b>-</b>	<b>(7.10)</b>	<b>4.68</b>	<b>9.7</b>

Note: the figures in Table 3 at 31 March 2021 are from the balance sheet in the Fire and Rescue Authority's statement of accounts but adjusted to exclude accrued interest.

32. The Fire and Rescue Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Fire and Rescue Authority's long-term plans change is a secondary objective.

33. Short-term interest rates have remained much lower than long-term rates and the Fire and Rescue Authority has therefore considered it to be more cost effective in the near term to use internal resources than to use additional borrowing. In line with this strategy, no new borrowing has been taken out during the period.

34. This borrowing strategy has been monitored with the assistance of Arlingclose and has enabled the Fire and Rescue Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

## Treasury Investment Activity

35. The Fire and Rescue Authority holds invested funds representing income received in advance of expenditure plus balances and reserves held. During the six-month period from 1 April to 30 September 2021, the Fire and Rescue Authority's investment balances have ranged between £23.3m and £42.4m due to timing differences between income and expenditure.

36. Table 4 shows investment activity for the Fire and Rescue Authority as at 30 September 2021 in comparison to the reported activity as at 31 March 2021. The increase in total investments since 31 March 2021 reflects the fact that the balance at 31 March is typically the lowest of the year due to the annual pension grant being received in July each year, which is then paid out to pensioners on a monthly basis.

<b>Table 4: Treasury investment position</b>	<b>31/03/21 Balance</b>	<b>Net movement</b>	<b>30/09/21 Balance</b>	<b>30/09/21 Income return</b>	<b>30/09/21 Weighted average maturity</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>	<b>(years)</b>
<b>Short term investments</b>					
Banks and building societies:					
- Unsecured	4.84	2.49	7.33	0.06	0.1
- Secured	-	5.00	5.00	0.08	0.5
Government:					
- DMADF	-	3.00	3.00	0.01	0.1
- Local authorities	11.00	(9.00)	2.00	0.09	0.6
Money market funds	2.95	10.20	13.15	0.01	0.0
	<b>18.79</b>	<b>11.69</b>	<b>30.48</b>	<b>0.04</b>	<b>0.4</b>
<b>Long term investments</b>					
Banks and building societies					
- Secured	1.00	1.00	2.00	0.28	1.4
	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>0.28</b>	<b>1.4</b>
<b>Long term investments – higher yielding strategy</b>					
Pooled funds:					
- Pooled property*	3.25	-	3.25	4.46	N/A
- Pooled equity*	2.00	-	2.00	7.00	N/A

- Pooled multi-asset*	1.75	-	1.75	4.94	N/A
	<b>7.00</b>	-	<b>7.00</b>	<b>5.30</b>	<b>N/A</b>
<b>Total investments</b>	<b>26.79</b>	<b>12.69</b>	<b>39.48</b>	<b>0.98</b>	<b>0.2</b>

\* The rates provided for pooled fund investments are reflective of annualised income returns over the year to 30 September 2021 based on the market value of investments 12 months earlier.

Note: the figures in Table 4 at 31 March 2021 are from the balance sheet in the Fire and Rescue Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

37. The Fire and Rescue Authority made a payment of £3.9m on 1 April 2020 to prepay its employer's Local Government Pension Scheme (LGPS) contributions for 3 years. By making this payment in advance the Fire and Rescue Authority was able to generate an estimated saving of £0.26m over 3 years on its pension contributions. It is expected that cash balances will steadily increase over this three year period in addition to the normal cash movements due to timing differences between income and expenditure.

38. Investment balances have subsequently increased and were £12.69m higher at 30 September 2021 in comparison to the position at 31 March 2021. This is in part explained by the Fire and Rescue Authority not having to make monthly employer's pension contributions in 2021/22 (having already paid in advance for 3 years in April 2020) and the balance of grants received but not yet applied. The impact of the coronavirus pandemic has created significant uncertainty, resulting in the need for significant assumptions within financial forecasts and a difference in timing between income and expenditure, both in terms of the direct response to the pandemic and in carrying out regular service delivery plans.

39. The CIPFA Code and government guidance both require the Fire and Rescue Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Fire and Rescue Authority's objective when investing money is therefore to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults alongside managing the risk of receiving unsuitably low investment income. The Fire and Rescue Authority's Treasury Management Strategy Statement (TMSS) sets out how it will manage and mitigate these risks.

40. The security of investments has been maintained by following the counterparty policy and investment limits within the TMSS, taking advice from Arlingclose on changes in counterparty credit worthiness, and making

use of secured investment products that provide collateral. The Fire and Rescue Authority invests in liquid investments to ensure money is available when required to meet its financial obligations, spreading these investments across a number of counterparties to mitigate operational risk.

41. In delivering investment returns, the Fire and Rescue Authority has operated against a backdrop in which the UK Bank Rate was cut to 0.10% in March 2020 in response to the coronavirus pandemic. UK Bank Rate has remained at this rate throughout the year, having an impact on rates across the market. Returns have been at or around +0.01% for liquid investment options such as Money Market Funds (MMFs), bank call accounts and the UK Government's Debt Management Account Deposit Facility (DMADF) and have not been significantly higher for other short-term options like fixed duration loans to other local authorities and bank notice accounts. Investment income has therefore largely come from investments arranged at fixed rates of interest prior to the pandemic and through the Fire and Rescue Authority's investments in pooled funds.

42. The Fire and Rescue Authority benchmarks the performance of its internally managed investments against that of other Arlingclose clients on a quarterly basis. Internally managed investments include all investments except externally managed pooled funds but do include MMFs. The performance of these investments against relevant measures of security, liquidity and yield are shown in Table 5, providing data as at 30 June 2021 and at 31 March 2021 for comparison. The Fire and Rescue Authority's data as at 30 September 2021 is available and is shown in Table 5, however unfortunately the comparative benchmarking data was not available at the publishing date.

<b>Table 5: Investment benchmarking (excluding pooled funds)</b>	<b>Credit rating</b>	<b>Bail-in exposure</b>	<b>Weighted average maturity (days)</b>	<b>Rate of return</b>
		<b>%</b>		<b>%</b>
31.03.2021	AA-	39%	87	0.22%
30.06.2021	AA-	73%	52	0.06%
Police & Fire Authorities	A+	87%	16	0.03%
All LAs	A+	67%	12	0.11%
30.09.2021	AA-	63%	80	0.16%

43. Table 5 shows the average credit rating of the portfolio has remained consistent over the first half of the financial year, and bail-in exposure rose and then fell again (as a function of the total balances for investment), settling at a low level, both measures reflecting a greater investment balance in secured investments, which are not subject to bail-in risk as they provide collateral. The change in the weighted average maturity of investments over the period reflects the change in total balances for investment due to the receipt and subsequent expenditure of grant. The average rate of return (0.16%) was lower than at 31 March 2021, but with the benefit of higher rates for fixed investments made prior to the pandemic helping to offset returns at or close to 0% for many investments across the market. The Fire and Rescue Authority compared favourably with the other police and fire authorities in the benchmarking exercise across all metrics.

### **Externally managed pooled funds**

44. In order to minimise the risk of receiving unsuitably low investment income, the Fire and Rescue Authority has continued to invest a proportion of steady core balances in externally managed pooled funds as part of its higher yielding strategy.

45. The CIPFA Code requires the Fire and Rescue Authority to invest its funds prudently and to have regard to the security and liquidity of its investments before seeking the highest yield. As a result, the Fire and Rescue Authority's investments targeting higher yields have been made from its most stable balances and with the intention that they will be held for at least the medium term. This means that the initial costs of any investment and any periods of falling capital values can be overcome and mitigates the risk of having to sell an asset for liquidity purposes, helping to ensure the long-term security of the Fire and Rescue Authority's investments.

46. The Fire and Rescue Authority's investments in pooled funds fell considerably in value when the coronavirus pandemic hit world markets but have since recovered well. This recovery means these investments are now worth more in aggregate than the initial sums invested, as shown in Table 6, demonstrating the importance of taking a longer term approach and being able to ride out periods of market volatility, ensuring the Fire and Rescue Authority is not a forced seller at the bottom of the market.

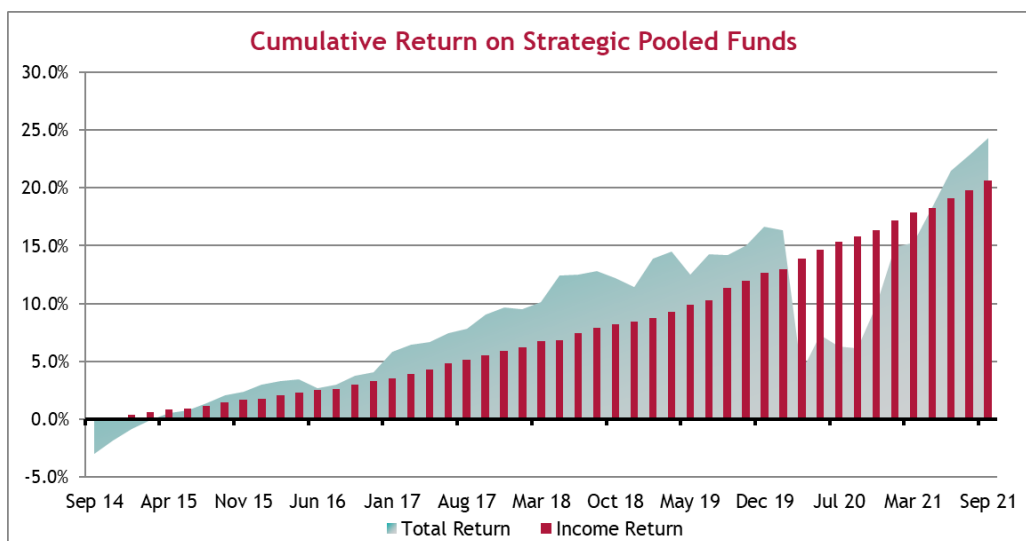
Table 6 – Higher yielding investments – market value performance	Amount invested*	Market value at 30/09/21	Gain/(fall) in capital value	
			Since purchase	One year
	£m	£m	£m	£m
Pooled property funds	3.25	3.37	0.12	0.30
Pooled equity funds	2.00	2.17	0.17	0.50
Pooled multi-asset funds	1.75	1.72	(0.03)	0.14
<b>Total pooled funds</b>	<b>7.00</b>	<b>7.26</b>	<b>0.26</b>	<b>0.94</b>

47. The Fire and Rescue Authority's investments in pooled funds target long-term price stability and regular revenue income and bring significant benefits to the revenue budget. As shown in Table 7 the annualised income returns have averaged 4.49% pa (per annum) since purchase, contributing to a total return of 24.35% over their life.

Table 7 – Higher yielding investments – income and total returns since purchase	Annualised income return	Total return
	%	%
Pooled property funds	4.20	27.65
Pooled equity funds	5.08	32.57
Pooled multi-asset funds	4.43	8.69
<b>Total pooled funds</b>	<b>4.49</b>	<b>24.35</b>

48. The Fire and Rescue Authority's pooled fund investments continue to deliver income returns far in excess of what could be generated from cash investments. The cumulative total return from the Fire and Rescue Authority's investments in pooled equity, property and multi-asset funds since purchase is shown in the following graph. This highlights that the Fire and Rescue Authority has benefited from strong and steady income returns over time and the way that capital values have recovered since March 2020.





49. The IFRS 9 accounting standard that was introduced in 2018/19 means that annual movements in the capital values of investments need to be reflected in the revenue account on an annual basis, although a five year statutory override was put in place for local authorities that exempts them from complying with this requirement.

50. Pooled fund investments have no defined maturity date but are available for withdrawal after a notice period and their performance and continued suitability in meeting the Fire and Rescue Authority’s investment objectives is monitored regularly and discussed with Arlingclose.

### Non-Treasury Investments

51. Although not classed as treasury management activities the Fire & Rescue Authority may also make loans and investments for service purposes, for example the direct purchase of land or property. Such loans and investments will be subject to the Fire & Rescue Authority’s normal approval processes for revenue and capital expenditure and need not comply with the treasury management strategy. The Fire & Rescue Authority does not have any existing non-treasury investments.

### Compliance Report

52. The Fire and Rescue Authority confirms compliance of all treasury management activities undertaken during the period with the CIPFA Code of Practice and the Fire and Rescue Authority’s approved Treasury Management Strategy.

53. Compliance with the authorised limit and operational boundary for external debt, is demonstrated in Table 8.

<b>Table 8 – Debt limits</b>	<b>2021/22 Maximum £m</b>	<b>30/09/ 21 Actual £m</b>	<b>2021/22 Operational Boundary £m</b>	<b>2021/22 Authorised Limit £m</b>	<b>Complied?</b>
Borrowing	(8.6)	(8.6)	(20.3)	(24.0)	✓
Other long-term liabilities	-	-	(5.0)	(5.0)	✓
<b>Total debt</b>	<b>(8.6)</b>	<b>(8.6)</b>	<b>(25.3)</b>	<b>(29.0)</b>	✓

54. The total actual debt as measured by the debt limits was £8.6m on 30 September 2021 which represents the use of £1.5m of the council's overdraft facility in addition to the £7.1m PWLB debt. On 30 September 2021 £1.5m principal was due to be returned to the Fire and Rescue Authority on maturity of a secured bond, however in error it was not released due to counterparty error and so the Fire and Rescue Authority was forced to use its overdraft facility with NatWest. This issue is currently being looked into by the custodian to understand why this event occurred.

55. Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

### **Treasury Management Indicators**

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

#### **Interest rate exposures**

57. The following indicator shows the sensitivity of the Fire and Rescue Authority's current investments and borrowing to a change in interest rates:

<b>Table 9 – Interest rate risk indicator</b>	<b>30/09/21 Actual</b>	<b>Impact of +/-1% interest rate change</b>
Sums subject to variable interest rates		
Investment	£32.5m	£0.4m
Borrowing	£0.0m	£0.0m

58. Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

**Maturity structure of borrowing**

59. This indicator is set to control the Fire and Rescue Authority’s exposure to refinancing risk. The upper and lower limits show the maximum and minimum maturity exposure to fixed rate borrowing as agreed in the Treasury Management Strategy Statement:

<b>Table 10 – Refinancing rate risk indicator</b>	<b>30/09/21 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied</b>
Under 12 months	6%	50%	0%	✓
12 months and within 24 months	16%	50%	0%	✓
24 months and within 5 years	5%	50%	0%	✓
5 years and within 10 years	8%	75%	0%	✓
10 years and within 20 years	65%	75%	0%	✓
20 years and above	0%	100%	0%	✓

**Principal sums invested for periods longer than a year**

60. The purpose of this indicator is to control the Fire and Rescue Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

<b>Table 11 – Price risk indicator</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Actual principal invested beyond year end	£9m	£7m	£7m
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied?	✓	✓	✓

61. The table includes investments in strategic pooled funds of £7m as although these can usually be redeemed at short notice, the Fire and Rescue Authority intends to hold these investments for at least the medium-term.

## Other

### Revisions to CIPFA Codes

62. In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

63. In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
  - New indicator for net income from commercial and service investments to the budgeted net revenue stream.

- Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority’s full debt maturity profile.
- Excluding investment income from the definition of financing costs.
- Incorporating Environmental, Social and Governance (ESG) issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected members involved in decision making

### MHCLG Improvements to the Capital Finance Framework

64. Ministry of Housing, Communities & Local Government (MHCLG – now known as Department for Levelling Up, Housing and Communities) published a brief policy paper in July outlining the ways it feels that the current framework is failing and potential changes that could be made. The paper found that “while many authorities are compliant with the framework, there remain some authorities that continue to engage in practices that push the bounds of compliance and expose themselves to excessive risk”.

65. The actions announced include greater scrutiny of local authorities and particularly those engaged in commercial practices; an assessment of governance and training; a consideration of statutory caps on borrowing; further regulations around Minimum Revenue Provision (MRP) and ensuring that MHCLG regulations enforce guidance from CIPFA and the new PWLB lending arrangements.

66. A further consultation on these matters is expected soon.

### Arlingclose’s outlook for the remainder of 2021/22

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

67. Arlingclose expects Bank Rate to rise in Quarter 2 2022. We believe this is driven as much by the Bank of England’s desire to move from emergency levels as by fears of inflationary pressure.

68. Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.
69. The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.
70. While Quarter 2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Quarter 3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.
71. Inflation rose to 3.2% in August 2021. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.
72. The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
73. Government bond yields increased sharply following the September Federal Open Market Committee (FOMC) and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
74. The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Appendix D – LGPS Discretions Policy

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**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Full Authority**

Purpose: Approval

Date: **14 DECEMBER 2021**

Title: **APPOINTMENTS REPORT AND MINOR CONSTITUTIONAL UPDATES**

Report of Monitoring Officer

### SUMMARY

1. This report invites the Authority to appoint Substitute Members to its Committees to ensure that political groups are adequately represented at Committee meetings.
2. The report also seeks the approval of the Authority to some minor consequential amendments to the Constitution in respect of Substitute Members.
3. The report also recommends a change to the appointment of the Chair of Standards and Governance Committee.

### BACKGROUND

#### **Substitute Members**

4. The Authority currently has two standing committees:
  - (a) S&GC – Comprised of 5 members (3 Conservative, 1 Liberal Democrat and 1 Independent)
  - (b) 3SFire Stakeholder Committee – also comprised of 5 members (3 Conservative, 1 Liberal Democrat and 1 Independent)
5. The quorum for committee meetings is a minimum of 3 members, but there is no requirement that at least 2 of the Constituent Authorities are represented. (This is only a quorum requirement for full Authority meetings).

6. The Authority itself is currently made up of 7 Conservative members (6 from HCC, 1 from SCC), 3 Liberal Democrat members (1 from PCC and 2 from HCC), and one independent member (from IWC)
7. As a result of the Authority membership, there are two political groups – the Conservative group and the Liberal Democrat group. (A political group must have at least 2 members, so there is not an “Independent group” on the Authority).
8. Members have requested that deputy or “substitute members” be appointed to, to ensure good attendance if substantive members of the committee are unable to attend a meeting. This will also assist in ensuring the two political groups are properly represented in the event a substantive member is unable to attend a meeting.
9. It is proposed that the Authority appoints a substitute member to each committee from each of the two political groups. (NB – there is no requirement for the number of substitutes to be proportionate to the size of each political group, so having one per group is legitimate, particularly as the intention is to ensure proper group representation at meetings).
10. It is also proposed that the minor changes to Standing Orders at Appendix A are agreed, in order to clarify the rules in respect of substitute members attending committee meetings. These ensure that members who are substituting must attend the whole meeting and that notice must be given to the Clerk or Monitoring Officer before the meeting begins. This will assist in ensuring the decision made at meetings where substitutes attend are lawful.

### **Chair of Standards and Governance Committee**

11. The existing Chair of the Standards and Governance Committee, Cllr Fairhurst, has decided to step down from this role. Cllr Fairhurst will remain a member of the Standards and Governance Committee. In the circumstances, the Authority is asked to appoint a replacement Chair and, if required, a replacement Vice Chair.

### **RESOURCE IMPLICATIONS**

12. There are no financial or resource implications from the content of this report. It is not proposed to make any amendments at this point to the Member Allowance Scheme. However, this will be reviewed as part of the current review of the Member Allowance Scheme, with recommendations for a new Scheme due to be brought to the Authority in February.

## IMPACT ASSESSMENTS

12. There are no specific equality or other impacts arising from the proposals contained in this paper.

## LEGAL IMPLICATIONS

13. The Authority is able to appoint substitute members to its committees from within the members of each political group. Appointing substitute members should assist in ensuring greater attendance and representation at Committee meetings.

## OPTIONS

14. Option 1 (Recommended) – It is recommended that the Authority appoints substitute members (one each from the two political groups) to its two standing committees. It is also recommended that the Authority approves the consequential minor amendments to Standing Orders to ensure appropriate governance in respect of attendance of members when substituting at committee meetings.
15. Option 2 – That the Authority does not appoint substitute members.

## RISK ANALYSIS

15. Option 1 ensures that the potential attendance and representation issues identified by members are addressed. It also ensures that appropriate governance is in place to ensure lawful decision making when substitute members attend meetings.
16. Option 2 would mean that the Authority continues to operate committee meetings without substitutes. This could lead to committee meetings having fewer members present and therefore being less representative of the Authority and its political groups.

## CONCLUSION

17. Option 1 is recommended for the reasons outlined in the report above.

## RECOMMENDATIONS

18. That the Authority appoints one substitute member from the Conservative Group and one substitute member from the Liberal Democrat group to the Standards and Governance Committee and to the 3SFire Stakeholder Committee.
19. That, the Authority approves the minor changes to Standing Orders set out at Appendix 1.
20. That the Authority notes Cllr Fairhurst's decision to step down as the Chair of the Standards and Governance Committee and appoints a new Chair to the Standards and Governance Committee and, if required, a new Vice Chair.

## APPENDICES ATTACHED

Appendix 1 - Minor Amendments to Standing Orders

Contact: Paul Hodgson, Monitoring Officer  
[paul.hodgson@hants.gov.uk](mailto:paul.hodgson@hants.gov.uk)

## **4.1 Hampshire and Isle of Wight Fire and Rescue Authority - Standing Orders**

### **1. Meetings of the Authority**

- 1.1 The Authority shall hold an annual meeting between 1 April and 30 June each year. The first items of business on the agenda for the annual meeting shall be the appointment of Chairman and Vice-Chairman for the ensuing year to the next annual meeting.
- 1.2 In addition to the annual meeting of the Authority and any meeting convened by the Chairman or by members of the Authority, meetings for the transaction of general business shall be held on such days as may be determined by the Authority at its annual meeting provided that any such date may be varied at a subsequent meeting.
- 1.3 The Chairman of the Authority may cause a special meeting of the Authority to be called at any time.
- 1.4 A special meeting of the Authority shall be called on the request of at least one quarter of the whole number of members of the Authority by notice in writing and signed by them and given to the Chief Fire Officer or Monitoring Officer and specifying the business for which the meeting is to be called. After receipt of such request, the Chief Fire Officer or Monitoring Officer shall arrange for the special meeting to take place not less than 21 days and not more than 35 days after the receipt of the request.
- 1.5 In these Standing Orders “ordinary meeting” means a meeting described in paragraph (1) or (2) above other than a meeting convened by the Chairman or by members of the Authority. Unless otherwise specified, the term “year” means the period from the annual meeting in one calendar year to the start of the annual meeting in the following year.
- 1.6 Unless the Authority otherwise determines, all meetings of the Authority other than a special meeting of the Authority arranged in accordance with Standing Order 1.4 shall be held at 10.00 a.m. All meetings of the Authority, including special meetings arranged under Standing Order 1.4 shall take place on a weekday.
- 1.7 The Police and Crime Commissioner for Hampshire shall be invited to attend the public part of meetings of the Authority and shall be entitled to speak to any of the items on the public agenda during debate under Standing Order 6(1). For the avoidance of doubt, the Police and Crime Commissioner for

Hampshire shall not be a Member of the Authority and shall not have a right to vote on any matter. Standing Order 10 shall apply to the Police and Crime Commissioner for Hampshire when in attendance at meetings of the Authority. Standing Order 19 shall not apply to the Police and Crime Commissioner for Hampshire when in attendance at meetings of the Authority pursuant to the invitation contained in this Standing Order.

- 1.8 The Authority may from time to time appoint deputy members from any of the Constituent Authorities. Duly appointed deputy members may, after giving notice in advance to the Monitoring Officer, deputise for their Authority's substantive member at a meeting of the Authority, in the event their substantive member is unable to attend such meeting. Only a Constituent Authority's substantive member or their deputy member (and not both) may attend and vote at a particular meeting. Standing Orders shall apply to a deputy member when attending a meeting of the Authority in the same way as they apply to substantive members. Deputy Members shall not be entitled to receive allowances under the Authority's Members' Allowance Scheme.

## **2. Appointment of Committees and Sub-Committees**

- 2.1 The Authority shall appoint at its annual meeting **or at other times as required**, such committees or sub-committees as it deems necessary; committees and sub-committees shall meet as and when required.
- 2.2 **The Authority may at its annual meeting or at other times as required appoint up to one Substitute Member from each political group on the Authority which is represented on a committee or sub-committee of the Authority, to substitute for any member ('Ordinary Member') of such political group who is appointed to such committee or sub-committee in accordance with paragraph 2.1.**
- 2.3 **Where a Substitute Member is appointed in accordance with paragraph 2.2 above, then such Substitute Member may attend any meeting of the committee or sub-committee of the Authority to which such substitution relates in place of any Ordinary Member of the same political group appointed to such Committee or Sub-Committee of the Authority, on notification to the Clerk or Monitoring Officer by the relevant political group leader that an Ordinary Member is unable to attend and the Substitute Member will be attending in their place. A Substitute Member may only attend a Meeting when the Ordinary Member will be absent for the whole of the Meeting.**

## **3. Chairman of the Meeting**

- 3.1 Any power or duty of the Chairman in relation to the conduct of a meeting may be exercised by the person presiding at the meeting.

## **4. Quorum**

- 4.1 At a meeting of the Authority the quorum shall be as set out in the Hampshire and Isle of Wight Fire and Rescue Authority (Combination Scheme) Order 2020, as amended from time to time.
- 4.2 The quorum for every meeting of a committee or sub-committee of the Authority, unless a special quorum is otherwise prescribed shall be at least one third of the whole number of the committee or sub-committee provided that in no case shall a quorum of a committee or sub-committee be less than three members.
- 4.3 If within thirty minutes from the time appointed for the commencement of any meeting of the Authority or of a committee or sub-committee a quorum (that is one third of the whole number of members or three members, whichever is the greater) is not present, the meeting may be dissolved.

## **5. Circulation of Agenda and Confirmation of Minutes of the Authority\***

- 5.1 A copy of the summons and agenda for the forthcoming meeting of the Authority, a committee or sub-committee and the minutes of the previous meeting shall be dispatched by the Monitoring Officer at least five clear days before such forthcoming meetings to each member, and such minutes shall be taken as read when submitted to the Authority for confirmation unless a majority of the members then present otherwise order. Unless similarly ordered, any document which comes up for consideration at any meeting, and which has been circulated to each member at or prior to such a meeting, shall be taken as read.

## **6. Motions and Amendments Generally\***

- 6.1 After calling each item on the Agenda (other than Minutes) and after any introductory remarks by the Chief Fire Officer or other Officer of the Authority, the Chairman shall first call for questions and after these have been disposed of, shall call "any debate?" A member desiring to ask questions or to debate shall indicate by raising his/her hand.
- 6.2 If there is no debate, the Chairman shall put the Recommendation to the vote, or in the case of an item for information only, that it be noted and no seconder shall be required.
- 6.3 A member shall not, without the permission of the Chairman, speak more than once on any motion or amendment except on a point of order or by way of personal explanation.
- 6.4 Where the Agenda item contains a Recommendation, it shall be deemed at the commencement of debate on that item, unless the Chairman indicates otherwise, that the Recommendation has been formally moved by him/her and seconded and any subsequent motion shall be treated as an amendment to the Recommendation.

6.5 The Chairman may require the mover of a motion or amendment to put the same into writing and submit it to the Chair before speaking about it. Subject to this, no motion or amendment shall be debated until the mover has spoken to it and it has been seconded.

6.6 A member may not propose or second a motion or amendment on which he/she is disqualified from voting, and neither may a member move or second more than one amendment on the same motion.

## **7. Motions Affecting Persons Employed by the Authority\***

7.1 If any matter arises at a meeting of the Authority, or a committee or sub-committee as to the appointment, promotion, dismissal, salary, superannuation, condition of service or the conduct of any person employed by the Authority, such matter shall not be the subject to discussion until the Authority, committee or sub-committee, as the case may be, has decided whether or not the power of exclusion of the public under Part 1 of Schedule 12A of the Local Government Act 1972, shall be exercised.

## **8. Amendments to Motions\***

8.1 An amendment shall be relevant to the motion and shall be either:-

8.1.1 to refer a subject of debate to a committee or sub-committee for consideration or reconsideration;

8.1.2 to leave out words;

8.1.3 to leave out words and insert or add others;

8.1.4 to insert or add words;

but such omission, insertion or addition of words shall not have the effect of introducing a materially new issue into or of negating a motion before the Authority.

8.2 If an amendment is lost, other amendments may be moved on the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.

## **9. Alterations or Withdrawal of Motion or Amendment\***

9.1 A proposer of a motion may, with the concurrence of the seconder and the consent of the Authority, alter the motion if the alteration is such that it could properly be effected by an amendment of the motion. A proposer of an amendment may, with the like concurrence and consent, alter the amendment if the amendment as altered could properly have been



moved in that form as an amendment. The altered motion or amendment shall if required by the Chairman be put into writing and handed to him/her before the consent of the Authority to the alteration is sought.

- 9.2 A proposer of a motion or of an amendment may, with the concurrence of the seconder and the consent of the Authority, withdraw the motion or amendment which he/she has proposed, and no member shall speak upon it after the proposer has asked permission for its withdrawal, unless such permission has been refused.
- 9.3 The giving or refusal of the consent of the Authority to the alteration or withdrawal of a motion or amendment shall be signified without discussion.

## **10. Conduct of Members\***

- 10.1 A member who has a disclosable pecuniary interest in any matter being considered at a meeting of the Authority must not participate in discussion of, or vote on, that matter, and must withdraw from the room where the meeting is being held, unless he or she has obtained a dispensation from the Standards and Governance Committee. The member may, however, make representations on the matter to the meeting, in accordance with the Authority's deputations procedure, provided that he or she withdraws from the room when those representations are concluded and before any discussion or vote takes place.
- 10.2 A member shall direct his/her speech to the question under discussion or to a personal explanation or to a point of order and shall not impute motives or use offensive expressions to or about any other member.
- 10.3 If any member in the opinion of the Chairman misconducts himself/herself by persistently disregarding the ruling of the Chairman or by behaving irregularly, improperly or offensively, or by willfully obstructing the business of the Authority, or by tedious repetition or unbecoming language in his/her speech, the Chairman or any other member may move "that the member named be not further heard" and such motion if seconded shall be put and determined without discussion.
- 10.4 If the member named continues his/her misconduct after a motion under the previous paragraph has been carried, the Chairman shall either:-
- 10.4.1 move "that the member named is to leave the meeting" (in which case the motion shall be put and determined without seconding or discussion); or
- 10.4.2 Adjourn the meeting of the Authority for such period as he/she in his/her discretion shall consider expedient.
- 10.5 In the event that a motion under Standing Order 10.4.1 has been carried and the named member refuses to leave the meeting the Chairman may order the

removal of that member from the room in which the meeting is being held.

## **11. Questions\***

- 11.1 A member may, if the question has been given to the Chief Fire Officer in writing by 10.00 a.m. three clear working days before the meeting of the Authority, ask the Chairman of the Authority or the Chairman of any committee, any question relating to the business of the Authority or the committee.
- 11.2 The question given to the Chief Fire Officer shall set out in full the question to be asked and the notice shall be signed and dated by the member giving the notice. The requirement for the notice to be signed by the member shall not apply in the case of an electronic copy being received by the Chief Fire Officer.
- 11.3 The Chief Fire Officer shall record any questions submitted in the order in which they are received and the questions in that order shall be put to the appropriate meeting of the Authority.
- 11.4 Every question shall be put and answered without discussion, but the person to whom a question has been put may decline to answer. The member asking the question may ask one supplementary question arising out of the reply.
- 11.5 Where a reply to any question cannot conveniently be given orally, it shall be deemed as sufficient reply if a written answer is circulated to the member asking the question and to all other member of the Authority as soon as reasonably practicable after the meeting.
- 11.6 The amount of time devoted to questions under this Standing Order shall not exceed 30 minutes.

## **12. Agenda Items\***

- 12.1 A member may, by giving 10 working days notice, require an item to be placed on the agenda either for an Authority or committee meeting. For the avoidance of doubt, the Authority or committee at which the agenda item is considered will determine what, if any, action it is proposed to be taken with the agenda item. If either the Authority or the committee determine that further action is required on the agenda item, the Authority or the committee will request officers to submit a full report on the agenda item to the next appropriate meeting of the Authority or committee.

### **13. Points of Order and Explanation\***

- 13.1 A member may rise on a point of order or in personal explanation and shall be entitled to be heard immediately. A point of order shall relate only to an alleged breach of a Standing Order or statutory provision, and the member shall specify the Standing Order or statutory provision and the way in which he/she considers it has been broken. A personal explanation shall be confined to some material part of a former speech by him/her which may appear to have been misunderstood in the present debate.
- 13.2 The ruling of the Chairman on a point of order or on the admissibility of a personal explanation shall not be open to discussion.

### **14. Formal Motion\***

- 14.1 A member who has not spoken may, at the conclusion of a speech of another member, move without comment “that the question be now put” or “that the Authority now adjourn”, upon the seconding of which the Chairman shall put that motion to the vote without amendment or discussion and, if it is carried, the question before the meeting shall be put to the vote or the meeting shall stand adjourned, as the case may be; provided that if on the moving and seconding of any such formal motion as aforesaid the Chairman is of the opinion that the matter has not been sufficiently discussed, he/she may either refuse to accept the motion at that time or he/she may indicate how many more member he/she will permit to speak before putting the motion.

### **15. Relevance of Speeches\***

- 15.1 A member shall direct his/her speech to the question under discussion or to an explanation or to a point of order.

### **16. Voting\***

- 16.1 Every proposition shall, unless otherwise required by these Standing Orders or Statute, be determined by show of hands or, at the discretion of the Chairman, by voices.
- 16.2 In taking the votes on any proposition, only those members who are present when the proposition is put from the Chair shall be entitled to vote.
- 16.3 After a proposition is put from the Chair, but before the vote is taken, any five members by show of hands may require that the voting shall be recorded in the minutes of the meeting so as to show whether each member present gave his/her vote for or against that proposition or abstained from voting.
- 16.4 Where, immediately after a vote is taken at a meeting of the Authority or any committee, any member so requires, there shall be recorded in the minutes of the proceedings of that meeting whether that person cast his or her vote for

the question or against the question or whether he or she abstained from voting.

- 16.5 The Chairman or person chairing meetings of the Authority and committees shall have a second or casting vote. For the avoidance of doubt, the Chairman may use such a second or casting vote on an equality of voting despite not having voted when the motion was put to the meeting for voting upon.

**17. General Disturbances\***

- 17.1 If a member of the public interrupts the proceedings at meetings the Chairman shall warn him/her. If he/she continues the interruption the Chairman shall order his/her removal from the room. In case of general disturbance in any part of the room open to the public the Chairman shall order that part to be cleared.
- 17.2 If, in the opinion of the Chairman, misconduct or obstruction renders the due and orderly dispatch of business impossible, the Chairman, in addition to any other power vested in him/her, may without the question being put suspend the meeting for a period not exceeding 30 minutes.

**18. Adjourned Meeting\***

- 18.1 When a meeting is adjourned to a future day, notice of the adjournment shall be sent to each member specifying the business to be transacted at the resumed meeting.

**19. Deputations\***

- 19.1 Subject to the provisions of this Standing Order, the Authority, and any of its committees or sub-committees shall receive deputations on any business that is properly within its terms of reference and the Deputation shall be allowed to address the meeting.
- 19.2 For the purposes of this Standing Order:-
- 19.2.1 Notice in writing shall be given to the Monitoring Officer or Chief Fire Officer that a Deputation wishes to address the meeting and the notice shall specify the subject before the meeting upon which the Deputation wishes to speak. In the case of a meeting of the Authority, committees and sub-committees the notice shall be given 3 clear working days in advance.
- 19.2.2 Deputations shall consist of not more than 4 people who shall be Local Government electors in the area of the Authority.
- 19.2.3 Any member of a Deputation may address the meeting.

- 19.2.4 The total time taken by the Deputation in addressing the meeting shall not exceed ten minutes.
- 19.2.5 Deputations shall be taken at the beginning of the meeting (after the Minutes) and the total time for all deputations shall not exceed one hour in duration.
- 19.2.6 No Deputation shall appear before the Authority at successive meetings or at any committee or sub-committee within six months of any previous appearance, on the same or similar topic.

## **20. Minority Order Procedure\***

- 20.1 If Members numbering at least one quarter of the voting Members present at a meeting of a Committee so request immediately after the vote is taken on any matter which is otherwise within the delegated powers of the Committee, the decision shall take the form of a Recommendation to the Authority and shall not be effective unless and until approved by the Authority. Where any matter is for the time being delegated to a sub-committee, Members numbering at least one quarter of the voting Members present at the meeting of the subcommittee may in the same manner require that the decision shall take the form of a Recommendation to the appropriate Committee.
- 20.2 This Standing Order shall not apply to:-
  - 20.2.1 Sub-Committees established to appoint officers of the Authority.
  - 20.2.2 Any decisions of a quasi judicial nature.
  - 20.2.3 Decisions where delay could put the Authority in breach of the law or in breach of legally binding obligations.

## **21. Canvassing of and Recommendations by Members**

- 21.1 Canvassing of members of the Authority, or any Committee or Sub-Committee of the Authority, directly or indirectly for any appointment under the Authority shall disqualify the candidate concerned for that appointment. The purpose of this paragraph of this Standing Order shall be included in any form of application.
- 21.2 A member of the Authority shall not solicit for any person any appointment under the Authority but this shall not preclude a member from giving a written testimonial of a candidate's ability, experience, or character for submission to the Authority or the Chief Fire Officer with an application for appointment.

## **22. Relatives of Members or Employees**

- 22.1 A candidate for any appointment under the Authority who knows that he/she is related to any member or employee of the Authority shall disclose that relationship in his/her application. A candidate who fails to disclose such a relationship shall be liable to be disqualified for the appointment and if appointed shall be liable to dismissal without notice.
- 22.2 Every member and senior officer of the Authority shall disclose to the Chief Fire Officer any relationship known to him/her to exist between himself/herself and any person whom he/she knows is a candidate for an appointment under the Authority.
- 22.3 The purpose of this Standing Order shall be included in any form of application.
- 22.4 For the purpose of this Standing Order "senior officer" means any officer so designated by the Authority, and persons shall be deemed to be related if they are husband and wife, or if either of them or the spouse of either of them is the son or daughter or grandson or granddaughter or brother or sister or nephew or niece of the other, or of the spouse of the other.

## **23. Custody of Seal**

- 23.1 The common seal of the Authority shall be kept in a safe place in the custody of the Monitoring Officer.

## **24. Sealing of Documents**

- 24.1 The common seal of the Authority shall not be affixed to any document unless the sealing has been authorised by a resolution of the Authority or of a committee or sub-committee or a decision of an officer to which the Authority has delegated its powers on its behalf, but a resolution of the Authority (or of a committee, sub-committee or officer where that committee, sub-committee or officer has the power) authorising the acceptance of any tender, the purchase, sale, letting, or taking of any property, the issue of any stock, the presentation of any petition, memorial or address, the making of any contract, issuing a levy or the doing of any other thing, shall be a sufficient authority for sealing any document necessary to give effect to the authorisation.
- 24.2 The seal shall be attested by the Monitoring Officer or other person duly authorised in writing by him/her and an entry of every sealing of a document shall be made and consecutively numbered in a book kept for the purpose and shall be authenticated by the person who had attested the seal.

## **25. Special meetings of Committees and Sub-Committees**

- 25.1 The Chairman of a committee or sub-committee or the Chairman of the Authority may cause a special meeting of the committee or sub-committee to be called at any time.
- 25.2 A special meeting of the committee or sub-committee shall be called on the request of at least one quarter of the whole number of members of the committee or sub-committee by notice in writing and signed by them and given to the Chief Fire Officer or Monitoring Officer and specifying the business for which the meeting is to be called. After receipt of such request, the Chief Fire Officer or Monitoring Officer shall arrange for the special meeting to take place not less than 21 days and not more than 35 days after the receipt of the request.

## **26. Proceedings of the Authority, Committees and Sub-Committees**

- 26.1 Any Authority member may attend as an observer at meetings of committees and sub-committees (except those committees and sub-committees which the Authority may from time to time determine for the purposes of this Standing Order) to which he/she has not been appointed as a member, including meetings or items of business from which the public has been excluded. If given permission by the Chairman of the meeting, a member attending as an observer may speak (but not vote) on any matter.
- 26.2 Subject to the provision of Section 100 of the Local Government Act 1972, all Authority committee and sub-committee reports and all documents marked as “confidential”, “exempt” or “not for publication” shall be treated as confidential until they become public in the ordinary course of the Authority’s business.
- 26.3 No act of a committee or sub-committee shall have effect until approved by the Authority except to the extent that the committee or sub-committee has of itself power to act without the approval of the Authority and the power so to act has been conferred upon the committee or sub-committee.
- 26.4 In addition, to those Standing Orders which expressly related to the Authority, committees and sub-committees, Standing Orders 5 to 20 inclusive shall apply with any necessary modification to committee and sub-committees. These Standing Orders are highlighted by an asterisk. At any meeting of a committee or sub-committee, the Chairman of the committee or sub-committee shall have discretion to follow a more informal debating process than that set out at Standing Orders 6, 8.2 and 9 as he/she considers appropriate to enable the efficient conduct of business.

## **27. Chairman and Vice-Chairman of Committees and Sub-Committees**

- 27.1 The Chairman and Vice-Chairman of each committee or sub-committee established by the Authority shall be appointed at the time the committee or

sub-committee is first established and thereafter shall be appointed by the Authority at each annual meeting. A Chairman or Vice-Chairman so appointed may be removed by the Authority or may resign. If the Authority so decide, the appointment of the Chairman and Vice-Chairman of a committee or subcommittee may be left for that body itself to decide.

27.2 Subject to paragraph 27.1, the Chairman and Vice-Chairman of a committee or sub-committee appointed by the Authority shall hold office until the next annual meeting of the Authority after his/her appointment.

27.3 In the absence of the Chairman or Vice-Chairman at any meeting of a committee or sub-committee, the members present shall choose one of their number to preside over the meeting, subject to paragraph 27.4.

27.4 If the Chairman of a committee or sub-committee arrives at a meeting of the committee or sub-committee after the time for which the meeting has been summoned, he/she shall preside over the meeting after any question under discussion on his/her arrival has been disposed of but not before then.

## **28. Rescission of previous Resolution**

28.1 No motion to rescind any resolution passed within the preceding six months, and no motions or amendments to the same effect as one which has been rejected within the preceding six months, shall be proposed unless the notice thereof bears the names of at least four members of the Authority. When any such motion or amendment has been disposed of by the Authority, it shall not be open to any member to propose a similar motion within a further period of six months. This Standing Order shall not apply to motions moved in pursuance of a recommendation of a committee.

## **29. Audio or Visual Recordings at Meetings**

29.1 Audio or visual recording equipment may only be used in accordance with the Authority's protocol for the filming, photographing and audio-recording of all public meetings, which complies with the Openness of Local Government Bodies regulations 2014

## **30. Display of Banners at Meetings**

30.1 Except with the consent of the Chairman of the meeting, no member or members of the public shall display banners, posters or signs at meetings.

## **31. Variation and Revocation of Standing Orders**

31.1 Any motion to add to, vary or revoke these Standing Orders shall when proposed and seconded stand adjourned without discussion to the next ordinary meeting of the Authority.



## **32. Suspension of Standing Orders**

- 32.1 Subject to paragraph 32.2, any of the preceding Standing Orders may be suspended so far as regards any business at the meeting where its suspension is moved.
- 32.2 A motion to suspend any of the preceding Standing Orders shall not be moved unless there are at least one-half of the whole number of the members of the Authority present.

## **33. Interpretation of Standing Orders**

- 33.1 The ruling of the Chairman as to the construction or application of any of these Standing Orders, or as to any proceedings of the Authority, shall not be challenged at any meeting of the Authority.
- 33.2 In these Standing Orders, references to the Chief Fire Officer shall be taken to include such persons as time to time are authorised by him/her to act on his/her behalf.

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**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Full Authority**

Purpose: Approval

Date: **14 December 2021**

Title: **ANNUAL STATEMENT OF EQUALITY AND EQUALITY OBJECTIVES**

Report of Chief Fire Officer

### SUMMARY

1. The Equality Act 2010 established general and specific duties for public sector bodies to improve their equality performance. In order to meet these duties, Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) must publish equality information on an annual basis and set equality objectives every four years. The published information must be accessible to employees and members of the public.
2. Prior to April 2021 and the creation of Hampshire and Isle of Wight Fire Authority, this information was agreed and published separately. Therefore, this report and its appendix is the first time we will publish equality information for all employees across Hampshire and Isle of Wight Fire and Rescue Service.
3. Our workforce demographic is a continued reminder of our need for action to improve our equality performance. Whilst there has been positive progress and impact, we know that it will take considerable time to be reflective of our communities, and therefore we must remain committed to positive action to drive improvements over the longer term.
4. The report contains highlights of some of the activity and actions taken within the last 12 months as progress towards the 2018 equality objectives. It also provides an opportunity to share the new HIWFRS equality objectives for 2022 – 2026, as well as the governance and monitoring arrangements for delivery of these.

## BACKGROUND

5. The Equality Act 2010 established a general duty for the public sector which aims to ensure that people with protected characteristics are not excluded, discriminated, or otherwise treated less favourably than anyone else, due to their protected characteristics. The protected characteristics covered by the general equality duty are age (including children and young people), disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
6. In summary, organisations are required to comply with the general equality duty and must, in the exercise of their functions, have due regard to the need to:
  - Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Act.
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
7. The general duty is further supported by specific duties that are intended to help public bodies improve their equality performance by improving their focus and transparency. In summary, each public body is required to:
  - Publish information to demonstrate its compliance with the general equality duty on an annual basis. This information must include information relating to people who share protected characteristics that are employees.
  - Publish one or more objectives that it thinks it needs to achieve to further any of the aims of general equality duty. This must be done every four years.
  - Publish both the equality information and the equality objectives in a manner that is accessible to the public.

## ANNUAL EQUALITY INFORMATION

8. Our equality information at Appendix A provides a snapshot of the Service's workforce demographics as at October 2021, based on information we currently collate in relation to gender, ethnicity and disability.

9. As of 1 April 2021, HFRS formally joined with IWFRS to become one Service so this is the first time that equality information has been reported for HIWFRS which means we cannot draw a comparison with previous equality data. However, it sets the benchmark for performance going forward. It also sets the benchmark for information and data content, as we intend to enhance our future reporting to provide greater insight about our workforce.
10. As of 1 October 2021, 19% of HIWFRS' workforce was female. Most of our female employees work in support staff (green book) or Control Room roles. In operational roles, 8% of our wholetime workforce is female and 5% on-call. However, it is worth noting that those employees with multiple contracts have been excluded from the on-call data.
11. Nationally, the last review of gender in the fire and rescue sector was published in 2019 and found that 6.4% of operational employees were female. Combining our wholetime and on-call figures gives us a total of 7%, which means we are performing slightly higher than others in the sector.
12. However, the gender imbalance within the sector is still high and therefore Services must continue to take action to address the imbalance. Positively, HIWFRS has seen improved gender balance in the make-up of our last two intakes of wholetime firefighters, which achieved ratios of 60:40 (male to female) and 50:50. By maintaining this standard of performance over our next few years, we will make a significant difference to our equality profile.
13. Our employment of minority ethnic personnel is at 2% which is below the national average of 5%. Our green book figures are closer to the national average at 4.33%, however, the majority of our employees are in operational roles where the average reduces to 1.43%.
14. As most of our employment opportunities are limited to individuals who live within or close to the county boundary, it is important to consider the diversity in the wider population. The last census found that 8.2% of Hampshire's population was non-white British. This aligns with our recent performance in our wholetime firefighter recruitment where approximately 10% of trainees have been from an ethnic minority.

## EQUALITY OBJECTIVES

15. Public Authorities listed in Schedule 1 and 2 of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 must:
  - Prepare and publish one or more objectives that they think they should achieve to improve their equality performance.
  - Publish the objectives in such a manner that is accessible to the public.

In 2018, Hampshire Fire and Rescue Service published three equality objectives and has been reporting progress against these to the Authority on an annual basis. This report is the last update against these objectives, as future reports will be against the new equality objectives, which are detailed in paragraphs 33-38.

## EQUALITY OBJECTIVE 1

16. We will take actions to increase the diversity of job applicants to help us reflect the community focusing particularly upon women and minority ethnic groups.
17. In 2018, to demonstrate our commitment to improving the diversity of our workforce, HFRS published a positive action statement that outlined our aspiration for our workforce to be reflective of our community. It also outlined our intention to use positive action to encourage and support applications from groups who are under-represented in our workforce. The statement has been updated to reflect our new combined service and to align with our Safety Plan priorities. This statement is attached as Appendix B.
18. There are many advantages of having a diverse workforce which is representative of the local community. It is important for our staff to understand the various sections of the community and engage with them to deliver better outcomes. Our community engagement activity over the last 12 months has been impacted due to Covid-19 restrictions, but we have been working with our Network Groups to understand and address barriers to recruitment for our hard to reach groups.
19. Some examples of activity in the last 12 months to increase diversity of job applicants is listed below:
  - We have established a positive action working group to specifically support our wholetime recruitment campaign. The Chairs of our Network Groups attend this monthly meeting to advise on and support positive action recruitment activity.
  - We have developed targeted social media campaigns, featuring female and minority ethnic role models to reinforce the message that being a firefighter is a job for all.
  - Targeted recruitment notifications to all female and minority ethnic people who have signed up for job alerts. The update provided information about our programme of recruitment open days, fitness standards, and the upcoming wholetime recruitment process prior to go-live in January.

- Regular positive action recruitment days, supported by members of our Network Groups. Attendance at recruitment days has been approximately 30% female and 10% minority ethnic. We will be running additional open days aimed specifically for women and minority ethnic potential applicants.
- We are promoting that we are a Disability Confident Employer on all our job advertisements.
- As Covid-19 restrictions lifted, we were able to attend both Southampton and Eastleigh Pride events and Eastleigh Mela.
- Currently planning for fitness sessions led by female instructors aimed at female potential applicants. We are also planning to run application clinics in early 2022 as this part of the selection process saw the highest attrition rate from minority ethnic applicants in 2020.

## EQUALITY OBJECTIVE 2

20. We will create an inclusive working environment that will enable us to maximise the potential of a diverse workforce.
21. We are committed to continuing to develop a culture where everyone feels valued and is treated with dignity and respect. We believe that creating diverse teams where everyone feels supported to be at their best, will lead to improved organisational performance. In the last 12 months, we have further embedded our organisational values into recruitment and promotional processes as well as personal development reviews and our leadership and management training.
22. We have worked with our workforce to develop underpinning behaviours that enable everyone to live the values. These were created using feedback from surveys, focus groups and workshops held with staff from right across the Service. Importantly, they also align with the National Code of Ethics Standard which was published in 2021.
23. It is important that our values and behaviours are understood by both our employees and managers, but also by external stakeholders, including people in the community who might be interested in working for us. Therefore, we have produced two documents, one which provides guidance to assist our staff in understanding and embedding these values and behaviours (Appendix C), and another which explains how critical our values are to the service we deliver to the community and to the culture within our organisation (Appendix D).

24. To support the embedding of the values and behaviours, we have launched a peer to peer recognition scheme. This is an opportunity for members of our organisation to recognise, praise and thank others within the organisation who are positively role modelling and reflecting the values and behaviours of the Service. Importantly, the scheme is open to employees and volunteers and will assist us in capturing positive stories about our workforce. All those nominated are entered into a monthly Values Champion competition where they could win a hamper.
25. The working environment within HIWFRS has been impacted considerably by the Covid-19 pandemic. Over the last 18 months, employees have had changes in working practices, reduced connection/social interaction between teams, balancing caring responsibilities with work, and adapting to new technology. There have also been societal changes caused by legislation to prevent the spread of the virus, and for some a 'fear' of activities that could place them or their loved ones at risk of contracting Covid-19.
26. To better understand the impact of Covid-19 on our workforce, we undertook a wellbeing pulse survey in April 2021. The survey found 80% of respondents were benefitting from positive mental health. However, those suffering with poor mental health raised concerns regarding workload, poor sleep and feelings of isolation. In response to this, we have placed considerable focus on activities to support wellbeing and positive mental health. Some activities within the last 12 months include:
  - Development of a wellbeing portal.
  - Promotion of support channels such as the Employee Assistance Line.
  - Provision of training on how to identify and address signs of poor mental health.
  - Delivery of workshops on stress and resilience, sleep and recovery, and nutrition and lifestyle.
  - Provision of guidance on digital wellbeing.
27. We will conduct a full wellbeing survey to review and evaluate the success of these interventions, and the findings from this will be used to prioritise future wellbeing provision and support.
28. Our Network Groups have also assisted us to develop an inclusive culture and working environment. For example, the Communications Team and FireOUT have been working on raising awareness of pronouns and options to use these in email signatures. FireABLE and our IT Department have worked together to develop the Personal Supportive Passport (PSP). The PSP enables members of staff with mental health, learning or disability needs to share their required adjustments or support arrangements discreetly and confidentially. This means we can ensure they get the support they need to maximise their potential.



### EQUALITY OBJECTIVE 3

29. We will proactively engage with our diverse communities to understand their needs and promote HFRS as an employer of choice.
30. We are committed to developing and designing our service delivery model in response to the risks and needs of our community. This requires insight into our community demographics, particularly those who may have traditionally had greater risks in relation to fire and other emergencies, and how they feel able to access our services.
31. To support this, we undertook a survey with our charity partners to explore their views on access to our services. The 235 respondents provided their views on how we can better communicate and support the more vulnerable or hard to reach members of our communities. They highlighted how we could make our information more accessible including providing information in different formats and languages, better access for those who may be digitally excluded (particularly for our elderly population), and increasing our visibility in the communities we serve.
32. We will use this local insight, alongside the NFCC (National Fire Chiefs Council) Equality of Access guidance documents, to ensure we understand our community's needs and develop plans to ensure the services we deliver are relevant, reduce risk, and are accessible.

### EQUALITY OBJECTIVES 2022-2026

33. Four objectives for 2022-2026 have been proposed by the People and Organisational Development Board and approved by Executive Group. These objectives will ensure we meet the requirements of the Equality Act 2010. More importantly, they will enable us to continue to ensure equality of opportunity for all within our organisation, create an inclusive environment where everyone can thrive, and ensure we tackle any instances of behaviour that doesn't align with our values.
34. Our progress against these objectives will continue to be reported to Authority on an annual basis alongside our annual statement of equality. We will establish internal governance frameworks and delivery plans to ensure senior leaders are visibly leading these objectives and holding delivery groups to account for their achievement.
35. Objective 1 – Inclusive: We will create a great place to work for all. We will have a culture where we can be authentic, feel valued and supported to thrive. Our inclusive environment means we value each other's contributions and can attract, recruit and retain the most diverse range of thoughts, experiences, skills and talent.

36. Objective 2 – Representative: To become more representative, we will improve the quality of our equality information year on year. We will use data and insight to identify, understand and address disparities and under-representation to support our commitment to reflect the diversity of our community.
37. Objective 3 – Respectful: We will treat each other and those we work with outside our organisation with respect every day. Respect at work means taking personal responsibility for living our values and holding each other to account by having honest, respectful conversations when we do not role model our behaviours.
38. Objective 4 – Accessible: We will ensure our services are accessible to all parts of our community. We will engage with stakeholders and partners to understand different community needs to deliver accessible, local services.

### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

39. This paper supports the following priorities within the Safety Plan.
  - Our communities – ensuring we improve our understanding of different community needs and using this insight to deliver accessible, local services.
  - Our People – creating a great place to work for all through our inclusive and respectful culture, where our values are embedded.
  - High performance – ensuring we are able to attract, recruit and retain the broadest range of talent by tackling any barriers to entry and taking positive action

### RESOURCE IMPLICATIONS

40. No additional resources have been identified.

### IMPACT ASSESSMENTS

41. This report details the positive impact we have already made to improve the diversity of our organisation and create an inclusive culture.
42. The proposals in this report are compatible with the provisions of the European Convention on Human Rights and the Human Rights Act 1998.
43. The equality information in Appendix A is anonymous and has been scrutinised to ensure that individuals cannot be identified.
44. There are no environmental or sustainability concerns.

## LEGAL IMPLICATIONS

45. Hampshire and Isle of Wight Fire and Rescue Service has a legal duty under:

- Section 149 of the Equality Act 2010 (public sector duty)
- The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

to collate and publish equality information on an annual basis, as well as equality objectives at least every four years.

Publication of this report and its appendices helps to ensure the Authority meets these duties.

## OPTIONS

46. Option A – HIWFRA to note the contents of this report and approve the new equality objectives and positive action statement.

47. Option B – HIWFRA to not note the contents of this report and not approve the new equality objectives and/or positive action statement.

## RISK ANALYSIS

48. The Equality and Human Rights Commission has a statutory duty to enforce the general and specific duty. Failure to do so can result in a compliance notice being issued.

## EVALUATION

49. Our progress will be monitored, evaluated and reported to Authority on an annual basis.

## CONCLUSION

50. HIWFRS has a general and specific duty under The Equality Act 2010 to publish equality information on an annual basis.

## RECOMMENDATION

51. That the Annual Statement of Equality (Workforce Demographics) be approved by Hampshire and Isle of Wight Fire and Rescue Authority.

52. That the new equality objectives and positive action statement be approved by Hampshire and Isle of Wight Fire and Rescue Authority.

## APPENDICES ATTACHED

53. Appendix A shows the workforce demographics for Hampshire and Isle of Wight Fire and Rescue Service as of 1 October 2021.
54. Appendix B shows the Positive Action Statement published in 2020 revised as HIWFRS.
55. [Appendix C – Our Values – Who We Are](#)
56. [Appendix D – Our Story](#)

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## Appendix A

### Annual Statement of Equality

1 October 2021

#### Workforce by Employment Type

<b>Employment Type</b>	<b>Headcount</b>	<b>Percentage of Workforce</b>
Grey Book – WDS	708	48%
Grey Book – RDS	408*	27.5%
Grey Book – Control	38	2.5%
Green Book	323	22%
Total	1477	

\*Employees with dual contracts, i.e. WDS and RDS have only been counted once in their WDS employment

#### Workforce Gender Profile by Employment Type

<b>Employment Type</b>	<b>Overall Headcount</b>	<b>Male Headcount</b>	<b>Percentage</b>	<b>Female Headcount</b>	<b>Percentage</b>
Grey Book – WDS	708	650	92%	58	8%
Grey Book – RDS	408	388	95%	20	5%
Grey Book – Control	38	6	16%	32	84%
Green Book	323	154	48%	169	52%
Total	1147	1198	81%	279	19%

#### Male Workforce by Employment Type

<b>Employment Type</b>	<b>Headcount</b>	<b>Percentage of Male Workforce</b>
Grey Book – WDS	650	48%
Grey Book – RDS	388	27.5%
Grey Book – Control	6	2.5%
Green Book	154	22%
Total	1198	

#### Female Workforce by Employment Type

<b>Employment Type</b>	<b>Headcount</b>	<b>Percentage of Female Workforce</b>
Grey Book – WDS	58	21%
Grey Book – RDS	20	7%
Grey Book – Control	32	11.5%
Green Book	169	60.5%
Total	279	

Workforce Ethnicity Minority\* Profile by Employment Type

<b>Employment Type</b>	<b>Headcount</b>	<b>Percentage</b>
Grey Book – WDS	11	1.5%
Grey Book – RDS	5	1.25%
Grey Book – Control	0	0%
Green Book	14	4.33%
<b>Total</b>	<b>30</b>	<b>2%</b>

\*Ethnicity stats include: Black African & Caribbean, Asian Mixed & Other Asian, Chinese, Indian, Mixed Other, Mixed African & Caribbean, Gypsy or Irish Traveller, White Eastern European & Other Ethnicity

Workforce Disability Profile by Employment Type

<b>Employment Type</b>	<b>Overall Headcount</b>	<b>No Disability</b>	<b>Disabled</b>	<b>No Record</b>	<b>Percentage Disabled</b>
Grey Book – WDS	708	175	11	522	1.5%
Grey Book – RDS	408	186	3	219	0.75%
Grey Book – Control	38	9	0	29	0%
Green Book	323	163	17	143	5%
<b>Total</b>	<b>1477</b>	<b>533</b>	<b>31</b>	<b>913</b>	<b>2%</b>

## **Appendix B**

### **Positive Action Statement of Intent**

#### **What is positive action?**

Positive action is lawful activity which helps employers identify and remove or reduce barriers to the employment, retention and progression of people from 'under-represented' groups, whilst still employing people on merit.

This means that if there is an imbalance in our workforce with certain groups under-represented, the Equality Act 2010 permits us to attempt to remedy this by taking 'positive action'.

#### **Why would we do this?**

As an Equal Opportunities employer, we strive to ensure our workforce represents the community in which we work, and positive action enables us to do this.

We are committed to equality, including making sure our recruitment, selection and promotion process encourages applications from a wide range of people, reflecting the difference in our community.

We are passionate in our belief that a diverse workforce will enable us to deliver a better service and make our community even safer.

Positive action measures bring benefits to our organisation because it:

- Widens the pool of talented, skilled and experienced people from which to recruit;
- Helps us create a dynamic and challenging workforce able to respond to changes;
- Gives us a better understanding of the needs of a more diverse range of customers.

#### **Positive action is not positive discrimination!**

Positive action should not be confused with positive discrimination. Positive discrimination is the act of favouring someone based on a 'protected characteristic' and is unlawful.

Setting quotas or benchmarks in the recruitment process to take on a proportion of people from a protected characteristic group, or promoting a specific number of people within a minority group would be positive discrimination. Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) does not adopt this type of initiative.

Positive action does not mean lowering or diluting standards to help under-represented groups to pass our tests and meet our role-specific entry requirements. HIWFRS only appoints the best candidates based on their performance, skills and merit.

## **What positive action does HIWFRS take?**

We know some people may never consider the fire service as a career. Others do not think the role of a firefighter is something they can do or worry they may not fit in to our organisation because of their lifestyle or background, or that the role is not available to them because of their gender, ethnicity, disability, religion or sexual orientation. Positive action aims to get rid of these myths and show potential employees how inclusive HIWFRS is.

In HIWFRS, we have a substantially higher proportion of white, male firefighters. Therefore, positive action initiatives enable us to seek to remedy this by encouraging applications from, and removing or reducing barriers to the employment of women and those from an ethnic minority background.

- We target our communications to ensure HIWFRS is seen as an employer of choice by all members of our community.
- We will actively encourage under-represented groups to consider and apply for a career with us. We will offer support to under-represented applicants prior to the process, especially in operational roles where fitness is clearly a consideration given the nature of firefighting.
- We run recruitment open days, to encourage under-represented groups to have a go at key firefighting skills, as well as supporting skills in completing application forms and developing interview techniques.
- We provide unconscious bias training for interviewers and collate and monitor equality data to enable us to evaluate positive action initiatives.

Our recruitment will always be open to everyone – and all who apply will have to go through the same selection processes and reach the same standards, including those who are from under-represented groups.

All appointments will always be made on merit and based on selecting the best candidate available.



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# Who We Are

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A guide to our values and behaviours



Page 77

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HAMPSHIRE & ISLE OF WIGHT FIRE & RESCUE SERVICE

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# Introduction

We are Hampshire & Isle of Wight Fire & Rescue Service (HIWFRS) and we're proud of it.



**Proud of making life safer across our communities.**



**Proud of the service we give to the public.**



**Proud of who we are.**

**What we do** is the work that people see us doing every day. But **how we do** it defines what they **feel about us**. And how people feel about us – whether that's a member of the public or our colleagues – is decided by how we go about our business.

The bedrock for this is **our values and behaviours**. These provide a shared view of how we should act, make decisions and treat one another.

This guide has been co-produced with colleagues from across all parts of our service and represents the values and behaviours we should expect from each other, every day. It's our template for making HIWFRS a great place to work and for how we go about making life safer for our communities.

**Neil Odin  
Chief Officer**



# How to use this guide

This guide provides information, tips and actions to help you get the very best out of our values and behaviours.

It will also help you to:

- Embed our values and behaviours into the Service
- Support our teams to have open conversations
- Inspire and motivate people across the organisation

Everyone at HIWFRS is an individual, so it's all about actively engaging with this guide and making it work well for you and your colleagues.

By being true to our values and behaviours every day, you are demonstrating your commitment to our purpose – together we make life safer.



## Use this guide

- As the basis for guiding your own development and that of our teams.
- For resolving problems or when prioritising conflicting demands.
- When working collaboratively with others, especially when working with new colleagues for the first time.



## Don't use this guide

- As a rigid, inflexible basis for PDR and 1-2-1 conversations – actions or objectives should be recognised as representing the values or contributing to our overall purpose, rather than be forced under a certain heading.
- As reference for every possible behaviour – it would be impossible to capture every behaviour in this guide, but actions should clearly align to our values and purpose.
- As a way of undermining others – while you may not feel someone is displaying a value or behaviour, their action may be driven by a different interpretation of the values or behaviours.



Together we make life safer

Page 79



# Our purpose

Our values and behaviours come together to drive our purpose. Everything we do should always contribute to making life safer for the people of Hampshire and the Isle of Wight – and that includes how we go about our work.

By demonstrating our values and behaviours every day, we are showing our communities and our colleagues our commitment to our purpose. We make them feel safe, respected and cared for. People understand what we stand for and exactly how together we make life safer.

By living our values and behaviours and driving our purpose, we will deliver the priorities laid out in our Safety Plan in a consistent and compassionate way.

**i** For more information on our priorities, you can read our full Safety Plan.

# Our values story

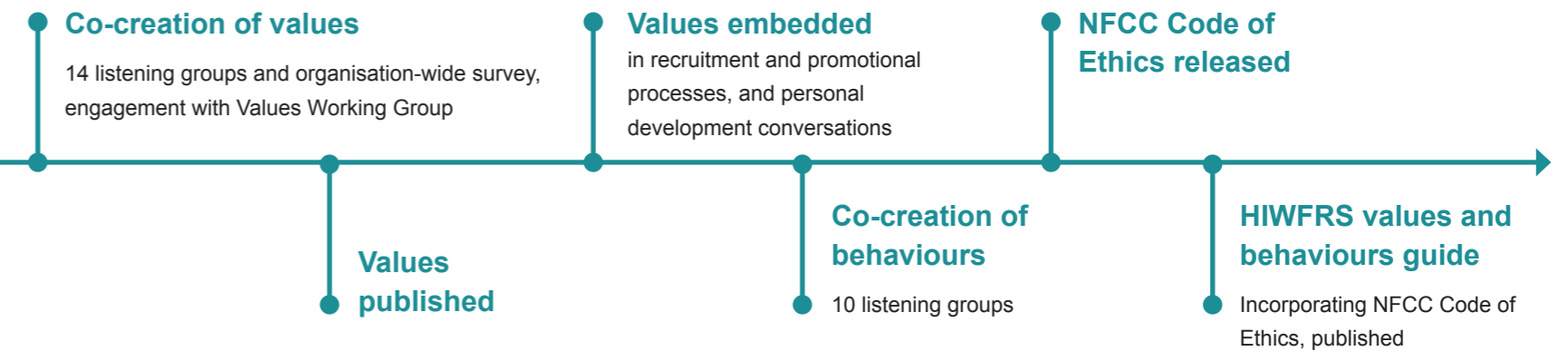
Our values and behaviours are central to everything we do and the way we do it. They inspire our actions, how we work, how we recruit and how we lead. They bind us together in how we make life safer.

We all own our values and behaviours and so it was only right that they were co-created with input from across the service. They have been created through extensive engagement with colleagues from all parts of the organisation and feedback from people at all levels.

They reflect us as people and as an organisation, defining what matters to us, what we stand for and how we work. **They are what makes us HIWFRS.**



## Timeline

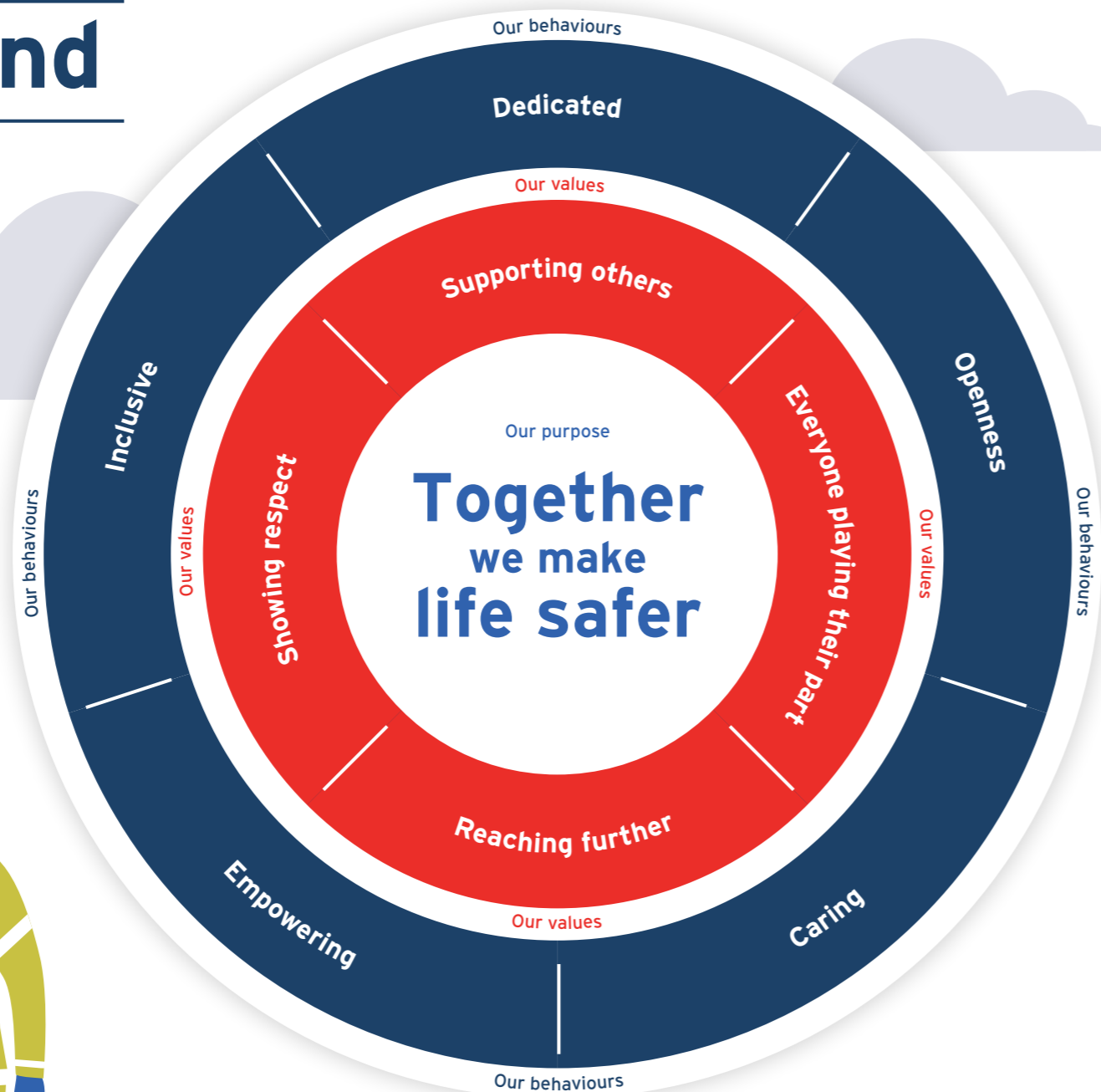




# Our values and behaviours

Our purpose, our values and our behaviours all work together to make us who we are.

Our everyday behaviours are shaped by our values and these drive our purpose.



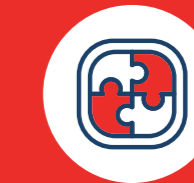
# Our values



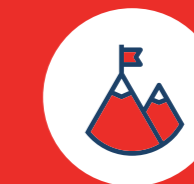
**Showing respect**  
Fairness, honesty and integrity in everything we say and do.



**Supporting others**  
Listening and acting with compassion and empathy.



**Everyone playing their part**  
Recognising the contribution we all make.



**Reaching further**  
Inspiring and challenging ourselves and others.



# Our behaviours

Our behaviours are the day-to-day embodiment of our values and all of them support all four of our values.

They fall into five key groups that align with the National Code of Ethics.



## Dedicated

At HIWFRS...

- We are visible, friendly and approachable
- We have a can-do attitude and go above and beyond for each other and our communities
- We understand the impact we have on public safety and adapt our work to provide the best possible service
- We act as ambassadors and role models for our service
- We show empathy and put the interests of our communities first.



## Openness

At HIWFRS...

- We actively listen to each other and our communities and speak honestly and with integrity
- We take responsibility for the outcomes of our actions
- We are reliable, maintain standards and demonstrate professionalism at all times.
- We are able to give and receive challenge, accepting and listening to the views of others
- We listen and remain impartial, gaining the full facts before reaching conclusions.



## Caring

At HIWFRS...

- We are positive role models and support each other rather than undermine
- We reach out for help when it is needed and feel comfortable to be able to do so
- We are quick to recognise the contributions of others, saying thank you or appreciating a good job
- We take time to check in with each other and reach out to those less willing to speak up
- We deal with mistakes supportively and constructively, using them as genuine learning opportunities.



## Empowering

At HIWFRS...

- We identify potential and provide the environment and opportunities for people to shine
- We actively seek out and share knowledge, and encourage feedback
- We come up with ideas for improvement to develop and enhance our performance
- We are clear on expectations with each other and our teams
- We understand the different roles that everyone plays and collaborate to improve our work.



## Inclusive

At HIWFRS...

- We embrace inclusion and celebrate difference
- We tackle discriminatory behaviour and are aware of how our own actions may affect others
- We take the time to understand how others want to be treated, taking different styles and backgrounds into account
- We value the diverse skills and strengths of colleagues and teams, creating an environment where everyone can be their best
- We work in a collaborative and inclusive way, giving everyone an equal voice.



# Your role, our purpose

By demonstrating our values yourself, you're showing our communities and your colleagues your commitment to making life safer and achieving the priorities set out in our Safety Plan. We all have a vital part to play in ensuring every one of us is living them, every day.

**i** For more information, read the full Safety Plan.



### By reaching further we can:

- Be a learning organisation
- Make improvements and introduce new innovations



### By playing your part we can:

- Better look after our people
- Develop a greater understanding of the communities we serve.



### By showing respect we can:

- Attract diverse talent
- Implement high performance measures



### By supporting others we can:

- Empower our teams to provide outstanding services
- Improve our people's physical and mental wellbeing.

# Our values and the Core Code of Ethics

The national fire and rescue service (FRS) shares a core Code of Ethics, published by the National Fire Chiefs Council (NFCC).

It is designed to support a consistent approach to ethics by fire and rescue services in England.

It aims to improve the organisational culture and workforce diversity of FRSs, ensuring that communities are supported in the best way.

Naturally, we want our work to align with the core ethical approach shared by our fire services colleagues up and down the country.

So, the Core Code of Ethics has been carefully reviewed and they do align with our values and behaviours to ensure that we are working side-by-side with other services.

**i** To view the full Core Code of Ethics, go to [ukfrs.com/core-code-ethics](http://ukfrs.com/core-code-ethics)

Do I work by our HIWFRS values and behaviours or the NFCC Code of Ethics?

We have carefully aligned our values and behaviours with the Core Code of Ethics to ensure it is represented and reflected in this document. By living our HIWFRS values and behaviours, you will also be acting by the national Core Code of Ethics.

It is important that the Core Code of Ethics is reflected in our values and behaviours.

But it is equally important that they reflect our unique HIWFRS personality as they have been shaped, from beginning to end, by our people. It's important we stay true to the language used by the colleagues who have contributed, so people can relate to our values and behaviours.





# The power of stories

To get the best out of our values and behaviours, try to create links between them and your own personal values.

One of the most powerful ways you can do this is to develop your own stories. Inspire people with real-life examples, memories and impactful moments you've experienced.



**i** Our values and behaviours should be adaptable, not restrictive.



## Storytelling Tips

- Think about the great work you do, either as an individual or as a team, and use these as examples for others.
- Make it personal. Take time to think about how your own values and behaviours align.
- Don't be afraid to personalise our values, adding your own style and energy to the way you live them.
- Use examples from outside of work. Perhaps your friends and family see you as a supportive listening ear, or there's a specific reason why honesty and integrity is important to you.

# Our values in action

To help all of us understand and connect with our values we will continue to share stories and real-life examples of lived experiences from across our service.

As well as my wholtime job I also run an RDS section. People weren't used to using Teams in this role and we faced a massive overnight change when the pandemic hit. This saw everyone step up and do things differently. Because I was used to working with computers I took the lead with this. People quickly followed and others started to run the virtual sessions too. People had to adapt fast, and they did.

As a manager, I had to reevaluate the way I lead and manage during the pandemic due to the increase in workloads and changes in the ways of working with more curveballs that impacted people's mental health and their coping mechanisms. I knew the way I manage others had to change. I would stop and think a little more before replying to emails, consider more how I was reading things, think more about the background before responding.

We work very differently to our colleagues in the police but by showing respect and understanding for each other and pulling together to understand our different needs we presented an incredible programme for International Women's Day.

I'm fairly new to the service. I went out on a Safe and Well visit with two firefighters and saw first-hand how they demonstrated the value of supporting others, watching as a firefighter listened and empathised with a member of the community in a difficult and challenging situation. They demonstrated compassion and a deep understanding of this person's circumstances, and it made me feel proud to work for our service.





# Living our values

Here's a few simple ways you can put our values and behaviours at the heart of everything you do.



**1** Be human, be approachable

**2** Trust people to do a good job and make effective decisions

**3** Take the time to celebrate or appreciate someone's efforts – a simple thank you or shout out can go a long way

**4** Listen to feedback and act on it when you can

**5** Be open and learn from your mistakes

**6** Be brave. Do the right thing, not just the easiest thing

**7** Look for opportunities to improve things

**8** Be open in talking about mental health and wellbeing. Keep an eye on others and offer support when it's needed





**Hampshire  
& Isle of Wight**

**FIRE & RESCUE SERVICE**

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**Together we make life safer.  
Thank you for your commitment!**

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# Our story



HAMPSHIRE & ISLE OF WIGHT FIRE & RESCUE SERVICE

Page 87



Hampshire  
& Isle of Wight  
FIRE & RESCUE SERVICE

# Introduction



Neil Odin  
Chief Officer

“ Our story has been developed to help our communities understand the impact of our work, and how the actions and behaviours expected of our colleagues by living our values and behaviours makes a difference to our Service and supports our future.

At Hampshire & Isle of Wight Fire & Rescue Service (HIWFRS) we are driven by the pride in what we do and by our sense of duty, doing the very best we can every day.

We are guided by our purpose - together we make life safer – serving as our assurance to our communities that in times of need we will be there. This purpose sits above our values which are central to everything we do and form the culture of our service.

We are constantly learning and adapting, responding to the challenges we face together and remaining focused on our priorities.



**Together we make life safer**



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# Where we are today

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We live in a changing and unpredictable world. The unprecedented events of the global pandemic have shown us this. But the Covid-19 response is just one of the many ongoing challenges we continue to face together.

The landscape in which we operate is constantly evolving, as is the work we do to address it.

- Increasing diversity in the range of incidents we attend
- Managing the impact of climate change and extreme weather
- Central government funding reductions impacting the decisions we make and how we make them
- Regulations evolving in the wake of the Grenfell Tower inquiry
- Public expectations becoming broader and more complex

At HIWFRS we continue to rise to these challenges, helping the most vulnerable members of our communities to live the best lives they can, protecting them from harm and saving lives.

**Our job has always been to help make life safer and this is one thing that will not change.**

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# Where we are heading together

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Our journey is one of continuous improvement, evolving as an organisation to meet the new risks and challenges we face.

We have entered into a new phase of our journey as Hampshire & Isle of Wight Fire & Rescue Service, combining our two services and pooling our resources to achieve greater resilience and realise significant benefits.

This provides an opportunity for us to draw on our strengths, to build on our work in understanding the risks now and in the future and to continue developing plans to manage them.

We will only achieve this by working closely with our partners and our communities, harnessing new technologies, continuing to evolve as an organisation through innovative approaches and processes and being guided by our priorities.

It's a work in progress, as we build our new organisation and new future together. We might not get it right first time or every time, but by supporting each other and all playing our part, we will create a service to be proud of.







# Our purpose

Together we make life safer



Our values and behaviours come together to drive our purpose. Everything we do should always contribute to making life safer for the people of Hampshire and the Isle of Wight – and that includes how we go about our work.

By demonstrating our values and behaviours every day, we are showing our communities and our colleagues our commitment to our purpose. We make them feel safe, respected and cared for. People understand what we stand for and exactly how together we make life safer.

By living our values and behaviours and driving our purpose, we will deliver the priorities laid out in our Safety Plan in a consistent and compassionate way

**i** You can find out more about our priorities and the improvements we intend to make in our Safety Plan.

# Our priorities

To achieve our purpose, we need to fully understand the risks that our communities face. By engaging with those most affected by the risks identified we are able to create the most effective services to protect them and to make Hampshire and the Isle of Wight safer. On this basis we developed five priorities:



- 1 Our Communities**  
We work together to understand different community needs and deliver accessible, local services which build safer places.
- 2 Our People**  
We look after each other by creating great places to work and promoting the health, wellbeing and safety of our people.
- 3 Public Value**  
We plan over the longer term to ensure our decisions and actions deliver efficient and effective public services.
- 4 High Performance**  
Our diverse teams are trusted, skilled and feel equipped to deliver a leading fire and rescue service today and into the future.
- 5 Learning & Improving**  
We have the support of policy and guidance with the freedom to use our discretion to do the right thing, learning from ourselves and others.

# Our values

Our values were created by our workforce in 2019 and have since become central to everything we do. They have enabled us to define and reinforce who we are, what we stand for and how we act as individuals and as a service. And in many cases, they highlight the great work we already do.



## Showing respect

Fairness, honesty and integrity in everything we say and do.



## Supporting others

Listening and acting with compassion and empathy.



## Everyone playing their part

Recognising the contribution we all make.



## Reaching further

Inspiring and challenging ourselves and others.



# What we stand for

Our people are our greatest asset. That is why we want our service to be a great place to work and for every colleague to feel proud about what we do and why we do it. Our colleagues were asked how they would tell the story of HIWFRS in their own words, what it means to them and why we are important as a service.

Everyone adds value and is respected at HIWFRS.

Being the difference, feeling the difference.

Working together to support each other.

Working hard to keep others safe.

We are more than an organisation.

Dedicated, passionate and committed to improving.

A second family, helping each other learn and grow.

Inspiring each other to achieve better.



# Living our values

By demonstrating our values and behaviours, we show our communities and each other our commitment to making life safer and achieving the priorities set out in our Safety Plan. Every colleague has a vital part to play in ensuring we live our values, every day.

Page 92

**i**  
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- Attract diverse talent
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## By supporting others we can:

- Empower our teams to provide outstanding services
- Improve our people's physical and mental wellbeing.

# Our behaviours

Following on from the creation of our values we worked together as a service through sessions to define the behaviours that demonstrate their practical application - the way we believe all of our colleagues should act at work, regardless of rank or role. Importantly, these behaviours closely reflect who we are as a service, they demonstrate our personality, and they enable us to achieve our priorities and remain true to our purpose.

We have carefully aligned both our values and behaviours with the national fire and rescue service's (FRS) Code of Ethics, published by the National Fire Chiefs' Council (NFCC).

Our behaviours should be considered in everything we do, from recruitment and induction to PDR discussions and our day-to-day activities.



**Dedicated**



**Openness**



**Caring**



**Empowering**



**Inclusive**



# Our behaviours

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# Working at HIWFRS

Life at HIWFRS is a team game, where everyone plays their part in helping to make life safer. But don't take our word for it...

I joined the fire service 22 years ago and still enjoy it. Over the years I have seen change and the lesson learned that have helped the Service to move forward with the times.

As a Service we are better at supporting others and providing opportunities to help people grow and progress – something I have taken advantage of in my career path.

I am still as proud today as I was when I joined to put on the uniform and deliver the service we provide to our communities and colleagues.

I get enormous satisfaction when I feel I've made a difference at work. Resolving incidents and attending co-responder calls are a big part of that yet visiting the community and delivering Safe and Well information is just as important.

Knowing I'm making a difference and actively engaging with others is why I do the job that I do. But what I love most is seeing those on my team grow as firefighters and become more confident and capable.

I love working for the Fire Service as I feel like I am making a positive difference to the people in my community.

Being able to work with volunteers who come from all walks of life and want to do their part for the community is so rewarding.

Everyone in the Service contributes in different ways to achieving the aim of making life safer and I feel part of a big family.

I used to work for a global bank before I started with the Fire Service, so I feel like I'm doing something a lot more worthy now, helping us deliver our service to Hampshire and the Isle of Wight.

There is an enormous sense of pride in what we do. The way in which we support the public and the things we do is far beyond what I ever imagined. The people make this service a great place to work.

Helping and supporting colleagues and providing solutions that I know is going to make their lives that bit easier gives me real job satisfaction.



# The future

Our Safety Plan sets out our plans and priorities until 2025 but is only the start of our story as HIWFRS.

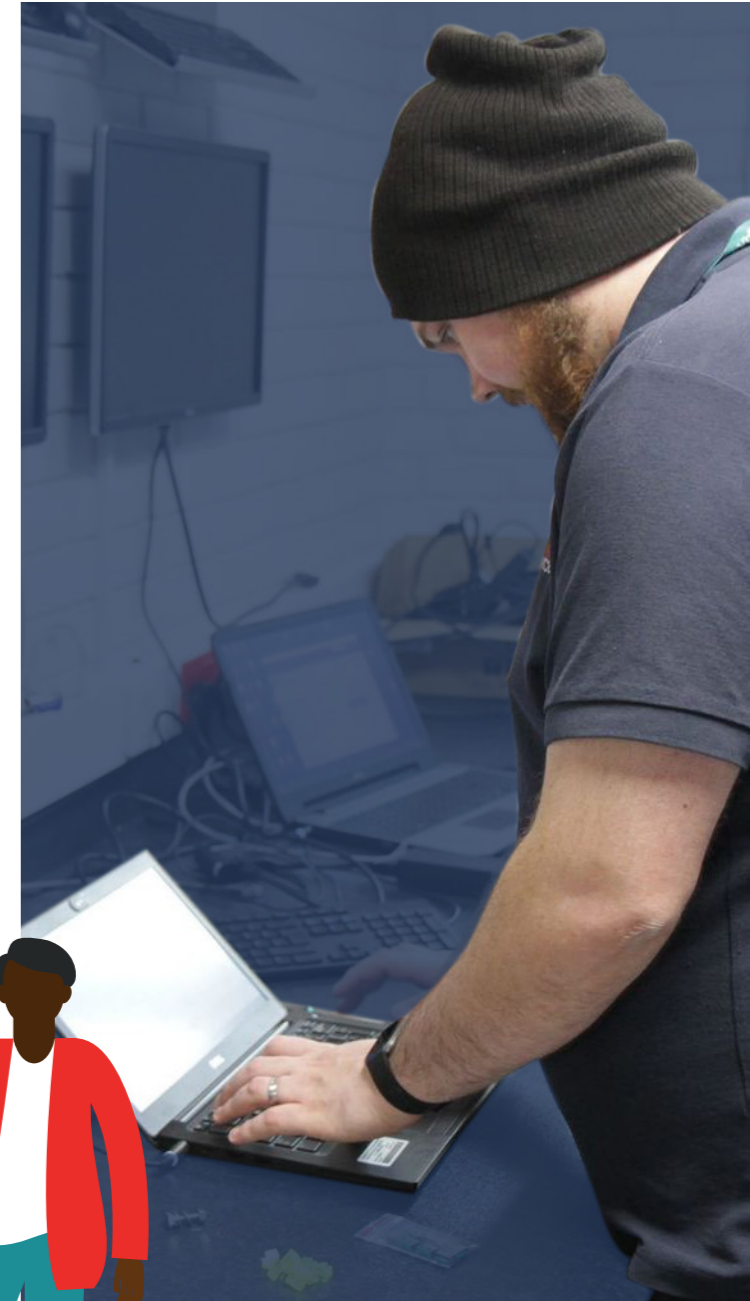
Although the next few years will see lots more change affect our service and the wider fire and rescue sector, we understand our key priorities and how we intend to achieve them together.

Those achievements will see us working closely with our partners, aligning as a single service and continuing to be a learning organisation with the most diverse talent delivering the best services for our communities.

They will see us developing a greater understanding of the communities we serve to reduce fire risk while introducing tools and resources to better look after our people.

They will see us reviewing plans that will improve and enhance public value while continuing to implement high performance measures. And they will see us taking advantage of opportunities that enable us to continue learning and improving together.

**We are HIWFRS and this is our story.**





**Hampshire  
& Isle of Wight**  

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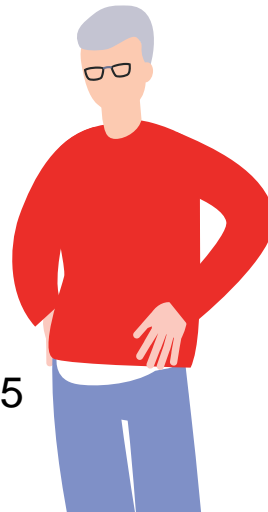
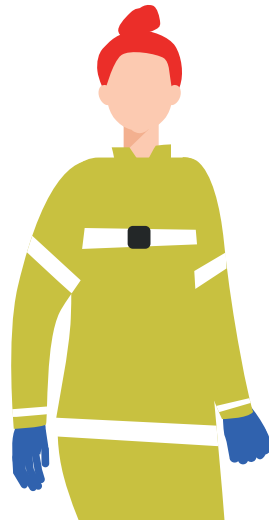
**FIRE & RESCUE SERVICE**

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# Our story starts with you

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Page 95

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**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Full Authority**

Purpose: Noted

Date: **14 DECEMBER 2021**

Title: **MID-YEAR PERFORMANCE REPORT 2021/22**

Report of Chief Fire Officer

### SUMMARY

1. The Mid-Year Performance Report (Appendix A) explains how the Service has performed over the last six months against our core purpose of making life safer. The report, which covers the period 1<sup>st</sup> April to 30<sup>th</sup> September 2021, explores how the Service performed against a range of strategic measures, with comparisons made against previous years. The report also highlights current progress in delivering Year 2 improvements of our 2020-25 Safety Plan.
2. We use performance and assurance reporting to assess our effectiveness, efficiency, and financial position; and to supplement our wider assurance activities. Our performance measures help us identify areas for improvement, as well as successes and good practice to be shared.

### HIGHLIGHTS – SERVICE MID-YEAR PERFORMANCE 2021/22

3. Incident volumes increased compared to the previous six months - but this is to be expected given the reduction in COVID-19 restrictions which occurred within this reporting period and the fact that incident volumes fluctuate naturally at particular points within the year. A more valuable comparison is to the same period (April to September) in 2020. This comparison shows a stable number of incidents (decrease of 37, -0.3%), owing to a similar pattern last year where the country came out of a national lockdown and COVID-19 restrictions towards the mid part of the year. There has, though, been a change in our incident profile – with a reduction in fires

but growth in special service calls. The continued impact of the pandemic on incident volumes can also be seen by comparing to April – September 2019 – with a 12% reduction between 2019 and 2021.

4. Our average critical response time increased very slightly (by 6 seconds) compared to the previous six months and by only 1 second compared to same period (April to September) in 2020. This has been achieved despite lower availability and higher levels of sickness as we have managed resources effectively through Control and our Emergency Staffing Cell. Furthermore, we have not seen an adverse impact on our communities with 0 fire fatalities (with two pending coroner's reports), comparable to the previous year. The number of casualties did increase but that is to be expected given the greater lockdown conditions in 2020, which meant fewer people were undertaking activities in the community and more people were at home. Furthermore, 2021 has seen significant demand pressures on partners, such as the ambulance services, partly as people are now more forthcoming with medical issues, which also impacts the 2021 increase in casualties.
5. The number of Safe and Well visits has increased significantly (29%) compared to the same period (April to September) in 2020, while the number of visits where we were refused entry or could not contact the individual reduced by 3% compared to last year, which is positive. This is owing to continued focus on our prevention activity and because the initial pandemic lockdowns made it harder to visit individuals and reduced their likelihood to engage with our services.
6. Following the easing of COVID-19 restrictions we have also been able to increase our protection activity, including fire safety audits - of which we undertook 678 between April and September 2021, significantly up (by 252, +59%) on the previous six months and up by 509 (+301%) compared to the same period last year when national lockdown restrictions were in place. This delivery of audits means we are on track to be above our target level of audits by the end of the year. Similarly, following the easing of lockdown restrictions, we have seen a significant increase in business regulation and licensing consultations - maintaining high levels of performance in this area too.

#### HIGHLIGHTS – CHALLENGES

7. Staff sickness has increased compared to both the previous six months and the same period (April to September) last year. This was driven partly by the 'pingdemic' impact of COVID-19 self-isolations in July and August (though COVID-19 related absences subsequently reduced significantly and remain low). It was also impacted by a significant increase in other

sickness absences, particularly musculoskeletal related – 69% of which were long-term sickness absence (over 28 days). It is also important to note that locally and nationally sickness in 2020 was lower than usual owing to the impact of COVID-19 lockdowns and restrictions. Therefore, it is important to also compare to April to September 2019, where the average days/shifts lost was just under 5 (compared to 6.12 in the same 2021 period, and 4.54 in the 2020 period).

We continue to undertake a wide range of activity to both understand and support further the wellbeing of our staff – a key area of our Safety Plan and one that was validated by the 2020 HMICFRS COVID-19 inspection where they concluded staff wellbeing was a clear priority for the Service and that a wide range of support is available for our staff.

8. Sickness increases meant that availability decreased slightly to 96.1% for whole-time. On-call availability decreased to 64% and was also impacted by sickness, as well as challenges in the availability of drivers. It is also important to note when comparing to 2020 figures that last year on-call availability in the early parts of the pandemic increased to very high levels during the initial lockdown restrictions and the early furlough period.
9. As noted above, there were some challenges around sickness and availability, but these were mitigated through effective Emergency Staff Cell and Control Management, which saw our critical response time remain stable.
10. Despite the continued increase in the number of Safe and Well visits undertaken, we are set to be below our target for number of visits delivered this year. We also have a large number of Safe and Well jobs that are open but the visit is yet to be undertaken. This is partly due to the significant number of referrals we generated by proactively engaging our communities at vaccination centres, including Basingstoke. There does, however, continue to be significant organisational and operational focus on our Safe and Well activity, as demonstrated by our published 2021-22 Community Safety Strategy. Furthermore, new ways to deliver Safe and Well visits are being considered, in conjunction with the Group Managers, which, with the aid of a new prevention risk heat map, will help the Service focus on those most vulnerable.
11. Finally, Appendix A shows a growth in our cost per population figures compared to last year. This is reflective on the new combined fire authority and the impact of costs on the island. The Isle of Wight is the UK's largest inhabited island without a permanent link to the mainland, and a previous study by the University of Portsmouth evidenced that separation from the

mainland has an impact on the cost of delivery of public services on the island.

## HIGHLIGHTS – SAFETY PLAN IMPROVEMENTS

12. The five-year Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) Safety Plan was launched in April 2020, setting out our priorities, values, how we will build on our strengths, and how we will address the areas that require more focus and improvement.
13. This year – the second year of the Safety Plan – we committed to completing 35 improvements. By Safety Plan priority, Our People and High Performance (19 activities) are our top two areas of focus. As at the end of September, we had completed seven (20%) of these activities, as detailed in Appendix A. However, across all activities progress is assessed at 56%, meaning we are on track, with most improvements scheduled to deliver later in the financial year. The activities completed so far include, but are not limited to:
  - Continued alignment of business processes and operating models under new Combined Fire Authority (CFA) arrangements;
  - Development of a new Organisational Development function;
  - Ensuring we embed our values by, for example, developing and launching a 'Who We Are' guide to our values and associated behaviours; and
  - Maturing processes to capture and act upon learning across the Service.

## SUPPORTING OUR SAFETY PLAN AND PRIORITIES

14. The Mid-Year Performance report provides a view of performance in different Safety Plan priority areas, with specific progress against the Safety Plan improvements reported too. We regularly check and report progress against the Safety Plan across our Directorates and within our Executive Group.

## CONSULTATION

15. There has been a range of internal consultation and collaboration to help develop this report, as well as to refine its content. This report was also taken to and discussed within the Operations Management Board and the



Policy, Planning and Assurance Board. External consultation has not been required.

### RESOURCE IMPLICATIONS

16. The cost associated with the production of the Mid-Year Performance report is within existing resource plans.

### IMPACT ASSESSMENTS

17. This report does not lead to any change activity, so no impact assessments are required. However, it is worth noting that, more widely, internally there has been a significant organisational focus on impact assessments, an area assured by various teams, including the Organisational Assurance team.
18. In line with guidance from the British Dyslexia Association, we have ensured we utilise dyslexia friendly fonts and colours in our appendix to ensure the report is as accessible as possible. The slide background and text colours also support accessibility from individuals with colour-blindness. Once noted by the Authority we will publish the appendix on our website in PowerPoint format so the narrator and translator functions can also be utilised to further increase its accessibility.

### LEGAL IMPLICATIONS

19. There are no legal implications resulting from this report.

### RISK ANALYSIS

20. Failure to regularly report on and scrutinise our performance and progress against our Safety Plan could result in no action being taken to address reducing deficient performance which may affect the outcomes for our communities and our people. The information may, in some cases, show increasing (or reducing) risks for the Authority.

### EVALUATION

21. Monitoring and assessing performance and progress against the Safety Plan are a key part of various evaluation activity that the Service carries out – it also used by the Service to identify areas for continuous improvement and to flag and share good practice across public services and the Fire Sector.
22. Evaluating performance, and change activity more widely, are core activities of the Integrated Performance and Assurance Group and of management

teams across the Service. This is aided by an increasing amount of data and reporting available, with the breadth and depth of real-time performance and assurance information accessible to our staff increasing.

## CONCLUSION

23. Our overall incident volumes have been consistent with the same period last year; however the incident profile has changed significantly – with a reduction in fires and an increase in special service calls. For example, we have seen a reduction in fires mainly influenced by a reduction in primary and secondary grass fires. Our ‘special service calls’ have increased owing to the additional activity assisting other agencies, effecting entry/exit, lift release, RTCs (Road Traffic Collisions) and co-responding, as a result of partners needing additional support, as well as there being fewer lockdown restrictions in the 2021 period.
24. Despite sickness increases and availability decreases, we have been able to maintain our average critical response time at around 7 minutes 30 seconds, with only a one second increase compared to the same period last year. This is testament to our stations and Groups, and the support they have received from Control and the Emergency Staff Cell. Fatality figures have also remained low and comparable to last year.
25. Concurrently, reflective of reduced COVID-19 restrictions and our organisational focus on these areas, we have significantly increased the number of Safe and Well visits and Fire Safety Audits that we have undertaken compared to both the previous six months and the same period (April to September) in 2020. We have also increased our business regulation and licensing consultation activity – while maintaining strong performance in this area; as well as exceeding our High-Rise Risk Based Inspection Programme targets.

RECOMMENDATION

26. That the Mid-Year Performance Report 2021/22 be noted by the HIWFRA Full Authority
27. That the progress of the Safety Plan Year 2 Improvements is noted by the HIWFRA Full Authority

APPENDICES ATTACHED

28. Appendix A: Mid-Year Performance Report 2021/22.

Contact: Shantha Dickinson, Deputy Chief Fire Officer,  
[Shantha.dickinson@hantsfire.gov.uk](mailto:Shantha.dickinson@hantsfire.gov.uk), 07918 887986

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**Hampshire  
& Isle of Wight**  
FIRE & RESCUE SERVICE

# Mid Year Performance

1<sup>st</sup> April 2021 to 30<sup>th</sup> Sept 2021

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**Together We  
Make Life Safer**

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HAMPSHIRE & ISLE OF WIGHT FIRE & RESCUE SERVICE

# Mid Year Performance 2021/22



This report focuses on our performance within this financial year (1<sup>st</sup> April to 30<sup>th</sup> September 2021) across a number of key areas that broadly align with our Safety Plan priorities. The report also, on slide 8, provides some additional commentary on other crucial Service activities, including progress against our Year 2 Safety Plan improvements. This report presents a shorter, more visually focused summary view of our activity in a dyslexia friendly format.

Whilst we continue to navigate the direct and indirect impacts of the COVID-19 pandemic, the Service remains operationally effective and focused on keeping our communities and our people informed and safe, and also on supporting a wide range of partners.

Our overall incident volumes have been consistent with the same period last year; however the incident profile has changed significantly. For example, we have seen a reduction in fires mainly influenced by a reduction in primary and secondary grass fires, and our 'special service calls' have increased – reflective of the additional activity assisting other agencies, effecting entry/exit, lift release, RTCs (Road Traffic Collisions) and co-responding, as a result of partners needing additional support and there being fewer lockdown restrictions in the 2021 period.

Despite sickness increases and availability decreases, which are discussed in the report, we have been able to maintain our average critical response time at around 7 minutes 30 seconds, with only a one second increase compared to the same period last year. This is testament to our stations and Groups, and the support they have received from the Emergency Staff Cell and from Control. Fatality figures have also remained low and comparable to last year.

Concurrently, reflective of reduced COVID-19 restrictions and our organisational focus on these areas, we have significantly increased the number of Safe and Well visits and Fire Safety Audits that we have undertaken, as well as increasing our business regulation and licensing consultation activity – while maintaining strong performance in this area; as well as exceeding our High-Rise Risk Based Inspection Programme targets.







*DCFO Shantha Dickinson – Director of Policy, Planning and Assurance*

## Mid Year Performance Summary 2021/22

- **Sickness:** staff sickness has increased compared to both the previous six months and the same period (April to September) last year. This was driven partly by the 'pingdemic' impact of COVID-19 self isolations in July and August (though COVID-19 related absences subsequently reduced significantly and remain low). It was also impacted by a significant increase in other sickness absences, particularly musculoskeletal related. See [slide 6](#) for more detail.
- **Availability:** sickness increases and some challenges in qualified drivers being available meant that availability decreased to 96% for whole-time and 64% for on-call during the period April 2021 to September 2021. On-call availability has also been impacted by the easing of restrictions, which had the opposite effect to availability in the early parts of the pandemic (when it increased to very high levels during the initial lockdown and early furlough period).
- **Critical response times:** our average critical response time increased very slightly (by 6 seconds) compared to the previous six months and by only 1 second compared to April to September 2020. This has been achieved despite lower availability and higher levels of sickness as we have managed resources effectively through our Emergency Staffing Cell and Control Management. Furthermore, we have not seen an adverse impact on our communities with 0 fire fatalities (with two pending coroner's reports), comparable to the previous year. The number of casualties did increase but that is to be expected given the greater lockdown conditions in 2020, which meant fewer people were undertaking activities in the community as more people were at home. Furthermore, 2021 has seen significant demand pressures on partners, such as the ambulance service, partly as people are now more forthcoming with medical issues, which also impacts the 2021 increase in special service call casualties. See [slide 5](#) for more detail.
- **Incidents:** incident volumes increased compared to the previous six months - but this is to be expected given the reduction in COVID-19 restrictions which occurred within this reporting period and the fact that incident volumes fluctuate naturally at particular points within the year. A more valuable comparison is to the same period (April to September) in 2020. This comparison shows a stable number of incidents (decrease of 37, -0.3%), owing to a similar pattern last year where the country came out of a national lockdown towards the mid part of the year. There has, though, been a change in our incident profile. The impact of the pandemic on incident volumes can also be seen by comparing to April – September 2019 – with a 12% reduction between 2019 and 2021. See [slide 4](#) for more detail.
- **Safe and Well visits:** the number of visits increased significantly (29%) compared to April – September 2020, while the number of visits where we were refused entry or could not contact the individual reduced by 3% compared to last year. This is owing to continued focus on our prevention activity and because the initial pandemic lockdowns made it harder to visit individuals and reduced their likelihood to engage with our services. See [slide 5](#) for more detail.
- **Fire Safety Audits:** following the easing of COVID-19 restrictions we have been able to increase our protection activity, including fire safety audits - of which we undertook 677 between April and September 2021, significantly up by 251 on the previous six months and by 508 from the same period last year. This delivery of audits means we are on track to be above our target level of 1,332 audits by the end of the year. Similarly, following the easing of lockdown restrictions, we have seen a significant increase in business regulation and licensing consultations - maintaining high levels of performance in this area too. See [slide 5](#) for more detail.

# Incident Summary



- 10,739**  **Incidents attended** -37 (-0.3%) vs April-September 2020, and -1,500 (-12%) vs the same period in 2019
- 2,218**  **Fires** -461 (-17%) vs April-September 2020  
**Influenced mainly by** a reduction in primary and secondary grass fires, despite a slight increase in primary dwelling fires reflective of less people being at home owing to fewer COVID-19 restrictions being in place in 2021.
- 3,916**  **False Alarms** +80 (+2%) vs April-September 2020  
**Influenced mainly by** an increase in false alarms due to apparatus owing to single occupancy dwellings related to reduced COVID-19 restrictions and education establishments which were not in use to the same extent in 2020.
- 4,605**  **Special Service Calls (SSC)** (includes RTCs – see further details below) +344 (+8%) vs April-September 2020  
**Influenced mainly by** assisting other agencies, effecting entry/exit, lift release, RTCs and co-responding owing to people undertaking more activity due to fewer lockdown restrictions, and additional demand for partners, particularly the ambulance service.

## Fire fatalities & Casualties by all incident types

(fire deaths: confirmation by Coroners report only)

**0 fire fatalities** vs 1 April-September 2020. Awaiting coroner outcome of 2 fatalities (June and September 2021) therefore this figure may rise by 2 (an elderly male, smoking materials and elderly female, electrical fault)

**64 fire casualties** +53% (from 42) vs April to September 2020  
60% male, 29% related to cooking  
40% female, 38% related to cooking

**237 RTC casualties** +20% April-September 2020

**130 SSC casualties** +38% vs April-September 2020  
Mainly owing to a 104% increase in assisting other agencies (23 to 47)



## Our Communities



**63.9%**



### On-call availability

vs 75.1% October 2020 – March 2021 and 75.6% between April – September 2020. The 2021 position was impacted by sickness and the easing of COVID-19 restrictions, which had the opposite effect to availability in the beginning of the pandemic (when it increased to very high levels due to lockdown restrictions and the early furlough period). Another factor in the reduction was the availability of drivers.

**96.1%**

**Whole-time availability** vs 97.4% October 2020 – March 2021 and 98.0% in the same period (April – September) last year. There has been some declines owing to sickness.

**7 mins  
31 secs**



**Critical response** +1 second vs 7:30 April 2020 – September 2020

Urban **7 mins 19 secs** Rural **10 mins 37 secs**

vs April 2020 – September 2020 Urban 7:15 & Rural 10:43

**678**

+252 (+59%) vs Oct 20 – Mar 21  
+ 509 (+301%) vs Apr – Sept 20

**HIWFRS 79% (534) Fire Safety Audits** completed on time  
vs 73% April – September 2020

**909**

+202 (+29%) vs Oct 20 – Mar 21  
+ 383 (+73%) vs Apr – Sept 20

**HIWFRS 94% (851) Building Regulation Consultations**  
completed on time vs 97% April – September 2020

**377**

+38 (+11%) vs Oct 20 – Mar 21  
+ 132 (+54%) vs Apr - Sept 20

**HIWFRS 94% (356) Licensing Consultations**  
completed on time vs 87% April – September 2020

**3,906**



### HIWFRS S&W visits carried out

vs 3,407 (+499) October 2020 – March 2021  
vs 3,020 (+886) April – September 2020

The number of visits increased by **15%** compared to October 2020 – March 2021 and by **29%** compared to April – September 2020. The steady increase is a consequence of post lockdown conditions and significant operational focus on this activity.

**In addition, while increasing the number of visits we have also seen positive declines in refused entry and could not contact figures...**

**613** refused entry down 28% (-244) vs 857 in October 2020 – March 2021, though up 16% (+86) vs 527 in April – September 2020.

**491** could not contact (on multiple occasions) down 18% (-110) vs 601 in October 2020 – March 2021 and down 20% vs 613 in April – September 2020.

# Our People



## Sickness absence

6.12



average shifts/days lost to sickness  
**+1.58 shifts lost (+35%) vs April to September 2020**

Staff sickness increased compared to both the previous six months and the same period (April to September) last year. This was driven partly by the ‘pingdemic’ impact of COVID-19 self isolations in July and August (though COVID-19 related absences subsequently reduced significantly and remains relatively low). It was also impacted by an increase in other sickness absences, particularly musculoskeletal related, which was the highest cause of shifts lost to sickness for whole-time and on-call staff. This type of absence accounted 34% of total shifts lost from April to September 2021 (compared to 19% of all shifts lost in October 2020 to March 2021; and 21% in April to September 2020). Also 69% of the musculoskeletal related absence from April to September 2021 for whole-time and on-call staff was long-term sickness (over 28 days). The increase is less sharp when compared to 2019, when the average shifts lost was just below 5.

The main cause of sickness for both groups (after musculo-skeletal) is COVID-19 sickness (20%) with most of these owing to individual showing signs of COVID-19.



## Health & Safety

Injuries have increased since returning to normal working practises with more training courses and people in the work place. Through learning we are changing the behaviour and culture of staff resulting in more injuries being reported. It is also important to note that, positively, leading indicators outweigh lagging indicators by 9 cases.

Most injuries happen during training and operational incidents, because of the environment they are more at risk. These mostly involve strains, sprains, slips, trips & falls, manual handling and burns.

There have been 6 injuries reported under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) preventing Fire and Rescue Service (FRS) staff from working 7 days or more, subdivided as follows: slips, lifting/handling, fall from height and another kind of accident. These injuries occurred during attended fire incidents, gym/PT sessions and drill yard/training.

**67**  
+28 vs Apr-Sep 2020

**Leading** (near miss/cause for concern) cases have fluctuated during this period and although higher than the previous 6 months (Oct-Apr) they still exceed the laggings.

**58**  
+19 vs Apr-Sep 2020

**Lagging** (injury) cases have increased in line with more people using the reporting system which in turn allows for learning and improving our training and techniques.

**6**  
-/+ 0 vs Apr-Sep 2020

**RIDDOR** incidents have remained the same when compared to the same period last year.

**18**  
people  
+3 vs Apr-Sep 2020

**Lost Time Injuries** have increased slightly (+3) when compared to the previous the same period in 2020. However, 3 of the 18 were not work related

# Public Value



In terms of FRS net revenue expenditure by population, the previous year's figures are:



**£37.78**

**2020/21**, Hampshire ranked 13<sup>th</sup> out of 24 Combined Fire Authorities

**£44.81**

**2020/21**, Isle of Wight ranked 9<sup>th</sup> out of the 11 county authorities

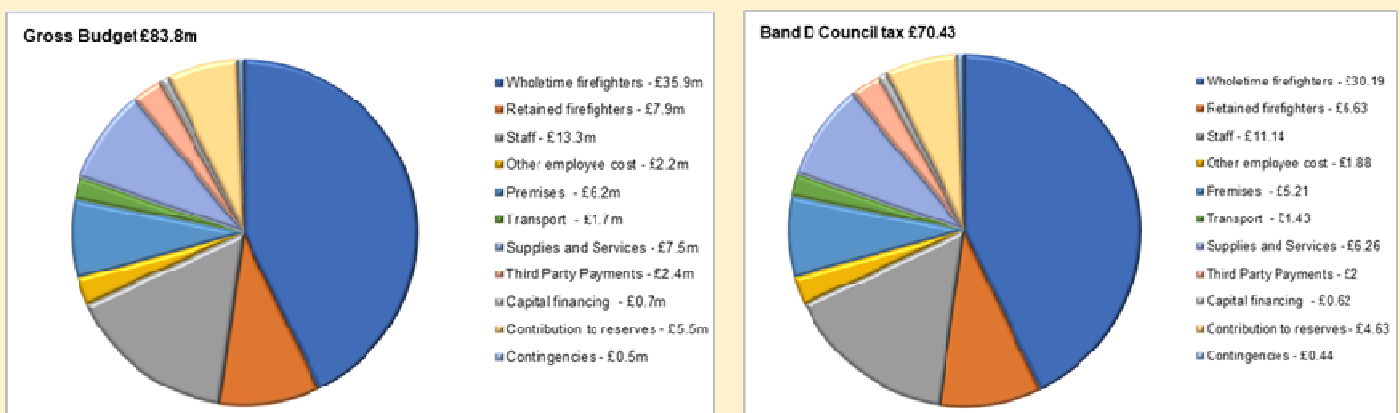
**Source:** CIPFA (Chartered Institute of Public Finance & Accountancy) is an institute and accountancy standards body for public service. Owing to CIPFA publication dates estimated data is currently available for 2020/21.

**£39.86**

**2021/22 HIWFRS cost per population** based on forecast outturn (as at Q1) and Office for National Statistics (ONS) 2020 mid-year population estimates. Increased costs reflect inflation and pay awards. As the first combined cost by population figure reported to the Authority it will provide a baseline strategic finance measure to compare against in future reports.

## Cost breakdown & indicative view of how our communities' council tax is spent

Cost of staff (wholetime firefighters: £35.9 million, retained firefighters: £7.9 million, and other staff: £13.3 million) are the largest spend areas, followed by supplies and services, and premises.



## Additional points of note



- Throughout this reporting period we have continued to **support health partners with additional activities** – including continuing to use Basingstoke Fire Station as a vaccination centre until September while maintaining operational response capability from the station. The centre delivered over 154,000 vaccinations between February and September 2021, saving around an **estimated 200 lives** as a result. Other fire stations (Cosham, Hightown, St. Mary’s, Fareham and Gosport) have also operated as walk-in vaccination clinics, and we have had various staff continue to work as voluntary vaccinators.
- **Safety Plan progress:** this year – the second year of the Safety Plan – we committed to completing 35 improvements. By Safety Plan priority, ‘Our People’ & ‘High Performance’ related (19 activities) are our top two areas of focus. As at the end of September, we had completed seven (20%) of these activities. However, across all activities progress is assessed at 56%, meaning we are on track, with most improvements scheduled to deliver later in the financial year. The activities completed so far include, but are not limited to:
  - Continued alignment of business processes and operating models under new Combined Fire Authority (CFA) arrangements;
  - Development of a new Organisational Development function;
  - Ensuring we embed our values by, for example, developing and launching a ‘Who We Are’ guide to our values and associated behaviours; and
  - Maturing processes to capture and act upon learning across the Service.
- **Fire Standards assurance:** There are currently 8 approved Fire Standards with a further one in consultation. When a new Standard is being developed, we take a proactive approach by engaging with the consultation process. This provides an early opportunity to review the proposed Standard and begin to assess our own organisation to identify any gaps. Once the Standard has been approved, we then take appropriate actions to ensure we are compliant.



**Hampshire  
& Isle of Wight**  
FIRE & RESCUE AUTHORITY

## **HIWFRA Full Authority**

Purpose: Noted

Date: **14 DECEMBER 2021**

Title: **GRENFELL TOWER PROGRESS REPORT DECEMBER 2021**

Report of Chief Fire Officer

### SUMMARY

1. The Grenfell Tower incident of June 2017, and the subsequent and ongoing inquiry, continue to have a significant impact on the fire and rescue sector, and remain of high public interest. In response to this significant fire and tragic widespread loss of life as well as the Phase 1 Inquiry report findings and recommendations, Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) has undertaken a programme of work to actively improve building fire safety across Hampshire and the Isle of Wight.
2. This report provides the Fire and Rescue Authority (the Authority) with an extensive update since the previous report June 2021. It gives assurance on the wide range of activity and positive improvements in public safety that have been made. Our work has focussed on taking learning from the Grenfell Tower incident and associated Inquiry findings to impact tangibly on public safety at a local level as well as bringing our influence to bear in within the national context, through the various National Fire Chief Council (NFCC) programmes and the evolution of newly issued Fire Standards.
3. All detailed of the work programmes are contained within Appendix A.

4. As an overview the table below illustrates HIWFRS current steady and sustained performance towards the 29 fire and rescue service (FRS) sector specific Grenfell Tower recommendations. We are currently on track for completion of all recommendations though one is dependent on delivery from the Networked Fire Services Partnership (NFSP) and one of their contractors.

Complete	Complete Spring 2022	Complete after Spring 2022
26	2	1

## BACKGROUND

5. The Phase 1 report of the public inquiry into the fire at Grenfell Tower in June 2017 was published in October 2019. This report included a range of detailed findings and a series of recommendations across 12 thematic areas, with some aimed specifically at LFB and others to the wider sector. Phase 2 of the Inquiry is ongoing and examines the causes of these events, including how Grenfell Tower came to be in a condition which allowed the fire to spread in the way identified by the Phase 1 report. The Phase 2 Inquiry is receiving significant media and public interest.
6. HIWFRS has been working on improvement activities against these detailed findings and 12 thematic areas for some time, using both the Central Government Grenfell infrastructure grant and prioritisation of existing resources to channel our efforts at this important work. Using the Government grant funding we dedicated subject matter expertise to drive forward and assure our activity towards the Grenfell Tower Inquiry Phase 1 report.

## 2020/21 GOVERNMENT GRANT FUNDING

7. As referenced in the June Grenfell Tower Progress report, the uplift grants that HIWFRS is in receipt of, are paid to fire and rescue authorities to improve the protection function to tackle risk in the built environment, and to support the work of the (national) Fire Protection Board with specific work programmes. Locally we have received £152,000 for the Building Risk Review Exercise (which is the work of the High-Risk Residential Buildings Inspection Programme Team (HRRBIP)– as detailed in Appendix A) and £271,000 for the Protection Uplift Programme which relates to competency and resourcing.

8. A further grant of £364,000 was received by HIWFRS to maintain these improvements for the year 2021-22. This money is specifically allocated to Protection Uplift and we report on this through the NFCC to the Home Office.
9. There is a final element of funding from central government which is designed to ensure Services have sufficient resources to respond to the findings of the Grenfell Tower Inquiry Phase 1 report, totalling around £150,000, to support HIWFRS in making sustained progress in implementing the recommendations from the Grenfell Tower Inquiry Phase 1 report and improve resilience to major incidents. (Full details of how we have achieved against this funding stipulation is contained within Appendix A). This funding was ring-fenced to be used for the purposes of:
  - (a) Provision of smoke hoods.
  - (b) Other locally determined activity in response to the Grenfell Tower recommendations and improved resilience to major incidents and infrastructure. For example, upgrades to Control Room systems to allow the ability for emergency services to share electronic incident records.
  - (c) Supporting local Grenfell recommendations co-ordination to track and evidence progress being made against the Inquiry recommendations.

#### COLLABORATION ACROSS AND LEARNING WITHIN THE SECTOR

10. As stated within the Authority report of June 2021, HIWFRS continues to actively contribute resource and experience to national and regional High-Rise Working Groups and Business Fire Safety Groups to influence the direction of policy development and ensure that the services we deliver to our local communities benefit from alignment with current policy.
11. Internally, the Service's Operational Assurance Team also continues to provide a range of assurance activity and reporting on Grenfell and other areas to support operational learning and improvement.
12. Sector learning is shared and received via the Joint Operational Learning (JOL) and National Operational Learning (NOL) infrastructure that we and other Services utilise. Learning is also shared through other local, regional and national forums and groups.
13. Furthermore, HIWFRS also receive and disseminate learning from within our partnership with Devon and Somerset, and Dorset and Wiltshire Fire and Rescue Services.



## SUPPORTING OUR SAFETY PLAN AND PRIORITIES

14. Responding effectively to the requirements and learning from the Grenfell Tower incident, ongoing Inquiry and associated national, regional and local activity is an important part of our priorities of keeping our communities and our people safe, and to ensure we are continuing to learn and improve.

## RESOURCE IMPLICATIONS

15. The cost associated with the content of this report is within existing resource plans and the Government grant funding.

## IMPACT ASSESSMENTS

16. Change activities such as new guidance and the use of smoke hoods have resulted in second stage impact assessments being completed by task owners.

## LEGAL IMPLICATIONS

17. There are no legal implications resulting from this report.

## RISK ANALYSIS

18. Failure to implement and monitor progress on Inquiry findings could result in insufficient action being taken to address any issues, which may affect the safety outcomes for our communities and our people. By transparently reporting on the Service's progress against the Inquiry findings, we are able to demonstrate that we are taking all action within our control and influence to positively impact on safety outcomes and reduce any reputational, legal or financial risks to the Service.
19. Grenfell Tower and the impacts of new legislation on HIWFRS resourcing and delivery is held as a risk within the Organisational Risk Register and reported to Standards and Governance Committee on a standing basis.

## EVALUATION

20. Our improvement activities in this important area are included within our ongoing annual assurance and evaluation programme to identify how effective our response to the Grenfell Tower incident, the ongoing inquiry and associated local, regional national activity and learning has been in supporting our communities and our people. We also use various internal reporting tools to monitor progress on an ongoing basis. This will support our response to HMICFRS's cycle two inspection which will have a focus on Service's response to the Phase 1 Grenfell Tower Inquiry report.



## CONCLUSION

21. The Service has made consistent progress in delivering the required improvements that were identified within the Phase 1 Inquiry findings, which is making our communities safer and meeting national objectives. Each of the activities contained within the programme of improvement have been prioritised by the Service to ensure that we can actively improve the current public safety risks in existing buildings and work locally with partners to prevent future fire safety risks in new or emerging building works materialising. We seek to work across the region and national fire and rescue service mechanisms to positively influence policy development in order that our communities can benefit from current and relevant services.
22. Furthermore, as identified in Appendix A, as part of our High-Rise Residential Building Inspection Programme, we have completed the required activity of inspecting the 283 identified buildings in scope by the National Fire Chief's Council (NFCC) and made significant progress in inspecting a further 88 buildings identified through locally driven risk analysis. Only 25 of these are left to inspect, which will be done so by 31 December. This critical activity is making our communities safer and can provide residents with assurances that HIWFRS has been extensive and proactive in this area.

## RECOMMENDATION

23. That this report be noted by the HIWFRA Full Authority.

## APPENDICES

24. [Details of improvement activities - Appendix A](#)

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### OVERVIEW OF IMPROVEMENT ACTIVITIES IN RESPONSE TO GRENFELL TOWER FIRE LEARNING

1. The Service continues to make significant and sustained progress in implementing and evidencing the recommendations within the Grenfell Tower Inquiry Phase 1 report. We have acted locally in our area of statutory responsibility, taking actions within our direct control to improve fire safety of identified at-risk buildings, and work alongside local authority partners within the existing mechanisms to provide fire safety input at the earliest stages of planning. We continue to seek opportunities to make regional and national contributions to fire safety and protection policy so that our communities and local authority partners can benefit from relevant and current policy and guidance.
2. We have undertaken improvement activity in our operational preparedness and our operational response; how well we understand our risk environment with appropriate plans and how our people and resources are trained and equipped to deal with a significant fire in a high-rise building. The organisation has introduced a revised inspection regime, new operational response packages, updated training and implemented this training across all operational staff and conducted assurance exercises to identify how revised procedures have been embedded across the Service. Furthermore, the outcomes of Fire Safety Audits influence our operational preparedness and response, and the sharing of information our between Protection delivery and Response teams continues to improve our understanding of risk.

### OPERATIONAL PLANNING

3. The Service has created a dedicated team: the High-Risk Residential Buildings Inspection Programme Team (HRRBIP) who, as at the 9<sup>th</sup> November, have delivered the following:
  - (a) Identified buildings in scope by the National Fire Chiefs Council (NFCC). 283 buildings identified in Hampshire and Isle of Wight fell into this category.
  - (b) Through locally driven risk analysis the HRRBIP team identified a further 88 buildings that were not contained within the NFCC data, giving a total of 371 buildings in Hampshire and the Isle of Wight.

(c) 346 buildings have been inspected by the HRRBIT to date (93%). These have been triaged and reports returned to the NFCC project team. The remaining 7% (25 buildings) will be inspected by 31 December 2021.

(d) Outcomes of inspections to date are as follows:

- a. 35%: A satisfactory inspection where no further remedial action is required.
  - b. 3%: An unsatisfactory inspection with formal remedial action including Enforcement Notices is issued.
  - c. 62%: Informal advice that Responsible Persons are provided with to improve safety for occupants – though minimum statutory requirements have already been met.
4. The HRRBIP prioritised the inspection of Aluminium Composite Material (ACM) clad high-rise residential buildings before moving onto a second phase of inspections of all high-rise residential buildings (18 metres and above in height) in Hampshire and the Isle of Wight. The second phase was completed by end of August 2021, with the inspection of a further 88 buildings identified through locally driven risk analysis being completed by 31 December 2021 (with, as of 9 November) only 25 of these 88 are left to inspect.
  5. The Service introduced revised operational response plans for high-rise buildings, making a clear distinction between the resources required for cladded and non-cladded buildings, so that operational teams have the right resources promptly deployed to support the early resolution of incidents. This is driven by the audit outcome and provision of EWS information from Engineers Reports and Fire Risk Assessments.
  6. We have reviewed our approach to fire survival guidance that is given from Fire Control, including exercising our Fire Control in this approach. This has been mirrored across our Network Fire Services Partnership (NFSP) who continue to evolve mechanisms for supporting fire survival guidance to respond to high numbers of calls in the event of a significant fire in a high-rise building.
  7. We have implemented a new Immediate Building Evacuation (IBE) message which enables Incident Commanders to command and control an immediate evacuation of a building with appropriate resources. The IBE approach triggers a package of resources and incident type that ensure that FRS and multi-agency partners can respond swiftly.
  8. We have employed a dedicated training Watch Manager for 6 months to oversee the roll out the training for the revised Fires in Tall Buildings (FiTBs) operational guidance.

9. We have purchased, allocated to appliances, and trained our teams in the use of smoke hoods to support of large-scale evacuations, where no alternate method of evacuation is available to crews.
10. In partnership with the NFSP, we have developed a revised set of high-rise tactical guidance and operational prompts which are compliant with sector best practice NOG. This has been developed in-line with the learning from the national High-Rise incidents and Built Environment Working Group.
11. We have introduced evacuation sectors into the command structure with Evacuation Sector Commanders resourced both on the fireground and in Fire Control.
12. All operational staff, Flexible Duty System officers and Fire Control staff have undertaken training and assurance activities on the revised FiTBs which supports them to identify the dangers of external fire spread, building failure, evacuation strategies and when to cease 'stay put' policies.
13. We have introduced and exercised a direct and dedicated communications link between control room and incident commander.
14. The new Fire in Tall Buildings procedure with underpinning tactical guidance and operational prompts went live within HIWFRS on 1<sup>st</sup> October 2021. HIWFRS are the first fire service within the Network Fire Services Partnership to move to this new position with a set of tactical procedures that are current.
15. Our service exercise held on 2<sup>nd</sup> October 2021 was designed to test and learn from all aspects of the revised FiTBs tactical guidance and operational prompts and provide assurance on the extent to which this was embedded across the Service. Using locations in Hampshire and the Isle of Wight we were able to test all levels of our operational response, from firefighter to strategic commander. The learning outcomes from this exercise will be used to maximise our operational assurance opportunity.
16. Our procedures for the identification and gathering of relevant risk data, has been updated and refined (Premise Risk Information Procedure) which has included developing training for crews' risk information gathering, and ensuring we are equipped to receive and store electronic plans.
17. Updated the maintenance of competence scheme for all Control staff.
18. The management of resources, communication on the incident ground and application of Joint Emergency Services Interoperability Programme (JESIP) principles within our maintenance of competence scheme for all operational staff, irrespective of role.

19. JESIP inter Control room talk group established.

#### SUMMARY AGAINST GRENFELL TOWER FIRE INQUIRY PH 1 FINDINGS

20. Our current performance towards the 29 FRS sector specific Grenfell Towers recommendation (as inspected by HMICFRS for LFB):

Complete	Complete Spring 2022	Complete after Spring 2022
26	2	1

In that last 6 months, since the last report to FRA, HIWFRS has completed an additional 13 recommendations.

21. Four of the completed recommendations call for amendment to JESIP Joint Doctrine Edition 2. HIWFRS had already completed these recommendations in line with the recommendations. JESIP is currently releasing an Edition 3 (consultation closed April 2021) which HIWFRS will review.

#### ACTIONS DUE SPRING 2022

22. Hampshire and Isle of Wight Local Resilience Forum (HIWLRF) planning assistance on identifying vulnerable people recommendation.

These mechanisms were tested as part of the service exercise and the multi-agency debrief is being used to capture learning to inform the next steps towards completion, by the LRF within Spring 2022.

23. NFSP are reviewing an App produced by LFB for the recording and simultaneous displaying of Fire Survival Guidance, on the incident ground. This has been delayed from Autumn 2021 to Spring 2022.

#### ACTION DUE AFTER SPRING 2022

24. This relates to the procurement and application of Multi-Agency Incident Transfer (MAIT) which is dictated by Capita software upgrade timelines, as the NFSP command and control Suppliers.

#### ASSURANCE

25. Internal Governance provides assurance on progress against all the activities detailed in the paragraphs above. Depending on the specific topic of the activity it will be scrutinised under the accountability of the Director of Operations or the Director for Policy, Planning and Assurance.

# Agenda Item 12

AT A MEETING of the HIWFRA Standards and Governance Committee held at  
Fire and Police HQ, Eastleigh on Wednesday, 29th September, 2021

Chairman:

\* Councillor Liz Fairhurst

Vice-Chairman

Councillor David Fuller

\* Councillor Jonathan Glen  
Councillor Ian Stephens

\* Councillor David Harrison

\* Present

## 13. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor David Fuller.

## 14. **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 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.

No interests were declared.

## 15. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 26 July 2021 were reviewed and agreed.

## 16. **DEPUTATIONS**

There were no deputations for the meeting.

## 17. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make.

## 18. **EXTERNAL AUDIT RESULTS 2020/21**

The Chairman varied the order of business on the agenda to consider Item 7 before Item 6. The Committee received a report of the External Auditor on the External Audit Results 2020/21 (Item 7 in the Minute Book).

Officers from Ernst & Young (EY) introduced their report and outlined key issues. It was confirmed that the purpose of the report was to provide the Committee

with the key findings of the audit of the Hampshire Fire and Rescue Authority's financial statements for the year ended 31 March 2021, before the successor Hampshire and Isle of Wight Fire and Rescue Authority took effect. EY confirmed that the audit was now complete, and would be in a position to give an unqualified opinion.

Officers presented the report and confirmed that there were no issues connected to misstatements due to fraud or error for the year. In relation to the opening balances of PPE, it was heard that an error of £5million had been agreed and adjusted by management for the final accounts. Following on from the date of the report, for valuation of land and buildings, it was noted that in relation to assets that had not been revalued in year, an additional £464,000 of overstated land assets had been identified, and an overstatement of £120,000 had been noted in relation to land that had been revalued in year. These would not be adjusted for in the final accounts as EY had agreed with management this was immaterial.

Page 149 of the agenda pack set out the area of pension liability valuation, and it was confirmed to Members that this work was now complete. The area of going concern was explained, and it was heard that there was no risks or issues arising in this area. Officers confirmed that in relation to land assets, there had been no adjustment and this was within a reasonable margin of error and estimate. The valuation of land assets also had to comply with International Financial Reporting Standards (IFRS)

In response to a question querying acronyms used, it was noted that IAS was International Accounting Standards, and ISA was International Standards on Auditing. The definition of 'Materiality' was also explained, which related to margin of error in audit checks.

RESOLVED:

That the Committee receives and notes the External Auditor's Audit Results Report for the year ended 31 March 2021.

## 19. **STATEMENT OF ACCOUNTS 2020/21**

The Committee received a report of the Chief Financial Officer on the Statement of Accounts (Item 6 and Appendix A to Item 6 in the Minute Book). The Committee also considered the draft Letter of Representations (Appendix B to Item 6 in the Minute Book)

The report was presented to the Committee, and it was heard that officers had worked to ensure that they met the extended statutory deadline of the 30 September 2021 for approval and publication of the Statement of Accounts. It was noted that the accounts for 2020/21 reflected the financial position of Hampshire Fire and Rescue Authority up to the 31 March 2021, which was before the Combination Order took effect. Next year's 2021/22 accounts would reflect the financial position of Hampshire and Isle of Wight Fire and Rescue Authority.



In response to questions, Members heard that the reserve balance of the Authority was based on judgement rather than a formulaic approach and there should always be an appropriate level of reserves. Officers also explained the use of prudential borrowing and the lack of capital investment from government.

In relation to future rises in interest rates, it was explained that officers build in interest rate assumptions to future budget projections, as well as examining the approach to borrowing and potential risks. Officers confirmed that the accounts were in a position to be approved, with no minor amendments needed prior to publication.

RESOLVED:

- i) That the Statement of Accounts for 2020/21 (draft) attached at Appendix A be approved subject to any final amendments reported at the meeting.
- ii) That the Chief Financial Officer be given delegated authority to approve any minor amendments to the Statement of Accounts prior to publication.
- iii) That the Letter of Representations (draft) attached at Appendix B be considered and signed by the Chairman on behalf of the Committee.

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Chairman,

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AT A MEETING of the HIWFRA Standards and Governance Committee held at  
Fire and Police HQ, Eastleigh on Tuesday, 16th November, 2021

Chairman:

\* Councillor Liz Fairhurst

Vice-Chairman

\* Councillor David Fuller

\* Councillor Jonathan Glen

Councillor David Harrison

\* Councillor Ian Stephens

\* Present

Also present with the agreement of the Chairman:

Stew Adamson, Chairman of the HIWFRA Firefighters' Pension Board

## 20. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor David Harrison.

## 21. **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 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.

No interests were declared.

## 22. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting held on the 29 September 2021 were reviewed and agreed.

## 23. **DEPUTATIONS**

There were no deputations for the meeting.

## 24. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make.

25. **OPTED IN AUTHORITY - PUBLIC SECTOR AUDIT APPOINTMENTS LIMITED**

The Committee considered a report of the Chief Financial Officer on Opted in Authority – Public Sector Audit Appointments (PSAA) Limited (Item 6 in the Minute Book).

The report was introduced and the requirement for the Authority to appoint an external independent auditor was explained. It was noted that this was a decision for the Full Authority, which was being brought to Standards and Governance Committee to consider before recommending to Full Authority.

The options available were presented to the Committee as detailed in the report. It was highlighted that it would be costly to the Authority to run their own procurement exercise and as the PSAA scheme was a national scheme, the Authority would benefit from reduced costs as any up-front procurement costs would be shared with other authorities opting-in to the arrangements.

Members were content with the report and the recommendation to the Full Authority to opt-in to the PSAA national scheme.

RESOLVED:

That the HIWFRA Standards and Governance Committee **RECOMMENDS** to Full Authority that HIWFRA opts-in to the Public Sector Audit Appointments (PSAA) national scheme for the appointment of external auditors for HIWFRA for the 5-year period from April 2023.

26. **MCCLOUD AGE DISCRIMINATION REMEDY - IMMEDIATE DETRIMENT FRAMEWORK**

The Committee considered a report of the Chief Financial Officer on the McCloud Age Discrimination Remedy – Immediate Detriment Framework (Item 7 in the Minute Book).

The report was introduced to the Committee and Members were taken through the report, and the background to Immediate Detriment was explained as set out in paragraphs three-nine. It was explained that since the report had been published, new information had been provided relating to potential additional costs that may result from adopting the Immediate Detriment Framework for those already retired. The Committee heard that:

- The Immediate Detriment Framework would enable the opportunity for a larger lump sum.
- If retired more than 12 months ago, there would be an unauthorised payment tax charge of 40% of the additional payment.
- From 6 April 2022 the unauthorised payment cost in these circumstances would be waived by HMRC.
- Between the adoption of the framework and the 6 April 2022, the unauthorised payment cost would have to be paid by HIWFRS.

The Committee heard that assuming everyone eligible came forward before the 6 April 2022, there was a potential risk to HIWFRS of £80,000 in unauthorised payment costs, but this was seen as highly unlikely, and most payments would be made after this date. The lump sum could also be delayed to after this date. In response to a Member query, it was heard that the numbers affected were 70.

The Chairman of the HIWFRA Firefighters' Pension Board was invited to speak and highlighted the Board's support of the report and the Immediate Detriment Framework. During consultation with the Board for their input prior to report publication, issues relating to communication with current and retired firefighters had been raised, and also around capacity of the pensions team and succession planning. The Chairman of the Board confirmed that this had been taken back to Executive Group for discussion. It was also heard that 'McCloud' had been included on the Fire Pensions Risk Register for monitoring by the Board. Members of the Committee also noted that a current member of the Pension Board was a member of the Fire Brigades Union (FBU) which was seen as very positive.

Members questioned the impact if the deadline was breached, as well as the ability to divert experienced pension staff to work on this due to its complexity. It was explained that there was a risk of legal action by the FBU if timescales are not met, but Officers were keen to enable dialogue between the FBU and members of the pension scheme to keep communication flowing. Members also noted that there were currently no concerns around diverting staffing, if this is found to be necessary.

Members of the Committee were supportive of the approach as detailed in the report and were content to support the recommendation.

**RESOLVED:**

That the adoption of the Immediate Detriment Framework as set out in this report was approved by the HIWFRA Standards and Governance Committee.

**27. INTERNAL AUDIT PROGRESS REPORT 2021/22**

The Committee received a report of the Chief Internal Auditor on the Internal Audit Progress Report 2021/22 (Item 8 in the Minute Book).

The report was presented to the Committee, and it was heard that there had been a couple changes to timings in the rolling work programme at Appendix A, since the previous report to the Committee. The adjustment to the Internal Audit Plan at Section 8 of Appendix A was also clarified.

**RESOLVED:**

That the progress in delivering the internal audit plan for 2021/22 and the outcomes to date were noted by the HIWFRA Standards and Governance Committee.

## 28. **INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

The Committee received a report of the Chief Fire Officer providing a progress update on Internal Audit Management Actions (Item 9 in the Minute Book).

Members of the Committee were taken through the report, and attention was drawn to paragraph seven of the report which highlighted the progress made in reducing the number of audit management actions compared to June 2019. The table at paragraph six of the report detailed the current outstanding actions.

In response to a query relating to the accuracy of allowances and payments, it was explained that scrutiny and budget control was much improved and was reflected at a station level and upwards, and managers had been given guidance in checking and reviewing allowances and payments. It was heard that regular audit reviews would also monitor this. Officers confirmed that there had been some incorrect allowances identified during the current amnesty period, as detailed in the table at paragraph six, which would result in a number of relatively small payments. The Committee noted that a dedicated project team were managing this, and any changes to pay would be made in time for the March 2022 payroll. Members requested an update on this in a future report.

In relation to the outstanding action of 'operational staff with teaching or assessing rights to be able to capture training updates on the Competency Management System', it was explained that this would be implemented with the new Gartan software in stations.

Officers confirmed that there had also been significant work in assessing whether internal audit management actions were being addressed in the right way. Members were also reassured that impact assessments across the Service were robust.

### RESOLVED:

That the HIWFRA Standards and Governance Committee noted the continued progress made towards the implementation of the internal audit management actions and the delivery of the audit plan.

## 29. **ORGANISATIONAL RISK REGISTER UPDATE**

The Committee received a report of the Chief Fire Officer providing an update on the Organisational Risk Register (Item 10 in the Minute Book).

The report was introduced and the background to the Authority's risk management approach was highlighted. The role of the Executive Group in monitoring current risks and examining new and emerging risks was explained. Members noted the two new risks 'Data Quality Issues' and 'McCloud Pension Issues'.

Officers drew Members attention to paragraph four of the report which confirmed that details from the new JCAD risk information system software had been used in formulating the report, and as a result the format of the appendix would change slightly going forward.

RESOLVED:

The HIWFRS Organisational Risk Register status under the delegated management of the Chief Fire Officer was noted by the HIWFRA Standards and Governance Committee.

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Chairman,

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## **HIWFRA Standards and Governance Committee**

Purpose: Approval

Date: **16 NOVEMBER 2021**

Title: **Opted in Authority – Public Sector Audit Appointments Ltd**

Report of Chief Financial Officer

### SUMMARY

1. The Local Audit and Accountability Act 2014 requires local authorities (including fire authorities) to appoint an external independent auditor. This must be done no later than 31 December in the financial year prior to the year to be audited. The appointment may last for more than one year, but a new appointment must be made at least once every five years.
2. The accounts of the Authority are currently audited by EY. This appointment was made through Public Sector Audit Appointments Limited (PSAA), an 'appointing person' specified by the Secretary of State. The Authority agreed to opt-in to this arrangement rather than conducting its own procurement and appointment exercise.
3. The current contract will conclude with the audit of the 2022/23 accounts, however due to timescales set by PSAA, the governance requirements under the Local Audit and Accountability Act 2014, and procurement lead-in times, the Authority must decide by 11 March 2022 whether to again opt-in to PSAA's arrangements for the 5-year period commencing April 2023.
4. A decision to opt-in will effectively be the appointment decision and in accordance with the Local Audit and Accountability Act, that decision must be made by Full Authority.
5. To appoint an auditor outside of the PSAA scheme, the Authority would need to set up an auditor panel comprising a majority of independent members

and run a procurement exercise. This could be individually or in collaboration with other local authorities.

6. Opting-in to the PSAA scheme has the potential to reduce costs to the Authority. The up-front procurement costs would be shared with other authorities opting-in to the arrangements and the larger contract value should allow audit firms to offer lower fees. In addition, there would be no need to set up and service a local auditor panel and the contract would be administered by the PSAA, with local agreement regarding timescales and approach for each audit assignment. The disadvantages are that authorities that opt-in will do so before knowing contract prices and will have no direct involvement in choosing auditors, as they will be appointed by PSAA. Fees throughout the life of the contract will be agreed by the PSAA, although authorities can provide comments.
7. Conducting an individual or joint auditor procurement and appointment exercise outside of the PSAA's scheme would allow the Authority to have local input into the appointment of its auditor (although the auditor panel would have to comprise a majority of independent members). The Authority would incur the costs of recruiting and servicing the auditor panel as well as the costs of running a procurement exercise and managing contractual arrangements. The lower contract value may also lead to increased audit fees. In addition, the Authority's accounts are produced by the same team producing the accounts for the partner organisations Hampshire County Council, Hampshire Constabulary and the Police and Crime Commissioner for Hampshire and currently benefit from economies of scale where all partners are audited by the same firm. There is a risk that this benefit could be lost if different auditors are appointed by any of the partners.
8. Working jointly with other authorities through a joint exercise could mean costs are reduced as they would be shared across the participating authorities. This approach would however also bring additional complexity and result in decision making being further removed from local input.

## BACKGROUND

9. The Local Audit and Accountability Act 2014 (the Act) abolished the Audit Commission and led to the establishment of transitional arrangements for the appointment of external auditors. These transitional arrangements were put in place to cover the period up to and including the audit of the accounts for 2017/18 and resulted in Ernst & Young LLP being appointed as the Authority's external auditors for this period. This appointment was made under a contract let by the Audit Commission and then managed by Public Sector Audit Appointments Limited (PSAA).

10. The Authority then made the decision to opt-in to the PSAA scheme for the sector-led appointment of auditors and Ernst & Young LLP (EY) were appointed by PSAA for the period beginning with the audit of the 2018/19 accounts and concluding with the audit of the accounts for 2022/2. 484 of 493 eligible bodies (98%) opted to join the PSAA scheme for this period.
11. Although the existing arrangements will be used for the audit of the Authority's accounts for the 2021/22 and 2022/23 financial years, the governance requirements under the Act, opt-in deadlines set by PSAA, and the lead in times associated with the procurement and appointment of auditors means that it is now time to review options for the period beginning in April 2023 and for the Standards and Governance Committee to recommend an approach to Full Authority.
12. It is also worth noting that the Authority's accounts are prepared through the shared services partnership by the same finance team that prepares accounts for the partner organisations Hampshire County Council, Hampshire Constabulary and the Police and Crime Commissioner for Hampshire.
13. All partners opted-in to the PSAA arrangements for 2018/19 to 2022/23 and are currently audited by the same audit firm (EY) and use the same financial systems. This has enabled the Authority to benefit from economies of scale in the external audit process. All partners have the same deadline to decide whether to opt-in to the PSAA scheme for the period from April 2023.

#### Requirements under the Local Audit and Accountability Act 2014

14. The Local Audit and Accountability Act 2014 sets out that the accounts of a relevant authority must be audited in accordance with the Act by an auditor appointed in accordance with the Act. This appointment of an auditor must take place no later than 31 December in the year preceding the audit. An auditor may be appointed for more than one financial year, but a further appointment process must take place at least every 5 years. This does not prevent an authority from re-appointing an auditor at the end of a 5 year period.
15. There are three ways for a local authority to appoint an auditor under the Act:
  - (a) Undertake an individual auditor procurement and appointment exercise
  - (b) Undertake a joint auditor procurement and appointment exercise with other bodies

- (c) Opt-in to arrangements made through an 'appointing person' specified by the Secretary of State.
- 16. It is also worth noting, given recent challenges in the local audit market and the upcoming deadlines for appointing auditors for the 2023/24 accounts, that two consultations were conducted earlier in 2021 on local authority audit arrangements:
  - (a) MHCLG consulted on proposals to implement the recommendations from the independent Redmond Review of local authority financial reporting and external audit and are currently analysing feedback.
  - (b) PSAA consulted on proposals for arrangements for auditor appointments from April 2023 under the national opt-in scheme.
- 17. A joint response to each consultation was submitted by the shared services partners.
- 18. In response to the PSAA consultation, the importance of appointing a competent auditor at a reasonable price was stressed and it was questioned whether evaluating tenders on the basis of 80% quality and 20% price gave sufficient weighting to the price of the audit, given that all audits should be completed to the required legal and auditing standards by default. The efficiency gains to the shared services partners of appointing the same audit firm for all accounts produced by the finance team was also highlighted. In addition, the response noted the need to address issues with the timeliness of audit opinions being issued across the sector.
- 19. In responding to the MHCLG consultation, the response suggested a review of the external audit approach to assessing financial resilience, which currently seems more aligned to private sector cash flows and the going concern concept. This is less relevant to local authorities given the statutory nature of the authorities.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

- 20. This report deals with the statutory requirement to appoint auditors in accordance with the Local Audit and Accountability Act 2014. It therefore links to the effective governance of the Authority and the role that this plays in the success of the Authority in delivering its safety plan and priorities.

## COLLABORATION

21. The Authority is part of a shared services partnership with Hampshire County Council, Hampshire Constabulary and the Police and Crime Commissioner for Hampshire. The accounts of all partners are prepared by the same finance team and all partners use the same finance system, which brings economies of scale. The same audit firm (EY) audits all partners under the current contract following appointments through PSAA's scheme. This brings advantages to the Authority in the accounts and audit process.

## RESOURCE IMPLICATIONS

22. This report addresses the statutory need to appoint local auditors in accordance with the Local Audit and Accountability Act 2014. The Authority does not therefore have the option to choose not to appoint an auditor.
23. Option 1 would require the Authority to incur costs in setting up and servicing and auditor panel and of running a procurement exercise. Under Option 2 these costs would also be incurred but with the potential to share costs with other authorities. There will also be resource costs in terms of officer and member time and the opportunity costs resulting from dedicating expert resource to a procurement and appointment exercise. If Option 3 is selected, procurement costs will be incurred by PSAA and shared across all participating authorities. For the existing contract 484 of 493 eligible bodies opted to join the PSAA scheme.
24. Fees payable to the appointed external auditor will not be known until a procurement exercise has been completed under any of the 3 options. It is anticipated that PSAA will offer greater economies of scale for audit firms and therefore be able to deliver lower fees under Option 3 than either of the other options, but this cannot be guaranteed and if the Authority is to opt-in to the PSAA scheme it must do so before contract prices are known.

## IMPACT ASSESSMENTS

25. This report deals with the statutory requirement to appoint auditors in accordance with the Local Audit and Accountability Act 2014. The appointment process will be overseen by PSAA and will comply with any relevant legislation.

## LEGAL IMPLICATIONS

26. The Authority is required to appoint a local auditor in accordance with the requirements of the Local Audit and Accountability Act 2014. All three options set out in this report are compliant with the requirements of the Act.

## OPTIONS

27. Details of the three options available to the Authority for the appointment of auditors from April 2023 are set out below. The potential advantages and disadvantages of each option are then detailed in Table 1. Under all three options, the Authority can only appoint firms registered to conduct local audits.
28. Option 3 is the option that it is recommended the Standards and Governance Committee recommends to Full Authority for approval. This is because it is expected to give the Authority the best chance to minimise costs and secure the lowest audit fees. Given the well documented challenges within the local audit market the option of appointing auditors via a sector-led national scheme is likely to minimise the risk of a procurement process resulting in being unable to appoint a suitable audit firm. The PSAA will be able to appoint the same auditors as for the other shared services partners, assuming all opt-in to the scheme.
29. Options 1 and 2 are not recommended as they result in additional costs and burdens for the Authority in setting up and servicing an auditor panel and running a procurement exercise as well as the opportunity cost of diverting additional member and officer resource to the process without a commensurate additional benefit from this approach.

### Option 1 – individual auditor procurement and appointment exercise

30. The auditor appointment arrangements under the Act allow local authorities to appoint their own auditors via an auditor panel, with a requirement to consult with the panel and take its advice into consideration in the selection and appointment of the auditor. The panel is also required to advise the authority on maintaining an independent relationship with its auditor.
31. An auditor panel must be made up of at least 3 members and a majority must be independent members, including the chair. The definition of independence is set out in the Local Auditor (Auditor Panel Independence) Regulations 2014 and includes a requirement that independent panel members have not been a member or officer of the authority within the last 5 years. Further criteria are detailed in Appendix A.
32. To enable the auditor panel to operate, the authority is required to provide information of relevance to the panel's work when requested and in addition members and officers are required to attend meetings of the panel to answer questions when asked. The Act also requires the authority to publish advice from its auditor panel, including details of whether or not advice has been followed and why.

33. The independent make-up of the auditor panel means that elected members will not have a majority input into assessing bids and choosing which firm is awarded the contract to audit the accounts of the Authority.
34. The regulations also allow the use of another authority's auditor panel, which removes the need to constitute a new auditor panel and may increase independence. This however requires finding another authority with an established auditor panel willing to enter into this arrangement. It may also make it more difficult to ensure the specific needs of the authority are understood by the panel and the logistics for members and officers to interact with the panel may be more challenging (although the use of technology may mitigate this to an extent).

#### Option 2 – joint auditor procurement and appointment exercise

35. The Act also allows a local authority to establish a joint auditor panel with other local authorities for the procurement and appointment of auditors. The requirements around the appointment of an auditor panel are the same as for Option 1, including the independence requirements.
36. The operational arrangements with this option will be more complex due to the need to set up and run an auditor panel jointly with multiple local authorities and the need to set up any associated contractual arrangements. There is also a need to find other authorities with the appetite to join such an arrangement.
37. There will also be procurement considerations to make, for example the decision as to whether to use a single tender process to procure a single contract for all bodies or whether instead to use a joint auditor panel but procure separately.

#### Option 3 – Opt-in to national scheme for auditor appointments through PSAA

38. The Secretary of State has confirmed PSAA in the role of the appointing person for eligible principal bodies for the period commencing April 2023. The Authority therefore has the option to once again opt-in to this national scheme for auditor appointments.
39. PSAA issued its invitation to opt-in to this scheme in September 2021 alongside its scheme prospectus and procurement strategy. To opt-in the Authority must send its formal acceptance to PSAA by 11 March 2022.
40. PSAA's procurement strategy sets out that its primary aim is to secure the delivery of an audit service of the required quality for every opted-in body at

a realistic market price and to support the drive towards a long term competitive and more sustainable market for local public audit services.

41. PSAA plans to enter into contracts with a number of audit firms to provide capacity across all opted-in bodies and to enable the management of auditor independence issues (e.g. where an audit firm already provides consultancy and advisory services to a local authority it should not also audit the authority's accounts). There is also an aim to grow the number of active suppliers in the market. The expectation is that contracts will be awarded by August 2022 and with further information available in the PSAA [scheme prospectus](#).
42. Under this option, the Standards and Governance Committee would recommend to Full Authority that it accepts the invitation to opt-in to the PSAA scheme for auditor procurement and appointment. A decision by Full Authority is required because this is effectively the appointment decisions for external auditors and must be made in accordance with the Local Audit and Accountability Act.

#### TIMESCALES

43. To exercise the option to opt-in to the national auditor appointment arrangements (Option 3) the Authority will need to inform PSAA by 11 March 2022. This is because of the lead-in time required to run a national procurement exercise. A decision to opt-in must be taken by Full Authority. If a recommendation to opt-in is taken by the Standards and Governance Committee, the minutes of this meeting along with a copy of this report will be passed to the Full Authority for a decision at the 14<sup>th</sup> December meeting.
44. If the Authority decides instead to appoint an auditor through either Option 1 or Option 2 (individual or joint procurement and appointment) then an auditor panel will need to be established and a procurement exercise will need to be run. Option 2 will also require the identification of other local authorities to create the joint auditor panel and agreement on any contractual and operational requirements. Any procurement exercise would need to be completed to allow the appointment of auditors no later than 31 December 2022 and the process would therefore need to commence as soon as possible if this decision was taken.
45. The partner organisations Hampshire County Council, Hampshire Constabulary and the Police and Crime Commissioner for Hampshire will also be making decision through their own governance arrangements about whether or not to opt-in to the PSAA scheme by 11 March 2022.



**Table 1 – Advantages and disadvantages of the options available to the Authority**

	<b>Option 1 – Individual auditor procurement and appointment exercise</b>	<b>Option 2 – Joint auditor procurement and appointing exercise with other bodies</b>	<b>Option 3 – Opt-in to national scheme for auditor appointments through PSAA</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Setting up an auditor panel allows the Authority to have local input into the appointment of its auditor (although the auditor panel must have a majority of independent members)</li> <li>• Able to set own procurement evaluation criteria rather than this being decided by PSAA (although must take advice from auditor panel)</li> <li>• Able to form a direct contract with the audit provider with the opportunity to agree contractual terms regarding performance and quality</li> </ul>	<ul style="list-style-type: none"> <li>• Costs associated with setting up the auditor panel and running a procurement exercise can be shared across the local authorities involved with the joint process</li> <li>• May increase the chance to negotiate lower fees due to the larger combined contract value than for an individual procurement</li> <li>• Able to form a direct contract with the audit provider with the opportunity to agree contractual terms regarding performance and quality</li> </ul>	<ul style="list-style-type: none"> <li>• Costs are shared across all authorities opting in to the arrangements</li> <li>• The larger contract value should allow audit firms to offer lower fees</li> <li>• Any conflicts at individual authorities would be managed by PSAA who would have a number of contracted firms to call upon</li> <li>• There is no need to set up a local auditor panel</li> <li>• The contract is managed by PSAA</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Costs of recruitment and servicing of the auditor panel including expenses and allowances</li> <li>• Procurement costs to run a selection process and negotiate contracts</li> <li>• Lower contract value than other options reducing opportunities to negotiate lower fees, may result in higher audit fees</li> <li>• May result in the appointment of a different auditor from other partners<sup>1</sup> leading to loss of economies of scale within the finance team</li> <li>• The risk that the procurement process does not result in an appointable audit firm</li> <li>• Can only appoint firms registered for local audit so will not identify any additional suppliers to those available to the PSAA</li> </ul>	<ul style="list-style-type: none"> <li>• Costs of recruitment and servicing of the auditor panel including expenses and allowances</li> <li>• Procurement costs to run a selection process and negotiate contracts</li> <li>• Decision making is further removed from local input. There may be a wholly independent auditor panel or there may be elected member representatives from each authority within an auditor panel that has a majority of independent members.</li> <li>• May lead to reduced control over the audit process if a joint contract is entered into</li> <li>• Potential for complications due to independence issues e.g. where an audit firm is currently or has recently carried out consultancy or advisory work for one of more of the councils conducting the joint procurement</li> <li>• Greater complexity of operational and contractual arrangements to set up and manage</li> </ul>	<ul style="list-style-type: none"> <li>• Individual elected members have less opportunity for direct involvement in the appointment process</li> <li>• Authorities will need to opt-in before contract prices are known</li> <li>• Audit fees are agreed by PSAA not the Authority</li> <li>• The contract is managed by PSAA</li> <li>• Procurement evaluation criteria set by PSAA rather than the Authority (e.g. PSAA has defined a relative price:quality weighting of 20:80)</li> </ul>

<sup>1</sup> Hampshire County Council, Police and Crime Commissioner for Hampshire, Hampshire Constabulary

## RISK ANALYSIS

46. The main risk under each option is the inability to procure and appoint a suitable auditor in line with the requirements of the Local Audit and Accountability Act 2014. This risk exists because of well documented challenges in the local audit market. This risk is considered to be most effectively mitigated through Option 3 as the procurement and appointments will be managed by PSAA through a sector-led national appointments process under which PSAA are required to appoint auditors to all participating local authorities. Further mitigation is available through the current contractual arrangements whereby PSAA has the option to appoint auditors for two additional years under the existing contract.
47. Additionally, there is a risk that a different audit firm is appointed through Option 1 or Option 2 than for the other shared services partners, resulting in an inefficient accounts and audit process as there are currently benefits from the same team preparing the accounts for all partners using the same systems and the same audit firm. This risk is best mitigated through Option 3 whereby the PSAA can appoint the same audit firm for all the shared services partners.

## EVALUATION

48. The effectiveness of the approach chosen to appoint a firm to audit the Authority's accounts will be evaluated on an ongoing basis throughout the life of the contract and will inform any decisions on future procurement and appointments. There is a statutory requirement to appoint auditors in accordance with the Local Audit and Accountability Act 2014.

## CONCLUSION

49. This Authority must comply with the requirements of the Local Audit and Accountability Act 2014 in appointing independent external auditors.
50. There are three main routes available to local authorities in making these appointments, each of which bring their own advantages and disadvantages.
51. These advantages and disadvantages are summarised in Table 1 and need to be weighed up in making a decision on which route to recommend to Full Authority for the appointment of auditors for the 5 year period beginning April 2023.
52. Any decision to opt-in to the national scheme through Public Sector Audit Appointments Limited (PSAA) must be made by 11 March 2022. If the Authority does not opt-in to this scheme then it will need to appoint an

auditor panel and begin a procurement exercise to appoint auditors no later than 31 December 2022. This could be individually or jointly with other authorities.

53. It is recommended that the Standards and Governance Committee recommends to Full Authority that the Authority opts-in the the PSAA national scheme. This is because it is considered to be the option that:
- (a) best mitigates the risk of not being able to appoint a local auditor in accordance with the Local Audit and Accountability Act
  - (b) is the option that is most likely to result in the lowest audit fees
  - (c) offers the opportunity of avoiding costs (direct costs and opportunity costs) from an individual or joint auditor procurement and appointment process
  - (d) allows PSAA to appoint the same audit firm for each shared services partner and therefore mitigates the risk of a procurement process resulting in different firms being appointed by the partners (which would increase costs).

#### RECOMMENDATION

54. That the Standards and Governance Committee recommends to Full Authority that HIWFRA opts-in to the Public Sector Audit Appointments (PSAA) national scheme for the appointment of external auditors for HIWFRA for the 5 year period from April 2023

#### APPENDICES ATTACHED

55. Appendix A - Independence criteria for auditor panels

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## Independence criteria for auditor panels

### [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

(2) A member of a relevant authority's auditor panel, other than a health service body's auditor panel, is "independent" at any given time if the following conditions are met—

- a) the panel member has not been a member or officer of the authority within the period of 5 years ending with that time (the "last 5 years"),
- b) the panel member has not, within the last 5 years, been a member or officer of another relevant authority that is (at the given time) connected with the authority or with which (at the given time) the authority is connected,
- c) the panel member has not, within the last 5 years, been an officer or employee of an entity, other than a relevant authority, that is (at the given time) connected with the authority,
- d) the panel member is not a relative or close friend of—
  - a. a member or officer of the authority,
  - b. a member or officer of another relevant authority that is connected with the authority or with which the authority is connected, or
  - c. an officer or employee of an entity, other than a relevant authority, that is connected with the authority,
- e) the panel member is not the authority's elected mayor,
- f) neither the panel member, nor any body in which the panel member has a beneficial interest, has entered into a contract with the authority—
  - a. under which goods or services are to be provided or works are to be executed, and
  - b. which has not been fully discharged,
- g) the panel member is not a current or prospective auditor of the authority, and
- h) the panel member has not, within the last 5 years, been—
  - a. an employee of a person who is (at the given time) a current or prospective auditor of the authority,
  - b. a partner in a firm that is (at the given time) a current or prospective auditor of the authority, or
  - c. a director of a body corporate that is (at the given time) a current or prospective auditor of the authority.

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

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