

# Public Document Pack



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

## NOTICE OF MEETING

<i>Meeting</i>	<b>HIWFRA Standards and Governance Committee</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>Monday, 26th July, 2021 10.00 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 HFRA STANDARDS AND GOVERNANCE COMMITTEE - 24 FEBRUARY 2021 (Pages 5 - 8)**

To receive the minutes from the HFRA Standards and Governance Committee that took place on 24 February 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     **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2020/21** (Pages 9 - 26)

To consider a report regarding the annual internal audit report and opinion 2020/21.

7     **INTERNAL AUDIT PROGRESS REPORT 2021/22** (Pages 27 - 42)

To receive a report which provides the Committee with an overview of internal audit work completed in accordance with the approved audit plans and an overview of the statuses of 'live' reports.

8     **INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**  
(Pages 43 - 50)

To note the progress made towards the implementation of internal audit management actions.

9     **EXTERNAL AUDIT PLANNING 2020/21 ACCOUNTS** (Pages 51 - 94)

To provide the Standards and Governance Committee with an update on the external audit arrangements for the 2020/21 statutory accounts.

10    **FIRE PENSION BOARD ANNUAL REPORT (2020/21)** (Pages 95 - 104)

To receive and note the annual report from the Fire Pension Board.

11    **ANNUAL GOVERNANCE STATEMENT 2020/21** (Pages 105 - 130)

To consider and approve the Annual Governance Statement 2020/21.

12    **ANNUAL ASSURANCE STATEMENT 2020/21** (Pages 131 - 192)

To consider and approve the Annual Assurance Statement for 2020/21.

**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 HFRA Standards and Governance Committee held virtually via Microsoft Teams on Wednesday, 24th February, 2021

Chairman:

\* Councillor Liz Fairhurst

Vice-Chairman

\* Councillor Sharon Mintoff

\* Councillor Jonathan Glen

\* Councillor Geoffrey Hockley

\* Councillor Roger Price

\*Present

Also present with the agreement of the Chairman:  
Councillor Chris Carter, Chairman of HFRA

## 132. **APOLOGIES FOR ABSENCE**

All Members were present, and no apologies were noted.

## 133. **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.

## 134. **MINUTES OF PREVIOUS MEETING**

The minutes of the previous meeting held on the 17 November 2020 were reviewed and agreed.

## 135. **DEPUTATIONS**

There were no deputations for the meeting.

## 136. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make, but welcomed Councillor Chris Carter, Chairman of the Hampshire Fire and Rescue Authority, to the meeting.

**137. INTERNAL AUDIT PROGRESS REPORT 2020/21**

The Committee received a regular report of the Chief Internal Auditor on the Internal Audit Progress Report 2020/21 (Item 6 in the Minute Book).

The report was introduced, and it was heard that good progress had been made, and with the exception of the final piece of follow-up work, all work had been scoped and started. It was expected that all work would be completed in time for the annual audit opinion. Members heard that the number of outstanding and overdue actions continued to reduce, and further detail on these would be presented in a report later on in the agenda.

Members thanked the team for all their hard work, and in response to a Member question it was confirmed that completion of work was subject to officers remaining fit and well, but signs remained positive, and it was fully expected that work would be completed in time for the annual audit opinion.

**RESOLVED:**

That the progress in delivering the internal audit plan for 2020/21 and the outcomes to date is noted by the Hampshire Fire and Rescue Authority Standards and Governance Committee.

**138. INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

The Committee received a report of the Chief Fire Officer on the progress of Internal Audit Management Actions (Item 7 in the Minute Book). The report was introduced, and Members heard that since publication of the report, the outstanding management action in relation to procurement processes and the Sharepoint site had been completed and closed. Attention was drawn to paragraph 7 of the report which highlighted the reduction in outstanding management actions from 15 to 8. It was explained that those outstanding actions in relation to the new Combined Fire Authority (CFA) were on track for completion, and revised dates in relation to these actions were contingent on preparatory work for the new CFA.

In response to a Member question, the significant work in relation to the formation of the new CFA was highlighted and it was heard that in her new role, the newly appointed Deputy Chief Fire Officer would have oversight of outstanding CFA management actions over the next few months.

**RESOLVED:**

That the Standards and Governance Committee notes that, despite the impact of COVID-19, significant progress continues to be made towards the implementation of the internal audit management actions.

**139. ORGANISATIONAL RISK REGISTER UPDATE**

The Committee received a report of the Chief Fire Officer providing an update on the Organisational Risk Register (Item 8 in the Minute Book).

The report was introduced, and it was explained that this would be a regular report for the Committee to keep Members sighted on organisational risks. It was heard that with the implementation of the risk management framework within the Service, there were two additional risk areas that had been added to the Risk Register. Members attention was drawn to paragraphs 5 and 6 of the cover report which detailed the two additional risk areas: data quality issues and the McCloud pension remedy. In relation to data quality issues, Members heard that there were a number of different activities taking place across the service to ensure the improvement of data quality, and there had been an increased focus on this across the Service. It was explained that in the future, this risk area could be taken off the Risk Register as the Service works more holistically to address this issue.

In relation to the McCloud pension remedy, Members heard that the Government have chosen the deferred choice as a result of their recent consultation, and further details of the implications of this were explained to Members. It was heard that the low score for this risk area on the Risk Register was due to a team already being in place to deal with the impacts of the remedy.

Officers explained the background to the high risk scores and red arrows on the Risk Register (page 41 of the agenda pack). It was noted that once there was more certainty around high risks such as future financial planning uncertainty, then planning assumptions can be put into action. Members heard that with the absence of a multi-year spending review from Government, the risk score for future financial planning uncertainty had been increased on the Risk Register.

In response to a Member question on the risk area of Covid-19 related wellbeing and safety (page 41 of the agenda pack), it was explained that there should be three horizontal arrows on the chart for this issue and this would be updated. In terms of this as an ongoing risk for the Service, it was heard that there was no significant change, but with the roll-out of the vaccination programme and testing, there had been a reduction in employee sickness and work was continuing with Occupational Health colleagues to ensure all employees who have had Covid were supported.

**RESOLVED:**

That Hampshire Fire and Rescue Authority Standards and Governance Committee notes the Organisational Risk Register status under the delegated management of the Chief Fire Officer.

**140. INDEPENDENT PERSON TO HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE AUTHORITY**

The Committee received a report of The Clerk on the Independent Person to Hampshire and Isle of Wight Fire and Rescue Authority (Item 9 in the Minute Book). The report was introduced, and Members of the Committee heard that a

recruitment process had been undertaken since the last meeting of the Standards and Governance Committee. Two applications for the position of Independent Person were received, and in light of both candidates considerable experience and for greater resilience, members of the recruitment working group agreed that both candidates should be recommended to the Authority for appointment.

Members also noted the information in the exempt appendix under Item 11 on the agenda when making their decision, and agreed that it was not necessary to go into exempt session to discuss the exempt information.

RESOLVED:

That the Standards and Governance Committee RECOMMEND to the Hampshire and Isle of Wight Fire and Rescue Authority at its AGM in June 2021, the appointment of two Independent Persons, recommended by the working group and as detailed in the Exempt Appendix, for a four-year term with an allowance of £100 per annum each.

**141. EXCLUSION OF PRESS AND PUBLIC**

It was agreed that it was not necessary to go into exempt session. Please see Minute No 140 above.

**142. INDEPENDENT PERSON TO HAMPSHIRE AND ISLE OF WIGHT FIRE AND RESCUE AUTHORITY (EXEMPT APPENDIX)**

It was agreed that it was not necessary to go into exempt session. Please see Minute No 140 above.

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Chairman,



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

## **Standards & Governance Committee**

Purpose: Approval

Date: 26 July 2021

Title: **INTERNAL AUDIT ANNUAL REPORT & OPINION 2020/21**

### **Report of the Chief Internal Auditor**

#### SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with my opinion, as Chief Internal Auditor for Hampshire Fire and Rescue Authority (HFRA), on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2021.

#### BACKGROUND

2. In accordance with proper internal audit practices, the Chief Internal Auditor is required to provide a written report reviewing the effectiveness of the system of internal control and this provides evidence to support the production and review of the Annual Governance Statement.
3. While the 2020/21 internal audit annual report and opinion relates specifically to HFRA, as both HFRS and IWFRS worked together in many service areas in advance of the new combined fire authority – some of the areas reviewed were also relevant to IWFRS activity, for example in the COVID-19 Health and Safety risk assessments audit and the Change Management Framework audit.
4. The Annual Report for 2020/21 (attached at Appendix A) provides the Chief Internal Auditor's opinion on the system of internal control for HFRA and summarises audit work from which that opinion is derived for the year ending 31 March 2021.
5. The Standards and Governance Committee's attention is drawn to the following points:
  - Internal audit was compliant with the Public Sector Internal Audit Standards (PSIAS) in 2020/21.

- The revised internal audit plan for 2020/21 has been substantially delivered.
- Whilst recognising that there remains ongoing work in some areas to strengthen and embed control, in my opinion I can give 'reasonable assurance' over Hampshire Fire and Rescue Authority's framework of governance, risk management and management control from audit testing undertaken during the year. My opinion also notes the continued positive direction of travel, as evidenced in the assurance opinions of individual audits within the 2020/21 audit programme.
- Where internal audit work identified areas where management controls could be improved or where systems and laid down procedures were not fully followed, appropriate corrective actions and a timescale for improvement were agreed with the responsible managers. Over the last 12 months we have seen a significant reduction in the number of open and overdue actions, further demonstrating the Authority's commitment to improving the overall framework of control.

#### IMPACT OF COVID-19

6. The impact of COVID-19 during the year has had a significant impact on the way we have worked and interacted. The enforced central government directive '*if you can work from home, you must do so*' has required the Southern Internal Audit Partnership to adopt a revised operating model and innovative approach to virtual auditing, which has worked effectively. SIAP would also like to take this opportunity to thank all those staff throughout Hampshire Fire & Rescue Authority with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.
7. Work contributing to my 2020/21 annual opinion has all been undertaken virtually, optimising technology and virtual platforms to share, monitor and observe operations to substantiate our findings.
8. I am confident that the revised operating model has not compromised quality or SIAPs ability to complete assurance work throughout the year or the conclusion drawn.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

9. The Internal Audit Plan is designed to validate the assurance and control framework which exists in the Authority and across the Service. Secure management processes including risk and performance management are important in ensuring that the Authority's plans are achieved.

## RESOURCE IMPLICATIONS

10. The 2020/21 plan was prepared on the basis of audit need and agreed with senior managers and endorsed by Hampshire Fire & Rescue Authority, following comprehensive risk assessment. The cost is reflected in the Authority budget.

## IMPACT ASSESSMENTS

11. Impact assessments have not been required for this report as the production of the report will not result in the implementation of a new change activity, and/or introducing, or amending, a Service Policy.

## LEGAL IMPLICATIONS

12. There are no legal implications arising from this report.

## OPTIONS

13. The options are that the Chief Internal Auditor's annual report and opinion for 2020/21 is accepted, or not accepted, by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

## EVALUATION

14. Internal audit activity provides the Authority with an assurance mechanism to evaluate the effectiveness of the Service's risk management, control and governance processes.

## RISK ANALYSIS

15. The risk-based approach to internal audit planning and reviews aims to ensure that internal audit resource focuses on key business risks and as such the Authority's risk register has been used to inform the planning process and ensure that key risks are reflected in planned work.

## CONCLUSION

16. The appendix outlines the internal audit opinion for 2020/21 and the key issues arising. We have provided a rating of 'reasonable' assurance – the same opinion as in 2019/20 – reflecting that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at

risk the achievement of objectives in the area audited and management actions have been agreed to address these issues.

**RECOMMENDATION**

17. That the Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee accepts the Chief Internal Auditor's annual report & opinion statement for 2020/21.

**APPENDICES ATTACHED**

Appendix A: Internal Audit Annual Report & Opinion 2020/21.

**Contact:** Karen Shaw, Chief Internal Auditor, [Karen.Shaw@hants.gov.uk](mailto:Karen.Shaw@hants.gov.uk),  
07784 265138



Hampshire Fire and Rescue Authority



HAMPSHIRE  
**FIRE AND  
RESCUE**  
SERVICE

**Southern Internal  
Audit Partnership**

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Assurance through excellence  
and innovation

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## 1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

***‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’***

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].



The role of internal audit is best summarised through its definition within the Standards, as an:

***‘Independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.***

Hampshire Fire & Rescue Authority is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Authority that these arrangements are in place and operating effectively.

Hampshire Fire & Rescue Authority’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

## 2. Internal Audit Approach

To enable effective outcomes, internal audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary. A full range of internal audit services is provided in forming the annual opinion.

The approach to each review is determined by the Chief Internal Auditor and will depend on the:

- Level of assurance required.
- Significance of the objectives under review to the organisation’s success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to Hampshire Fire & Rescue Authority on the framework of internal control, risk management and governance in operation and to stimulate improvement.



The impact of COVID-19 during the year has had a significant impact on the way we have worked and interacted. The enforced central government directive ‘if you can work from home, you must do so’ has required the Southern Internal Audit Partnership to adopt a revised operating model and innovative approach to virtual auditing.

Work contributing to my 2020/21 annual opinion has all been undertaken virtually, optimising technology and virtual platforms to share, monitor and observe operations to substantiate our findings.

I am confident that the revised operating model has not compromised quality or SIAP’s ability to complete assurance work throughout the year or the conclusion drawn. I would wish to extend my appreciation to Hampshire Fire & Rescue Authority officers with whom we have worked during the year for their support, cooperation, and seamless transition to the virtual audit approach, without which the delivery of an annual opinion would not have been possible.

### 3. Internal Audit Opinion

In 2020-21, the Chief Internal Auditor was responsible for the delivery of an annual audit opinion and report that can be used by Hampshire Fire & Rescue Authority to inform its governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of Hampshire Fire & Rescue Authority's audit need that has been covered within the period.

#### *Annual Internal Audit Opinion 2020-21*

*"I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of Hampshire Fire & Rescue Authority's internal control environment.*

*In my opinion, Hampshire Fire & Rescue Authority's framework of governance, risk management and control is 'Reasonable'\* and audit testing has demonstrated controls to be working in practice. In my opinion, there has been a continued positive direction of travel over the last year, as evidenced in the assurance opinions of individual audits within the 2020/21 audit programme.*

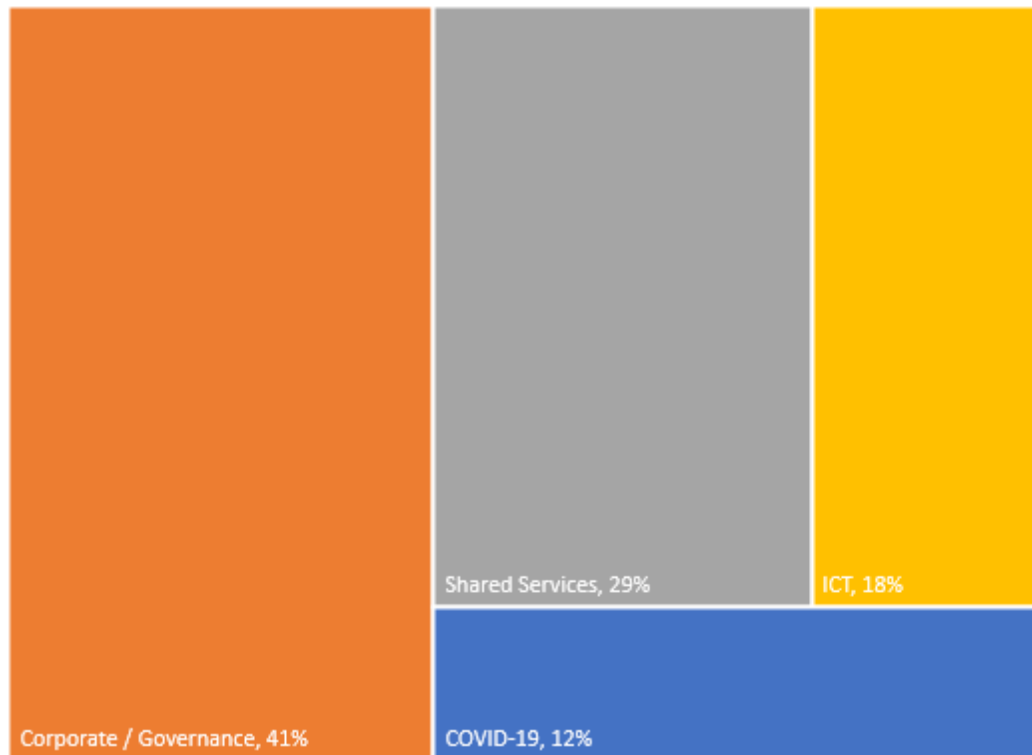
*Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement."*

\* definitions can be found on page 7

#### 4. Internal Audit Coverage and Output

The annual internal audit plan was prepared to take account of the characteristics and relative risks of Hampshire Fire & Rescue Authority's activities and to support the preparation of the Annual Governance Statement.

Audit Reviews by Type



Work has been planned and performed so as to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the internal control system is operating effectively.

The 2020-21 Internal audit plan, approved by the HFRA Standards & Governance Committee in March 2020, was informed by internal audits own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the organisation.

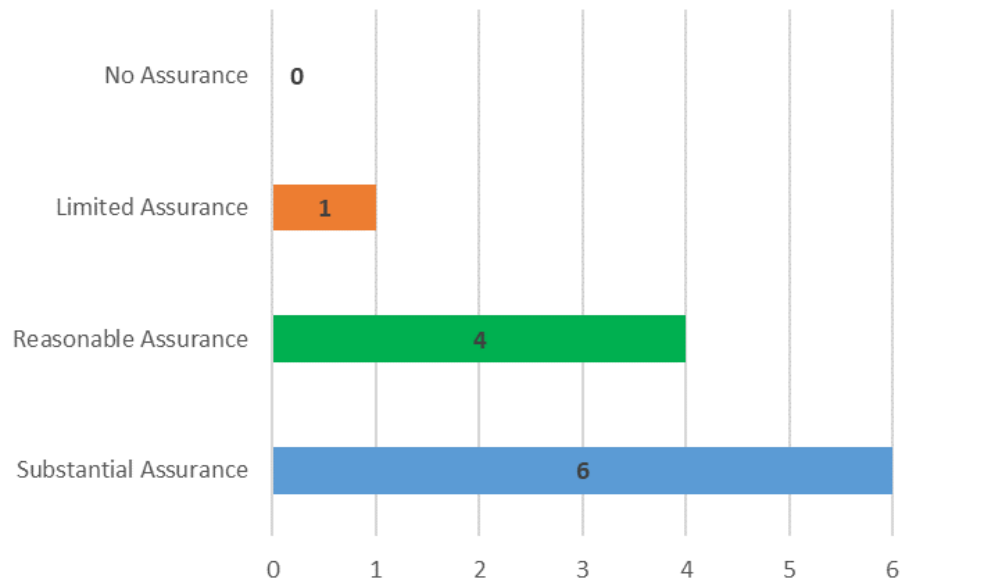
The scale of COVID-19 coupled with the speed of its impact and the wide-ranging challenges presented has necessitated new and different ways of working. Such challenges and subsequent resolutions bring with them new and emerging risks that management need to consider, manage, and mitigate. The plan has remained fluid throughout the year to maintain an effective focus.

In delivering the internal audit opinion internal audit have undertaken 17 reviews during the year ending 31 March 2021.

Due to the significant impact and subsequent challenges posed by the coronavirus pandemic (Covid-19), there has been an inevitable impact on the delivery of the revised 2020-21 internal audit plan.

Work is substantially complete, and an opinion has been formed for 2 reviews (ICT Contract Management; and Casual Staff) however, final reports have not yet been agreed. I do not expect the outcomes of these reviews to adversely impact my annual opinion.

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**Substantial** –A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

**Reasonable** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

**Limited** - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**No** - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

\*4 reviews did not culminate in an audit opinion. These related to the Local Government Compensation Scheme claim; Fraud Training; NFI and Follow Up (of limited assurance opinions)

A list of the 2020-21 assurance reviews undertaken and their respective opinions is provided in Annex 1.

## 5. ISAE

ISAE 3402 provides an international assurance standard allowing public bodies to issue a report for use by user organisations and their auditors (user auditors) on the controls at a service organisation that are likely to impact or be a part of the user organisation's system of internal control over financial reporting enabling them to inform both their annual governance statement and the annual audit opinion.

In 2020/21 Hampshire County Council commissioned a Service Organisation Controls (SOC) Type 2 Report under International Standard on Assurance Engagement (ISAE) 3402. Assurance against the international standard was provided by Ernst & Young.

The scope of the review incorporated coverage of General Ledger, Order to Cash, Purchase to Pay, Cash & Bank, Human Resources & Payroll, and Information Technology General Controls. In forming their 'Opinion' the auditors (Ernst & Young) concluded:

*'In our opinion, in all material respects:*

- a. The Description fairly presents the finance, HR and IT shared services system as designed and implemented throughout the period 1 April 2020 to 31 December 2020.*
- b. The controls related to the Control Objectives stated in the Description were suitably designed throughout the period from 1 April 2020 to 31 December 2020 to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period 1 April 2020 to 31 December 2020 and if subservice organisations and user entities applied the complementary controls assumed in the design of Integrated Business Centre's controls throughout the period 1 April 2020 to 31 December 2020; and*
- c. The controls tested, which were those necessary to provide reasonable assurance that the control objectives stated in the Description were achieved, operated effectively throughout the period 1 April 2020 to 31 December 2020 if complementary subservice organisation and user entity controls assumed in the design of Integrated Business Centre's controls operated effectively throughout the period 1 April 2020 to 31 December 2020.'*

Internal audit continue to review areas of the Shared Services falling outside the scope of the ISAE2302 engagement as appropriate, through a shared internal audit plan with Hampshire County Council and Hampshire Police. The results of this work and the ISAE 3402 opinion are reflected in this opinion.



## 6. Key Observations

There were no 'No Assurance' opinions issued during the year. Internal audit work found there to be a sound control environment in place across several review areas that were working effectively to support the delivery of corporate objectives, however, there were some areas identified that provide challenge to the organisation's risk environment. Where our work identified risks that we considered fell outside the parameters acceptable to Hampshire Fire and Rescue Authority, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers.

Implementation of the agreed actions is monitored by the Hampshire Fire and Rescue Service's Performance and Assurance Directorate and reported to the Standards and Governance Committee.

We gave limited assurance in one of the areas reviewed during 2020/21:

**Competence of Operational Response Capability (Draft)** - the scope of the audit review focused on testing of a sample of grey book staff, to ensure that training had been completed in accordance with requirements and to assess whether completed training has been recorded within Firewatch to allow accurate monitoring by senior management.

Whilst a clear process is in place, the limited assurance opinion is reflective of the level and impact of non-compliance with these controls along with a lack of central monitoring, oversight and escalation. Key observations highlighted:

- Of 24 operational personnel sampled, 60% of training records were found to be incomplete.
- Changes to operational personnel's role or Station were not consistently updated in their Firewatch training record, resulting in inaccurate information in respect of training requirements.
- There was a lack of central oversight in respect of training completion, resulting in incomplete training records, with expired competency expectations for some operational personnel.
- User rights within Moodle prevented accurate monitoring of work-based assessment completion for operational personnel who were also designated Teachers/Assessors as the system omitted their results.

Management have confirmed that a range of assurance activity is already underway to respond to the findings of this audit, and associated risks.

*\*The Firewatch system, where training records are retained, is due to be replaced following a recent re-tender process. A new system has been procured and work is currently underway to implement the new system in December 2021.*

## 7. Quality Assurance and Improvement

The Quality Assurance and Improvement Programme (QAIP) is a requirement within ‘the Standards’.

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a QAIP to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include both internal and external assessments: internal assessments are both on-going and periodical and external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An ‘External Quality Assessment’ of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020.

In considering all sources of evidence the external assessment team concluded:

*‘The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.’*

## 8. Disclosure of Non-Conformance

In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

‘the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards’.

There are no disclosures of Non-Conformance to report.

### 9. Quality control

Our aim is to provide a service that remains responsive to the needs of Hampshire Fire & Rescue Authority and maintains consistently high standards. In complementing the QAIP this was achieved in 2020-21 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- An independent external quality assessment against the IPPF, PSIAS & LGAN.

### 10. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Performance Indicator	Target	Actual
Percentage of internal audit plan delivered	95%	100%
Positive customer survey response		
• Hampshire Fire & Rescue Authority	90%	98%
• SIAP – all Partners	90%	98%
Public Sector Internal Audit Standards	Compliant	Compliant

*Customer satisfaction was collated for SIAPs EQA and is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date May 2020).*

## 11. Acknowledgement

I would like to take this opportunity to thank all those staff throughout Hampshire Fire & Rescue Authority with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Karen Shaw  
Deputy Head of Southern Internal Audit Partnership  
June 2021

2020-21 Audit Reviews and Opinions

Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
<ul style="list-style-type: none"> <li>- Health and Safety Risk Assessments (COVID)</li> <li>- Pre-Employment Checks</li> <li>- Governance Arrangements</li> <li>- Occupational Health – Information Management</li> <li>- Change Management Framework</li> <li>- ICT Strategy Follow-Up</li> </ul>	<ul style="list-style-type: none"> <li>- Budgetary Control</li> <li>- Local Management of Shared Service Processes</li> <li>- ICT Policy &amp; Procedures</li> <li>- Good Work Plan</li> </ul>	<ul style="list-style-type: none"> <li>- Assurance of the competence of operational response capability (<i>Draft</i>)</li> </ul>	

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\*4 pieces of internal audit work did not culminate in an audit opinion, Local Government Compensation Scheme claim(s), fraud training; NFI; and Follow Up (of limited assurance opinions).

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## Standards & Governance Committee



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

Purpose: Noted

Date: 26 July 2021

Title: **INTERNAL AUDIT PROGRESS REPORT 2021/22**

### Report of the Chief Internal Auditor

#### SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with:
  - an overview of internal audit work completed in accordance with the approved audit plans, and
  - an overview of the status of 'live' reports.

#### BACKGROUND

2. The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

*'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.*

3. In accordance with proper internal audit practices and the Internal Audit Charter, the Chief Internal Auditor is required to provide a written status report to the Standards and Governance Committee, summarising:
  - the status of 'live' internal audit reports;
  - an update on progress against the annual audit plans;
  - a summary of internal audit performance, planning and resourcing issues; and
  - a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

4. While the internal audit plan for 2020/21 (and previous years) related specifically to HFRA, as both HFRS and IWFRS worked together in many service areas in advance of the new combined fire authority, some areas of review were relevant to IWFRS, for example in 2020/21 the COVID-19 Health and Safety risk assessments audit and the Change Management Framework audit. The risk-based internal audit plan for 2021/22, for Hampshire and Isle of Wight Fire and Rescue Authority, was developed with the new combined fire authority informing the planning cycle, which involved engagement with a variety of senior managers.
5. The report attached at Appendix A summarises the activities of internal audit for the period ending May 2021.

#### IMPACT OF COVID-19

6. The plan and progress remain under review in our regular liaison meetings with officers to ensure that audits remain appropriate and relevant and to assess the ongoing impact of COVID-19 on systems and resources.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

7. The Internal Audit Plan is designed to validate the assurance and control framework which exists in the Authority and across the Service. Secure management processes including risk and performance management are important in ensuring that the Authority's plans are achieved.

#### RESOURCE IMPLICATIONS

8. The 2021/22 plan was prepared on the basis of audit need and agreed with senior managers and endorsed by Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority), 10 February 2021, following comprehensive risk assessment. The cost is reflected in the Authority's budget.
9. The audit plan will remain fluid to enable us to react to the changing needs of Hampshire and Isle of Wight Fire and Rescue Authority.

#### IMPACT ASSESSMENTS

10. Impact assessments have not been required for this report as the production of the report will not result in the implementation of a new change activity, and/or introducing, or amending, a Service Policy.

#### LEGAL IMPLICATIONS

11. There are no legal implications arising from this report.



## OPTIONS

12. The options are that the progress in delivering the internal audit plan for 2021/22 and the outcomes to date are noted, or not noted, by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

## EVALUATION

13. Internal audit activity provides the Authority with an assurance mechanism to evaluate the effectiveness of the Service's risk management, control and governance processes.

## RISK ANALYSIS

14. The risk-based approach to internal audit planning and reviews aims to ensure that internal audit resource focuses on key business risks and as such the Authority's risk register has been used to inform the planning process and ensure that key risks are reflected in planned work.

## CONCLUSION

15. The appendices outline the progress made in delivering the internal audit plan for 2021/22 and the issues arising to date.

## RECOMMENDATION

16. That the progress in delivering the internal audit plan for 2021/22 and the outcomes to date be noted by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

## APPENDICES ATTACHED

Appendix A: Internal Audit Progress Report 2021/22.

**Contact:** Karen Shaw, Chief Internal Auditor, [Karen.Shaw@hants.gov.uk](mailto:Karen.Shaw@hants.gov.uk),  
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# Internal Audit Progress Report 2021/22

July 2021

Hampshire and Isle of Wight Fire and Rescue Authority: Standards and Governance  
Committee



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

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**Southern Internal  
Audit Partnership**

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## 1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

*‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’*

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

*‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.*

Hampshire and Isle of Wight Fire and Rescue Authority is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Hampshire and Isle of Wight Fire and Rescue Authority that these arrangements are in place and operating effectively.

The Hampshire and Isle of Wight Fire and Rescue Service’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

## 2. Purpose of report

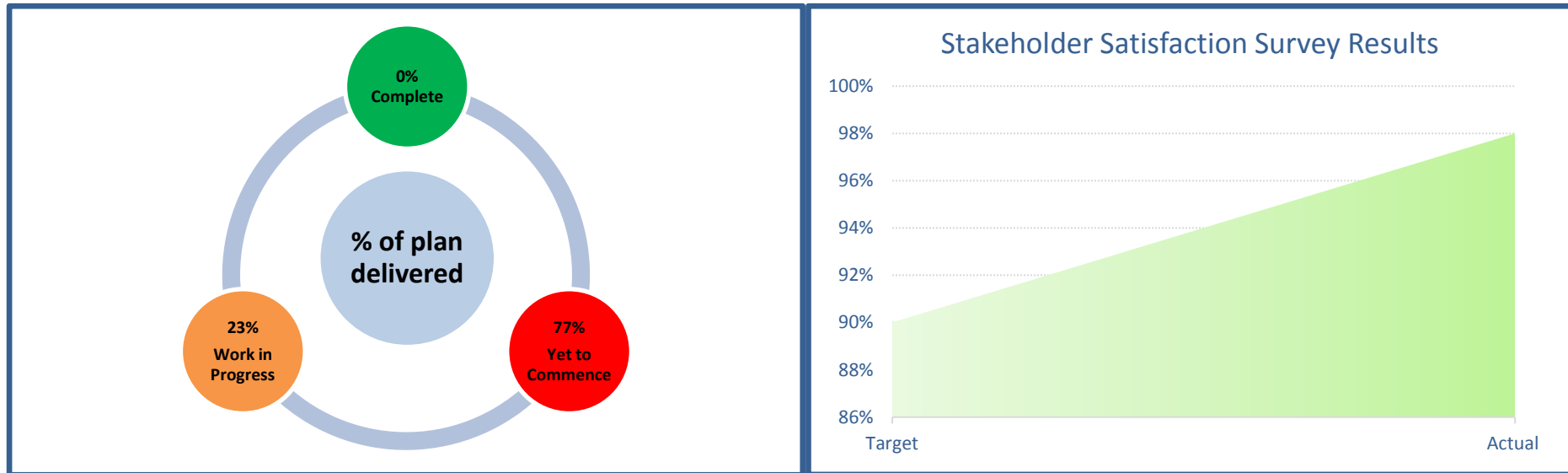
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### 3. Performance dashboard



#### Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

*'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'*

## 4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)*	Not Yet Due*	Complete*	Overdue		
							L	M	H
Pay Claims	16.05.19	H of F	Limited	17 (0)	0 (0)	14 (0)		3	
Procurement Processes **	08.04.20	H of F	Limited	11 (3)	0 (0)	11 (3)			
ICT Policies and Procedures**	25.01.21	D of CS	Reasonable	4 (0)	0 (0)	4 (0)			
Local Management of Shared Services – Rejected Invoices **	23.02.21	H of F	Reasonable	2 (0)	0 (0)	2 (0)			
<b>Total</b>				<b>34 (3)</b>	<b>0 (0)</b>	<b>31 (3)</b>	<b>0</b>	<b>3</b>	<b>0</b>


\*Total number of actions (total number of high priority actions)

\*\* Audits where all actions have been cleared since our last report.



## 5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There has been one new final report published concluding a “limited” or “no” assurance opinion since our last progress report.

Assurance of the Competence of Operational Response Capability ( <i>Draft</i> )		
Audit Sponsor	Assurance opinion	Management Actions
Director of Operations	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low TBC</div> <div style="background-color: yellow; color: black; padding: 5px; text-align: center;">Medium TBC</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High TBC</div> </div>
<p><b>Summary of key observations:</b></p> <p>The scope of our review focused on testing of a selection of grey book staff, to ensure that training has been completed in accordance with requirements. Further testing was carried out to assess whether completed training has been recorded within Firewatch to allow accurate monitoring by senior management. Testing of training records within Firewatch found incomplete training for 60% of the 24 operational personnel randomly selected. We noted that changes to an operational personnel’s role or Station are not always updated in their Firewatch training record, resulting in inaccurate training requirement information and that user rights within Moodle (on-line training system) prevent accurate monitoring of work-based assessment completion for operational personnel who are also designated Teachers/Assessors as the system omits their results. While there is scrutiny at a local level, our review also highlighted a lack of central oversight around training completion resulting in incomplete training records, with expired competency expectations for some operational personnel. All of this raised a risk that operational personnel are not suitably competent in their role. For operational firefighters particularly, this could prove significantly detrimental to the individual, the Service and the Community should an issue occur whilst attending an incident.</p> <p>We noted that the Firewatch system, where training records are retained, will no longer be used by the Service following a recent re-tender process. A new system has been procured and work is underway to appoint Project Manager to oversee the implementation of the new system. A deadline for implementation of the new system has been set for December 2021 to coincide with the transfer of Isle of Wight employee data following combination with the Hampshire and Isle of Wight Fire and Rescue Service. Management have confirmed that a range of assurance activity is already underway – involving various directorates – in response to this audit, and associated risks, which is being coordinated by the Organisational Assurance team. For example, they have informed us that a FireWatch data cleanse has been undertaken and central performance reports (in Power BI) are in the process of being recoded to reflect this data cleanse.</p>		

## 6. Planning & Resourcing

The internal audit plan for 2021-22 was presented to Executive Group and the Hampshire & Isle of Wight Fire & Rescue Authority (Shadow Authority), 10 February 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Authority. Progress against the plan is detailed within section 7. There has been one variation to date; a Compliance Review of CPD Payments has been added in at client request.

## 7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>Fire Audit Plan 2020/21 – carry forward</b>								
Assurance of the Competence of Operational Response Capability	D of O	✓	✓	✓	✓			Draft issued 17.05.21. Factual accuracy agreed
ICT Contract Management	D of CS	✓	✓	✓	✓			
Follow up	D of PP&A	✓	N/A	✓	✓	✓	N/A	
<b>Shared Services Audit Plan 2020/21 – carry forward</b>	These are Shared Service audits with no direct Hampshire and Isle of Wight Fire and Rescue Service Audit Owner and Exec Sponsor; however overarching accountability for HIWFRS Shared Services activity sits with the HIWFRS Director of Corporate Services and Head of Strategic Relationships							
Casual Staff	Shared Services	✓	✓	✓	✓			
<b>Fire Audit Plan 2021/22</b>								
Referral Pathways	D of O	✓	✓					Q1
Compliant Management of Fleet	D of CS	✓	✓					Q1
Cyber Security – Patch Management	D of CS	✓						Q1
Maintenance of Competency – Prevention and Protection	D of O							Q2
GDPR and Data Protection Compliance	D of CS							Q2
ICT Project Management	D of CS							Q2

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Risk Management	D of PP&A							Q3
Business Continuity	D of PP&A							Q3
IT Change Management	D of CS							Q3
Data Quality	D of PP&A							Q3
DBS Checks	D of P&OD							Q4
IT User Access	D of CS							Q4
Property and Facilities – Statutory Compliance Works	D of CS							Q4
Proactive Pay Claims and fraud work	D of P&OD							Q4
NFI	D of PP&A							
<b>Shared Services Audit Plan 2021/22 – carry forward</b>	These are Shared Service audits with no direct Hampshire and Isle of Wight Fire and Rescue Service Audit Owner and Exec Sponsor; however overarching accountability for HIWFRS Shared Services activity sits with the HIWFRS Director of Corporate Services and Head of Strategic Relationships							
Recruitment (Success Factors)	Shared Services	✓	✓	✓				Q1
Procurement (General)	Shared Services							Q1
Cleaning Contract Management	Shared Services	✓	✓					Q1
Pay Review and Award Process	Shared Services							Q2
Procurement Cards	Shared Services							Q2
PCI DSS	Shared Services							Q2

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Pre-Employment Checks	Shared Services							Q3/4

#### Audit Sponsors

CFO	Chief Fire Officer	H of ICT	Head of ICT
DCFO	Deputy Chief Fire Officer	H of A &	Head of Academy and Organisational Development
D of O	Director of Operations	H of P&P	Head of Policy & Planning
D of CS	Director of Corporate Services	H of OA	Head of Operational Assets
D of PP&A	Director of Policy, Planning and Assurance (the Deputy Chief Fire Officer, DCFO)	H of G&BS	Head of Governance and Business Support
D of P&OD	Director of People and Organisational Development	H of P&F	Head of Property and Facilities
AD (Pr&Pr)	Assistant Director (Prevention and Protection)	SFBP	Senior Finance Business Partner
AD (P&P)	Assistant Director (Policy and Planning)	HR BP	HR Business Partner
H of F	Head of Finance	N/A	Not applicable
H of P	Head of Performance	H of ICT	Head of ICT

## 8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2021/22	
<b>Removed from the plan</b>	<b>Reason</b>
None to date	
<b>Added to the plan</b>	<b>Reason</b>
None to date	

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

## **HIWFRA Standards and Governance Committee**

Purpose: Noted

Date: **26 JULY 2021**

Title: **INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

Report of Chief Fire Officer

### SUMMARY

1. The purpose of this paper is to provide the latest update on the management actions that have not been completed within their target date and their status. The Standards and Governance Committee has a key scrutiny role in monitoring the implementation of internal actions.

### BACKGROUND

2. The HIWFRS Organisational Assurance team maintains a record of audits against the current Internal Audit Plan, noting whether they are in progress or have been completed. The respective managers are responsible for the delivery of actions that fall within their areas of responsibility.
3. Once a final audit report has been issued, the agreed management actions are recorded along with:
  - the priority of the recommendation;
  - the target date for implementation; and
  - the person responsible for the action.

4. The Organisational Assurance team will ask for confirmation and evidence that an action has been implemented, or if not, when it is expected to be. Any management actions that continue to remain outstanding are referred to the relevant Director. Our internal Integrated Performance and Assurance Group (IPAG) also provides an overview of outstanding recommendations, and they are also monitored regularly by the Director of Policy, Planning and Assurance and the Head of Performance.

**MANAGEMENT ACTIONS**

5. The table below lists those recommendations that are currently outstanding beyond their agreed target date and if they are of medium (M) or high (H) priority. There is a brief commentary against each to explain the status and any mitigating factors.

<b>Internal Audit Management Actions</b>			
<b>Proactive Pay Claims</b>			
<p>The intention is to remove the ability to submit paper claims in future. Initially the Resource Management Team (RMT) will handle the processing of all allowance changes.</p>	<p>December 2019 date revised to September 2020 – revised to late 2021 in line with Availability project.</p>	<p>M</p>	<p>As part of the CFA transition all wage types have been reviewed across both Authorities and where needed new ones have been added by the IBC. There is still an exercise for the IBC to complete deleting those wage types no longer required which will also review the use of the ‘miscellaneous payment’ wage type. This is an action within the Allowances Project and will be completed by: July 2021.</p> <p>Removal of paper claims will be reviewed as part of the Availability and Competency Management System Project and will be completed by January 2022.</p>



<p>It is intended that managers will be given guidance and instruction to regularly monitor and review allowances in payment for their teams. Managers will be expected to carry out regular checks and if payment errors are subsequently identified then both the individual affected and their line manager may be subject to disciplinary action.</p>	<p>September 2019 date revised to April 2021. Revised to late 2021 to allow the new processes and procedures to embed down.</p>	<p>M</p>	<p>Completion of this is dependent on the one-off exercise identified below, which has not been completed yet, the focus will be getting this message to Managers once any required amendments from the exercise are actioned. This is an action within the Allowances Project and will be completed by: the end of 2021.</p>
<p>As a one-off exercise all managers and HFRS personnel will be required to certify that all allowances in payment are correct or flag up those that they believe may be incorrect for appropriate corrective action.</p>	<p>March 2020 date revised to August 2021.</p> <p>Comprehensive checks will now be completed between January and March 2022.</p>	<p>M</p>	<p>HIWFRS will be resourcing a Project Lead from Fire to engage with the Service to manage the informal 'Allowances and Expenses Entitlement check'. Within this, all staff will be asked to confirm that any allowance(s) that they are in receipt of are correct and justified to the best of their knowledge; where an error is identified to highlight to their manager, who should raise an IBC enquiry. The record will be corrected during an 'amnesty period' (four months), and exceptionally no recovery action will be taken. This will be completed by December 2021.</p> <p>Following this, from 1<sup>st</sup> January 2022 an exercise will be conducted centrally to validate all allowance payments against job role and entitlement by individual pay record. During this exercise, any allowance identified as being paid in error that should have been notified during the amnesty period will be subject to retrospective recovery action in accordance with the standard recovery action procedure, together with any management action deemed appropriate.</p>

## MANAGEMENT COMMENTARY

6. We continue to make progress in various ways:
  - In terms of progressing and completing internal audit management actions, and we have seen continued improvement in the last two years. For example, there were only 3 open actions (3 overdue) as of May 2021, compared to in June 2019 when there were 81 open actions, 19 that were overdue. We have also observed a positive increase in the number of substantial and adequate audit opinions received between 2018/19 (100% audits reported as limited), 2019/20 (50% reported as limited, 50% adequate) to 55% reported as substantial and 36% as reasonable in 2020/21 with 9% (1 audit) reported as limited.
  - In the progress of the 2020/21 internal audit plan, which has had to flex as a result of our Covid-19 response.
  - In our risk-based planning for the 2021/22 audit plan, which was agreed by HIWFRA in February 2021.
7. We have had a positive year in terms of the audit opinions received, with a range of 'substantial' and 'reasonable' audits that found that a sound system of governance, risk management and control exist – including, for example, on our Covid-19 Health and Safety Risk Assessments, ICT Strategy, Change Management Framework and ICT policies and procedures.
8. However, we recognise there are still improvements to be made, including around the Assurance of the Competence of Operational Response Capability audit – where a range of separate internal assurance activity is underway with various activity completed. For example, a FireWatch data cleanse has been undertaken and central performance reports (in Power BI) have been recoded to reflect this data cleanse, increasing the data quality of central qualifications reporting. Furthermore, the Operations Directorate have done a thorough review of the sample of individuals reviewed in this audit – to provide assurances on their competency and identify any organisational learning. This assurance activity is being progressed by various members of the Chief Officer's Group, and overseen by the Deputy Chief Fire Officer.

## ALLOWANCES PROJECT

9. The overdue management actions relate to the Proactive Pay Claims audit, which, in addition to the points above, has been impacted by the need to completely review the Allowances handbook and prepare for the new Availability and Competency Management System project that is now in its implementation stage. The table above provides more detail on the planned progress in this area, however these actions are only part of a wider

Allowances Project, which has a range of deliverables, including, but not limited to:

- Analysing wage types against the new Allowances and Expenses Procedure;
- Amending relevant business processes to align with the new wage types (due to be completed in July 2021);
- Validating and correcting the misaligned and incorrect wage types and correcting issues (due to be completed in August 2021);
- Identifying and resourcing a project lead to manage the informal Allowances and Expenses Entitlement check (due to take place between September to December 2021); and
- Carrying out a comprehensive exercise to validate all allowance payments against job role and entitlement by individual pay record (exercise to start in January 2022).

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

10. By ensuring the implementation of internal audit recommendations, we assist the Authority in improving its planning and performance management processes, and in complying with its governance arrangements. This in turn assists the Authority in achieving our *High Performance* and *Learning and Improving* Safety Plan priorities, and our vision to work smarter, be more efficient, and to make life safer for everyone in Hampshire and the Isle of Wight.

#### COLLABORATION

11. The Southern Internal Audit Partnership provide internal audit on behalf of all partners within Shared Services and many other public service organisations.
12. The MoU, which outlines how HIWFRS and SIAP collaborate, was revisited by HIWFRS and SIAP in 2021 light of the combined fire authority, and the relationship continues to be effective, as evidenced by the progress made with audit actions and our approach to risk-based audit planning.

#### RESOURCE IMPLICATIONS

13. When agreeing management actions in response to an audit report, the cost of addressing the risk should be considered against the risk materialising. Implementing audit recommendations helps to ensure that the Authority

uses its resources efficiently, that key controls are in place and working, and opportunities to achieve value for money are taken.

14. The management of internal audit actions is within current resources.

#### IMPACT ASSESSMENTS

15. Impact assessments have not been required for this report as the production of the report will not result in the implementation a new change activity, and/or introducing, or amending, a Service Policy.

#### LEGAL IMPLICATIONS

16. There are no legal implications arising from this report.

#### OPTIONS

17. The options for the Committee are to note, or not note, that despite the impact of COVID-19, significant progress continues to be made towards the implementation of the internal audit management actions.

#### RISK ANALYSIS

18. Failure to implement internal audit recommendations leaves the Authority vulnerable to the consequences of the identified risks and weaknesses in control. Internal management of audit recommendations is an important process within the Authority's risk management arrangements. The updates on progress ensure that Members are fully aware of any problems associated with addressing the issues raised and the priority given to driving down or eliminating specific risks.

#### EVALUATION

19. The evaluation of the progress the Service makes in completing internal audit management actions forms an important part of the Service's organisational assurance activity, provides a valuable measure of corporate health, and identifies learning across the Service. The Service's Organisational Assurance team regularly monitors progress in completing management actions, for example via reporting into the Service's Integrated Performance and Assurance Group (IPAG) and in regular discussions with our internal auditors, the Southern Internal Audit Partnership.

#### CONCLUSION

20. Progress continues to be made in both completing the management actions from previous audits and progressing the current audit plan. Management

actions will be undertaken in respect of the specific audits themselves and more widely in respect of internal control issues and how they are managed across the Service. As outlined in the MoU, management actions are owned by an Executive Sponsor and a COG lead, who work with their teams to ensure progress is made.

RECOMMENDATION

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

Contact:

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## Standards & Governance Committee



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

Purpose: Noted

Date: 26 July 2021

Title: **EXTERNAL AUDIT PLANNING 2020/21 ACCOUNTS**

### Report of the Chief Financial Officer

#### SUMMARY

1. The purpose of this paper is to provide the Standards and Governance Committee with an update on the external audit arrangements for the 2020/21 statutory accounts in light of the continuing impact of Covid-19 both on the overall timescales and audit resource availability.

#### BACKGROUND

2. It would be normal practice early in the new calendar year for the External Auditors to present their audit plan to Standards and Governance Committee in advance of the commencement of the audit. In addition to the timetabling of the audit, the plan also provides detail of the areas of audit focus and key risks for the organisation.
3. For the 2020/21 final accounts this planning was delayed due to the impact of Covid-19, but a planning report has now been received from the auditors which is included at Appendix 1. The purpose of this report is to highlight any issues within the plan and update the Committee on the national picture as it relates to our external auditors Ernst and Young (EY) and the likely audit arrangements for HIWFRA.
4. For this year, there is also a new National Audit Office Code of Audit Practice 2020, which is reflected in the plan, with the main impact being the change to Value For Money procedures and reporting.

#### AUDIT ARRANGEMENTS

5. Last year, in response to the global pandemic, audit deadlines for the 2019/20 accounts were pushed back such that draft accounts needed to be published by the end of July with final audit sign off not required until November.

6. Despite the November deadline, the original plan for HFRA (as it was at the time) was for final sign off of the accounts by the end of September. This coincided with the audits for Hampshire County Council, the Hampshire Pension Fund, Hampshire Constabulary and the Office of the Police and Crime Commissioner, all of which are produced by the joint Finance team as part of the shared services arrangement and are audited 'en bloc' by EY.
7. Unfortunately, the eventual sign off was delayed due to resourcing issues within EY but in particular due to additional work and evidence associated with the Going Concern statement in light of the impact of Covid-19 on public finances.
8. In many areas across the country (and impacting on all audit firms) delays were experienced within the audit process leaving a backlog that has caused problems of resourcing in an area of the market that struggles to recruit and retain staff and is now impacting the audit arrangements for the 2020/21 accounts.
9. In response to this, the UK Government and Public-Sector Assurance Leader for EY wrote to the Chief Financial Officer and the Chair of Standards and Governance Committee to outline their concerns for the audit of the 2020/21 accounts and to explain their proposed approach for ensuring that they were able to provide high quality local public audits despite the resource problems they were facing.
10. A copy of the letter has been made available privately to all members of Standards and Governance Committee to ensure that they have a full appreciation of the issues for this year's audit delivery.
11. Further to this letter, our local Associate Partner wrote to HIWFRA to outline his approach for timetabling different organisations across the region, and at this stage, their intention is to continue to work to the current timescales agreed by the Government, which is publication of draft accounts by the end of July with Audit sign off by the end of September. It is hoped that this position can be formally confirmed by EY at this Committee meeting.

## AUDIT PLAN

12. The audit plan for the 2020/21 accounts is attached at Appendix 1 and follows a similar format to previous years. Particular attention is drawn to the key risks section on page 5 and the changes to Value for Money procedures and reporting as outlined on pages 14 and 15.
13. Most of these are standard as per previous years but it does include reference this year to the going concern statement. Recent CIPFA guidance



would suggest that this is no longer a key issue for the public sector as there is always a presumption of a 'continued provision of service'.

14. This seems to be slightly at odds to the position that the auditing firms are taking and they were not consulted by CIPFA on the guidance. In some respects this is a technical matter which we will resolve with the auditors separately.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

15. The statement of accounts and formal sign off by the external auditors is a vital part of the overall governance and reporting arrangements for the Authority and underpins our safety plan and priorities.

#### RESOURCE IMPLICATIONS

16. Audit fees for the 2021/22 financial year have already been notified to the Authority based on an assessment of risk and these are already budgeted for. There are still outstanding queries with PSAA on the 2019/20 audit fee and there may be further resource implications this year arising from the new ISA requirements and changes to the VFM approach.

#### IMPACT ASSESSMENTS

17. Impact assessments have not been required for this report as the production of the report will not result in the implementation of a new change activity, and/or introducing, or amending, a Service Policy.

#### LEGAL IMPLICATIONS

18. There are no legal implications arising from this report, but the production and sign off of the accounts is required by law.

#### OPTIONS

19. There are no options applicable to this report.

#### EVALUATION

20. N/A

#### RISK ANALYSIS

21. The audit planning document attached at Appendix 1 contains the Auditor's own risk analysis and key areas of audit focus that will be brought to the Committees attention.

## CONCLUSION

22. The impact of both Covid-19 and resourcing issues within the audit sector presents challenges for our external auditors in completing the audit of the 2020/21 accounts but we will continue to work with them to achieve a successful outcome within the timescales indicated.

## RECOMMENDATION

23. That the Standards and Governance Committee notes the current position in respect of audit planning and delivery for the 2020/21 accounts.

## APPENDICES ATTACHED

Appendix 1 – Audit Planning Report

**Contact:** Rob Carr, Chief Financial Officer, [rob.carr@hants.gov.uk](mailto:rob.carr@hants.gov.uk)

Tel : 0370 779 2647



# Hampshire Fire and Rescue Authority Audit planning report

Year ended 31 March 2021  
June 2021

A nighttime photograph of a street scene. In the foreground, a fire truck is parked on the left side of the road, its lights on. The road has white lane markings and a green-painted area with a white arrow and the letter 'X'. In the background, there is a building with a lit entrance and some signs. The overall scene is illuminated by streetlights and the fire truck's lights.

23 June 2021

Standards and Governance Committee  
Hampshire & Isle of Wight Fire & Rescue Authority  
Headquarters  
Leigh Road  
Eastleigh  
SO50 9SJ

Dear Members

Audit planning report

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as the auditor of Hampshire Fire & Rescue Authority (HFRA). Its purpose is to provide you with a basis to review our proposed audit approach and scope for the 2020/21 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also designed to ensure that our audit is aligned with your service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit of Hampshire Fire and Rescue Authority, and outlines our planned audit strategy in response to those risks (subject to finalisation).

This report is intended solely for the information and use of the Standards and Governance Committee of the Hampshire & IOW Fire & Rescue Authority as the successor body to HFRA, and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 26 July 2021 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Kevin Suter  
Associate Partner  
For and on behalf of Ernst & Young LLP

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01	Overview of our 2020/21 audit strategy	02	Audit risks	03	Value for Money risks	04	Audit materiality	05	Scope of our audit
									
	06	Audit team	07	Audit timeline	08	Independence	09	Appendices	

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Standards and Governance Committee and management of Hampshire & IOW Fire & Rescue Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Standards and Governance Committee and management those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Standards and Governance Committee and management of Hampshire & IOW Fire & Rescue Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.





01

# Overview of our 2020/21 audit strategy





# Overview of our 2020/21 audit strategy

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Standards and Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

## Audit risks and areas of focus

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively. In addition to our overall response, we consider where these risks may manifest themselves and identify separate fraud risks as necessary below. We concluded that only those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required.
Valuation of Land and Buildings	Inherent risk	No change in risk or focus	The valuation of land and buildings included in the financial statements is complex and often includes a number of assumptions and judgements. Enhanced procedures are required to challenge and evaluate key inputs and assumptions. Covid-19 brought additional uncertainties with regards to valuations in 2020 and we will continue to assess the impact of Covid-19 on the valuation of PPE as of 31 March 2021.
IAS19 - Pension Accounting	Inherent risk	No change in risk or focus	The Local Authority Accounting Code of Practice and IAS19 require Hampshire Fire and Rescue Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council. HFRA's pension fund liability is a material estimated balance and the Code requires that this asset be disclosed on the balance sheet. Accounting for this scheme involves significant estimation and judgement. Due to complexity and size, enhanced procedures are required to challenge and evaluate key inputs and assumptions.
Disclosures on Going Concern	Inherent risk	No change in risk or focus	The unpredictability of the current environment gives rise to a risk that the Authority would not appropriately disclose the key factors relating to going concern, underpinned by a management assessment with particular reference to Covid-19 and the Authority's actual year end financial position and performance for the going concern period of 12 months after the auditor's report date, along with commentary on the merger with Isle of Wight Fire Service.

# Overview of our 2020/21 audit strategy

## Materiality

Planning  
materiality  
£2.15m

Planning Materiality has been set at £2,151,740 which represents 2% of the prior years gross expenditure on services).

Audit  
differences  
£0.1m

We will report all uncorrected misstatements relating to the primary statements (comprehensive income and expenditure statement, balance sheet, movement in reserves statement, cash flow statement) greater than £107,500 which is 5% of materiality. Other misstatements identified will be communicated to the extent that they merit the attention of the Standards and Governance Committee.

Performance  
materiality  
£1.61m

Performance materiality has been set at £1,613,805 which represents 75% of Planning materiality.



# Overview of our 2020/21 audit strategy

## Audit scope

This Audit Plan covers the work that we plan to perform to provide you with:

- Our audit opinion on whether the financial statements of the Authority give a true and fair view of the financial position as at 31 March 2021 and of the income and expenditure for the year then ended; and
- Our commentary against specified reporting criteria (see Section 03) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements;
- Developments in financial reporting and auditing standards;
- The quality of systems and processes;
- Changes in the business and regulatory environment; and
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority. The extent of our procedures will depend on the materiality of the Authority's balances for the Whole of Government Accounts.

Taking the above into account, and as articulated in this outline audit plan, our professional responsibilities require us to independently assess the risks of providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with Public Sector Audit Appointments (PSAA) allow them to vary the fee dependent on 'the auditors assessment of risk and the work needed to meet their professional responsibilities'. PSAA are aware that the setting of scale fees has not kept up to date with the changing requirements of external audit with increased focused on, for example, valuations of PPE and investment property, pension obligations, the auditing of LA's and the introduction of new accounting standards such as IFRS 15 and 9 in recent years as well as the expansion of factors impacting on the value for money conclusion. In Section 9 we have highlighted where additional work will be required for 2020/21 at this stage. We will discuss with management the associated fees as the audit progresses.



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# 02 Audit risks



## Our response to significant risks

We have set out the significant risks (including fraud risks denoted by\*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

<p>Misstatements due to fraud or error</p>	<p><b>What is the risk?</b></p> <p>As identified in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that would otherwise appear to be operating effectively.</p> <p>We identify and respond to this risk on every audit engagement.</p>	<p><b>What will we do?</b></p> <ul style="list-style-type: none"> <li>• Inquire of management about risks of fraud and the controls put in place to address those risks.</li> <li>• Understand the oversight given by those charged with governance of management's processes over fraud.</li> <li>• Consider of the effectiveness of management's controls designed to address the risk of fraud.</li> </ul> <p>Perform mandatory procedures regardless of specifically identified fraud risks, including:</p> <ul style="list-style-type: none"> <li>• Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements</li> <li>• Assessing accounting estimates for evidence of management bias, and</li> <li>• Evaluating the business rationale for significant unusual transactions.</li> </ul> <p>We will utilise our data analytics capabilities to assist with our work.</p> <p>Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that no other procedures are required.</p>
<p><b>Financial statement impact</b></p> <p>Misstatements that occur in relation to the risk of fraud due to management override could affect a number of areas of the financial statements.</p>		

## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

### What is the risk/area of focus?

#### Valuation of Land and Buildings

Land and buildings is one of the most significant balances in Authority's Balance Sheet (NBV of £136m as at 31 March 2020). The valuation of land and buildings is complex and is subject to a number of assumptions and judgements. A small movement in these assumptions can have a material impact on the financial statements.

Covid-19 brought additional uncertainties with regards to valuations in 2020 and we will continue to assess the impact of Covid-19 on the valuation of PPE as of 31 March 2021.

### What will we do?

We will:

- Consider the competence, capability and objectivity of the organisation's internal valuer;
  - Consider the scope of the valuer's work;
  - Ensure L&B assets have been revalued within a 5 year rolling programme as required by the Code;
  - Consider if there are any specific changes to assets that should have been communicated to the valuer;
  - Sample test key inputs used by the valuer when producing valuations;
  - Consider the results of the valuer's work;
  - Challenge the assumptions used by the valuer by reference to external evidence and our EY valuation specialists (where necessary);
  - Test journals for the valuation adjustments to confirm that they have been accurately processed in the financial statements;
  - Consider the potential impact of Covid-19 on valuation uncertainties;
  - Test a sample of assets revalued in year to confirm that the valuation basis is appropriate and the accounting entries are correct; and
  - Review assets that are not subject to valuation in 2020/21 to confirm the remaining asset base is not materially misstated.
- There are also additional procedures we need to perform to comply with the new International Standard of Auditing in relation to estimates which is applicable for this year end (ISA 540), see Appendix D on page 38.



## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures and therefore may be key audit matters we will include in our audit report.

What is the risk/area of focus?	What will we do?
<p><u>Pension Liability Valuation</u></p> <p>The Local Authority Accounting Code of Practice and IAS19 require the Authority to make extensive disclosures within its financial statements regarding its membership of the Local Government Pension Scheme administered by Hampshire County Council. The Authority must also do similar in respect of the Firefighters Pension Fund.</p> <p>The Authority's pension fund deficit is a material estimated balance and the Code requires that this liability be disclosed on the balance sheet. At 31 March 2020 this totalled £742 million for all schemes.</p> <p>The information disclosed is based on the IAS 19 reports issued to the Authority by the actuary to the County Council and also the Fire Pension Fund. Accounting for these schemes involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p> <p>In the prior year the 'McCloud' judgement impacted the estimate. We anticipate this will again be a key assumption in estimating the pension liability. We would expect the actuary to be basing their assumptions taking into account the organisation's specific membership profile and how it has been impacted by the judgement. We also note that there may be further developments in this area, potentially again coming after the balance sheet date.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• Liaise with the auditors of Hampshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to the Authority's scheme members;</li> <li>• Assess the work of the actuary of both LGPS and Firefighters Pension Fund including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team;</li> <li>• Review Hampshire Pension Fund's financial statements and compare the year end asset value with the estimate used by the actuary when producing the Authority's IAS 19 report; and</li> <li>• Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.</li> <li>• As with valuation of land and buildings, there are also additional procedures we need to perform to comply with the new International Standard of Auditing in relation to estimates which is applicable for this year end (ISA 540), see Appendix D on page 38.</li> </ul>

## Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

What is the risk/area of focus?	What will we do?
<p>Disclosures on Going Concern</p> <p>There is a presumption that the Authority will continue as a going concern for the foreseeable future. However, the Authority is required to carry out a going concern assessment that is proportionate to the risks it faces. There is a need for the Authority to ensure its going concern assessment, including its cashflow forecast, is thorough and appropriately comprehensive.</p> <p>The Authority is then required to ensure that its going concern (or basis of preparation) disclosure within the statement of accounts adequately reflects its going concern assessment and in particular highlights any uncertainties it has identified.</p> <p>We consider the unpredictability of the current environment to give rise to a risk that the Authority will not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19.</p> <p>We will also look to see that management have considered within their assessment and disclosed the merger with Isle of Wight (IoW) Fire Service creating the new Hampshire &amp; IOW Fire &amp; Rescue Authority.</p>	<ul style="list-style-type: none"> <li>• Continue to assess the adequacy of disclosures required in 2020/21, and the impact on our opinion, should these be inadequate. We expect to see specific commentary on the merger with IoW Fire Service and how continuity of services is therefore achieved;</li> <li>• Obtain management's going concern assessment and review for any evidence of bias and consistency with the accounts;</li> <li>• Review the financial modelling and forecasts prepared by the Authority. This will consider key assumptions, stress testing applied to those assumptions and consider the risk to cashflow up to at least 12 months after the signing date of the accounts and opinion, based on the new Hampshire &amp; IoW Fire &amp; Rescue Authority;</li> <li>• Ensure that an appropriate going concern disclosure has been made within the financial statements; and</li> <li>• Considered the impact on our audit report and comply with EY consultation requirements, if such are determined appropriate.</li> </ul> <p>There are also additional procedures we will need to perform to comply with the new International Standard of Auditing in relation to Going Concern which is applicable for this year end (ISA 570), see Appendix D on page 39.</p>



03

# Value for Money risks





## The Authority's responsibilities for value for money (VFM)

The Authority is required to maintain an effective system of internal controls that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

## Auditor's responsibilities under the new Code

Under the 2020 Code of Audit Practice we are still required to consider whether the Authority have put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion which we need to conclude on. Instead the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority have in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;

Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and

Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

## Planning and Identifying VFM risks

The NAO's guidance notes require us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Authority's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. This is a change to 2015 Code guidance notes where the NAO required auditors as part of planning, to consider the risk of reaching an incorrect conclusion in relation to the overall criterion.

In considering the Authority's arrangements, we are required to consider:

- The Authority's governance statements
- Evidence that the Authority's arrangements were in place during the reporting period;
- Evidence obtained from our work on the accounts;
- The work of inspectorates and other bodies and
- Any other evidence source that we regard as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement.





## Planning and identifying VFM risks (continued)

However, the NAO states that a weakness may be said to be significant if it:

- Exposes – or could reasonably be expected to expose – the Authority to significant financial loss or risk;
- Leads to – or could reasonably be expected to lead to – significant impact on the quality or effectiveness of service or on the Authority's reputation;
- Leads to – or could reasonably be expected to lead to – unlawful actions; or
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- The magnitude of the issue in relation to the size of the Authority;
- Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- The impact of the weakness on the Authority's reported performance;
- Whether the issue has been identified by the Authority's own internal arrangements and what corrective action has been taken or planned;
- Whether any legal judgements have been made including judicial review;
- Whether there has been any intervention by a regulator or Secretary of State;
- Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- The impact on delivery of services to local taxpayers; and
- The length of time the Authority has had to respond to the issue.

## Responding to identified risks

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Standards and Governance Committee.

## Reporting on VFM

In addition to the commentary on arrangements, where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, the 2020 Code has the same requirement as the 2015 Code in that we should refer to this by exception in the audit report on the financial statements.

However, a new requirement under the 2020 Code is for us to include the commentary on arrangements in a new Auditor's Annual Report. The 2020 Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

## Status of our 2020/21 VFM planning

We have yet to fully finalise our detailed VFM planning. However, the areas of focus will be on the arrangements that the Authority has in place in relation to the creation of the new Hampshire & Isle of Wight Fire & Rescue Authority. We will continue to update the Standards and Governance Committee meeting on the outcome of our VFM planning, any further changes to our risk assessment and also our planned response to any identified risks of significant weaknesses in arrangements.



04

# Audit materiality



## Materiality

### Materiality

For planning purposes, materiality for 2020/21 has been set at £2.15m. This represents 2% of the Authority's gross expenditure. It will be reassessed throughout the audit process and once the draft 2020/21 statements have been prepared. This is based on the rationale that public sector organisations do not have a focus on earnings profits. We consider industry factors, and using gross revenue expenditure is the industry norm.

Main Statements:



We request that the Standards and Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

### Key definitions

**Planning materiality** – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

**Performance materiality** – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £1.61m for the primary statements which represents 75% of planning materiality.

**Audit difference threshold** – we propose that misstatements identified below this threshold are deemed clearly trivial. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet and firefighters' pension fund financial statements that have an effect on income or that relate to other comprehensive income.

**Other uncorrected misstatements**, such as reclassifications and misstatements in the cashflow statement and movement in reserves statements or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Standards and Governance Committee, or are important from a qualitative perspective.

**Specific materiality** – We have set a materiality of £1k for officers and senior employees' remuneration and audit fees disclosures. This reflects our understanding that an amount less than our materiality would influence the economic decisions of users of the financial statements in relation to these.





05

# Scope of our audit



## Our Audit Process and Strategy

### Objective and Scope of our Audit scoping

Under the Code of Audit Practice our principal objectives are to review and report on the Authority's financial statements and arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period, to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

#### 1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK).

We also perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- Addressing the risk of fraud and error;
- Significant disclosures included in the financial statements;
- Entity-wide controls;
- Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- Auditor independence.

Procedures required by the Code

- Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement; and
- Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO.

#### 2. Arrangements to secure value for money through economic, efficient and effective use of resources

We are required to consider whether the Authority has put in place arrangements to secure value for money through economic, efficient and effective use of its resources for the relevant period.

## Our Audit Process and Strategy (continued)

### Audit Process Overview

Our audit involves:

- Identifying and understanding the key processes and internal controls; and
- Substantive tests of detail of transactions and amounts.

Our initial assessment of the key processes across the entity (commissioner and constabulary) has identified the following key processes where we will seek to rely on controls, both manual and IT:

- Accounts receivable;
- Accounts payable;
- Payroll; and
- Cash and Bank.

Hampshire County Council Integrated business centre (IBC) have commissioned an ISAE 3402 type 2 report from EY's Financial Audit IT (FAIT) team. The ISAE 3402 report provides the users of the IBC with assurance over the suitability of the design and existence of controls and on the operating effectiveness of these controls during the financial year.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Standards and Governance Committee.

Internal audit:

We will regularly meet with the Head of Internal Audit, and review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.





06

Audit team



# Audit team

Audit team structure:

Kevin Suter  
Associate Partner

Sarah Croft  
Senior Manager

Kelly Peachey  
Assistant Manager

Property  
Valuation Team

Pension  
Specialist

EY Real Estate  
Specialists as  
required

EY Actuaries

Working together with the Authority

We are working together with officers to identify continuing improvements in communication and processes for the 2020/21 audit.

We will continue to keep our audit approach under review to streamline it where possible.

\* Key Audit Partner



## Use of specialists

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where EY specialists are expected to provide input for the current year audit are:

Area	Specialists
Pension valuation	Management Specialist – AoN Hewitt. EY Specialist - EY actuaries PWC as commissioned by the NAO
PPE valuation	Management Specialist - Management’s in-house valuation experts. EY Specialist - EY real estates will be used if our risk assessment of the PPE procedures deem this appropriate.

In accordance with Auditing Standards, we will evaluate each specialist’s professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority’s business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- Assess the reasonableness of the assumptions and methods used;
- Consider the appropriateness of the timing of when the specialist carried out the work; and
- Assess whether the substance of the specialist’s findings are properly reflected in the financial statements.





# 07 Audit timeline







# Audit timeline

## Timetable of communication and deliverables

### Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2020/21.

From time to time matters may arise that require immediate communication with the Standards and Governance Committee and we will discuss them with the Standards and Governance Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Audit phase	Timetable	Audit committee timetable	Deliverables
Planning: Risk assessment and setting of scopes. Walkthrough of key systems and processes Interim audit testing (in progress)	July 2021	Standards and Governance Committee	Audit Planning Report
Year end audit	July - August 2021		Verbal Update
Audit Completion procedures	September 2021	Standards and Governance Committee	Audit Results Report Audit opinions and completion certificates Auditor's Annual Report - The NAO has confirmed that this should be reported within 3 months of the opinion on the Financial Statements.



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08

# Independence



# Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

## Required communications

Planning stage	Final stage
<p data-bbox="91 730 136 890">Page 81</p> <ul style="list-style-type: none"> <li>▶ The principal threats, if any, to objectivity and independence identified by Ernst &amp; Young (EY) including consideration of all relationships between you, your affiliates and directors and us;</li> <li>▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review;</li> <li>▶ The overall assessment of threats and safeguards;</li> <li>▶ Information about the general policies and process within EY to maintain objectivity and independence.</li> </ul>	<ul style="list-style-type: none"> <li>▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed;</li> <li>▶ Details of non-audit/additional services provided and the fees charged in relation thereto;</li> <li>▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us;</li> <li>▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner</li> <li>▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy;</li> <li>▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and</li> <li>▶ An opportunity to discuss auditor independence issues.</li> </ul>

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

## Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

### Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Kevin Suter (AP), your audit engagement partner and the audit engagement team have not been compromised.

### Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services and we will comply with the policies that you have approved.

None of the services are prohibited under the FRC's ES or the National Audit Office's Auditor Guidance Note 01 and the services have been approved in accordance with our policy on pre-approval. The ratio of non-audit fees to audit fees is not permitted to exceed 70%.

At the time of writing, there are no non-audit fees associated with Hampshire Fire & Rescue Authority. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

### Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

### Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Authority. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

## Relationships, services and related threats and safeguards

### Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

## Other communications

### EY Transparency Report 2020

EY & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year ended 1 July 2020 and can be found here:

<https://www.ey.com/uk/en/about-us/ey-uk-transparency-report-2020>





09

Appendices





## Appendix A

### Fees

Public Sector Audit Appointments Ltd (PSAA) has published the fee scale for the audit of the 2020/21 accounts of opted-in principal local government and police bodies.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2020/21	Final Fee 2019/20
	£	£
Total Fee	27,893	27,893
Proposed increase to the scale fee due to changes in work required to address professional and regulatory requirements and scope associated with risk (Note 3)	15,860	15,860
Scale fee variation – Covid-19 and Going Concern considerations, addressing risks on PPE valuations & IAS 19 work (Notes 2 and 3), and new Value for Money requirements (Note 4)	TBC	6,684
<b>Total audit</b>	<b>TBC</b>	<b>50,437</b>

#### Notes:

1. We remain in discussion with PSAA about increasing the scale fee to reflect the additional work auditors are required to do to meet regulatory requirements.
2. The 2019/20 additional fees have been discussed with management, who have challenged the level of fees, and therefore it has been referred to PSAA for consideration.
3. For 2020/21, as noted at Appendix D, there are additional procedures required to satisfy the revised ISAs that have come into effect which may have additional costs. These will be discussed in due course with management and we will update the S&G Committee as the audit progresses.
4. As explained in section 3 of this report, the NAO's new 2020 Code of Audit Practice sets out new requirements for our work and reporting on Value for Money. We are unable to quantify the impact at the planning stage of the audit

The agreed fee presented is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Authority; and
- ▶ The Authority has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.




## Appendix B

# Required communications with those charged with governance

We have detailed the communications that we must provide to the Standards and Governance Committee.





Our Reporting to you

Required communications	 What is reported?	  When and where
Terms of engagement	Confirmation by the Standards and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report
Significant findings from the audit	<ul style="list-style-type: none"> <li>• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures</li> <li>• Significant difficulties, if any, encountered during the audit</li> <li>• Significant matters, if any, arising from the audit that were discussed with management</li> <li>• Written representations that we are seeking</li> <li>• Expected modifications to the audit report</li> <li>• Other matters if any, significant to the oversight of the financial reporting process</li> </ul>	Audit results report




## Required communications (continued)







Our Reporting to you

Required communications	 What is reported?	 When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: <ul style="list-style-type: none"> <li>• Whether the events or conditions constitute a material uncertainty</li> <li>• Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements</li> <li>• The adequacy of related disclosures in the financial statements</li> </ul>	Audit results report
Misstatements	<ul style="list-style-type: none"> <li>• Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation</li> <li>• The effect of uncorrected misstatements related to prior periods</li> <li>• A request that any uncorrected misstatement be corrected</li> <li>• Corrected misstatements that are significant</li> <li>• Material misstatements corrected by management</li> </ul>	Audit results report
Fraud	<ul style="list-style-type: none"> <li>• Enquiries of the Standards and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity</li> <li>• Any fraud that we have identified or information we have obtained that indicates that a fraud may exist</li> <li>• A discussion of any other matters related to fraud</li> </ul>	Audit results report
Related parties	<ul style="list-style-type: none"> <li>• Significant matters arising during the audit in connection with the entity's related parties including, when applicable:               <ul style="list-style-type: none"> <li>• Non-disclosure by management</li> <li>• Inappropriate authorisation and approval of transactions</li> <li>• Disagreement over disclosures</li> <li>• Non-compliance with laws and regulations</li> <li>• Difficulty in identifying the party that ultimately controls the entity</li> </ul> </li> </ul>	Audit results report

## Required communications (continued)

Required communications	 What is reported?	  When and where
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>• The principal threats</li> <li>• Safeguards adopted and their effectiveness</li> <li>• An overall assessment of threats and safeguards</li> <li>• Information about the general policies and process within the firm to maintain objectivity and independence</li> </ul> <p>For public interest entities and listed companies, communication of minimum requirements as detailed in FRC's Ethical Standard 2016 (revised):</p> <ul style="list-style-type: none"> <li>• Relationships between EY, the company and senior management, its affiliates and its connected parties</li> <li>• Services provided by EY that may reasonably bear on the auditors' objectivity and independence</li> <li>• Related safeguards</li> <li>• Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees</li> <li>• A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit</li> <li>• Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy</li> <li>• Details of any contingent fee arrangements for non-audit services</li> <li>• Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard</li> <li>• The Standards and Governance Committee should also be provided an opportunity to discuss matters affecting auditor independence</li> </ul>	Audit Planning Report and Audit Results Report

## Required communications (continued)

		 Our Reporting to you
Required communications	 What is reported?	  When and where
External confirmations	<ul style="list-style-type: none"> <li>• Management’s refusal for us to request confirmations</li> <li>• Inability to obtain relevant and reliable audit evidence from other procedures</li> </ul>	Audit results report
Consideration of laws and regulations	<ul style="list-style-type: none"> <li>• Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off</li> <li>• Enquiry of the Standards and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Standards and Governance Committee may be aware of</li> </ul>	Audit results report
Internal controls	<ul style="list-style-type: none"> <li>• Significant deficiencies in internal controls identified during the audit</li> </ul>	Audit results report
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report
Auditors report	<ul style="list-style-type: none"> <li>• Any circumstances identified that affect the form and content of our auditor’s report</li> </ul>	Audit results report
Fee Reporting	<ul style="list-style-type: none"> <li>• Breakdown of fee information when the audit plan is agreed</li> <li>• Breakdown of fee information at the completion of the audit</li> <li>• Any non-audit work</li> </ul>	Audit planning report Audit results report

## Additional audit information

### Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Standards and Governance Committee reporting appropriately addresses matters communicated by us to the Standards and Governance Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- Maintaining auditor independence.

## Additional audit information (continued)

### Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- The locations at which we conduct audit procedures to support the opinion given on the financial statements; and
- The level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

# Impact of changes in auditing standards

## ISA 540 (Accounting Estimates)

ISA 540 (Revised) - Auditing Accounting Estimates and Related Disclosures applies to audits of all accounting estimates in financial statements for periods beginning on or after December 15, 2019.

This revised ISA responds to changes in financial reporting standards and a more complex business environment which together have increased the importance of accounting estimates to the users of financial statements and introduced new challenges for preparers and auditors.

The revised ISA requires auditors to consider inherent risks associated with the production of accounting estimates. These could relate, for example, to the complexity of the method applied, subjectivity in the choice of data or assumptions or a high degree of estimation uncertainty. As part of this, auditors consider risk on a spectrum (from low to high inherent risk) rather than a simplified classification of whether there is a significant risk or not. At the same time, we expect the number of significant risks we report in respect of accounting estimates to increase as a result of the revised guidance in this area.

The changes to the standard may affect the nature and extent of information that we may request and will likely increase the level of audit work required, particularly in cases where an accounting estimate and related disclosures are higher on the spectrum of inherent risk. For example:

We may place more emphasis on obtaining an understanding of the nature and extent of your estimation processes and key aspects of related policies and procedures. We will need to review whether controls over these processes have been adequately designed and implemented in a greater number of cases.

We may provide increased challenge of aspects of how you derive your accounting estimates. For example, as well as undertaking procedures to determine whether there is evidence which supports the judgments made by management, we may also consider whether there is evidence which could contradict them.

- We may make more focussed requests for evidence or carry out more targeted procedures relating to components of accounting estimates. This might include the methods or models used, assumptions and data chosen or how disclosures (for instance on the level of uncertainty in an estimate) have been made, depending on our assessment of where the inherent risk lies.
- You may wish to consider retaining experts to assist with related work. You may also consider documenting key judgements and decisions in anticipation of auditor requests, to facilitate more efficient and effective discussions with the audit team.
- We may ask for new or changed management representations compared to prior years.



## Impact of changes in auditing standards - continued

### ISA 570 (Going Concern)

The FRC has issued significant revisions to ISA (UK) 570 - Going Concern. This follows several well-publicised cases of perceived audit failure, such as Carillion and BHS. In these cases, the auditors failed to raise concerns in the auditor's report about the viability of the companies, despite them collapsing shortly after.

The changes increase the work required by auditors on going concern. As a result, we will be requesting greater evidence on going concern to meet these requirements, including, in all cases, management's assessment of the entity's ability to continue as a going concern for a period of at least a year from certification.

#### Key changes

The revised ISA 570 shifts the burden of responsibility on to an auditor to seek specific evidence over whether an entity is a going concern as opposed to reach a conclusion based on the evidence obtained throughout the audit. This has meant the following changes:

- A new requirement to design and perform specific risk assessment procedures to identify whether a material uncertainty related to going concern exists;
- Specified procedures that the audit team must carry out to evaluate management's assessment regardless of whether there are events or conditions that cast significant doubt on going concern;

Introduction of the concept of management bias in respect of going concern;

A requirement for more explicit conclusions and an explanation of work performed on going concern within the audit opinion / report.

The ISA does acknowledge that the level of detail in management's assessment and the auditor's evaluation of this assessment may be lower where this is appropriate in the circumstances. This may be the case where the entity is established in statute and there is a statutory mechanism by which it receives funding. The fact that an entity is wholly funded by grant in aid or other support from the government is not however in itself sufficient evidence that the entity is a going concern.

#### Evidence requirements

The changes to ISA 570 could increase the evidence requests made by audit teams. We will require written assessments supported, where appropriate, by cash flow forecasts and budgets for a period of at least 12 months from Approval of the Financial Statements. These will need to be realistic and based on up-to-date information with assumptions appropriate to the entity's circumstances. We may ask for evidence to support the assumptions made and sensitivity analysis.

Where the assessment involves continued financial support from a third party, we will likely need written third party evidence of that except where such support is statutory.

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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

## **HIWFRA Standards and Governance Committee**

Purpose: Noted

Date: **26 JULY 2021**

Title: **FIRE PENSION BOARD ANNUAL REPORT (2020/21)**

Report of Chief Financial Officer

### SUMMARY

1. This is the annual report from the Hampshire Fire Pension Board to the Standards and Governance Committee and summarises the work of the Board for the 2020/21 financial year in the exercise of its functions; it provides an update on the progress of key issues during the reporting period.
2. The Isle of Wight Fire Pension Board do not produce annual reports for the Isle of Wight Council, but their Fire Pension Board meetings always contained the papers from the Hampshire Fire Pension Board meetings. This report therefore relates specifically to the work relating to Hampshire Fire and Rescue Authority only.

### PENSION BOARD MEETINGS

3. The Pension Board met periodically, holding three meetings, during the 2020/21 financial year; A meeting that was scheduled for April 2020 was cancelled due to the Covid-19 pandemic. The three other meetings in the year were all held as virtual meetings.
  - (a) 15 July 2020
  - (b) 8 October 2020
  - (c) 27 January 2021

4. The meeting in July 2020 saw the re-election of Stew Adamson to Chairman and Richard North to Vice-Chairman. Both will hold the position until the 31 March 2021, after which point the Combined Fire Authority will be established.
5. There was a vacancy in the Board membership and Mark Hilton was appointed as a new Scheme Representative member and joined the Board for the meeting in October.
6. The key items covered at these meetings are as follows, more detailed information about each of these items can be found later in the report.
  - (a) Statutory reporting
  - (b) Risk review
  - (c) Communications
  - (d) TPR Scheme return
  - (e) Scheme Advisory Board levy
  - (f) Temporary Promotions and Additional Pension Benefits
7. The pension board status and other associated reports can be found in APPENDICES A – H.

#### STATUTORY REPORTING

8. There are a number of statutory reporting events that occur during the Scheme Year all with legislative deadlines.

#### ACCOUNTING FOR TAX

9. Accounting for Tax (AFT) is the way that tax charges are reported to HMRC, these occur when certain types of payments are made to members of the Fire Pension Scheme. These are reported and paid quarterly, the exception to this is Annual Allowance tax charges as they have different deadlines.

<b>Type of payment</b>	<b>Number of members</b>	<b>Tax year or quarter relates to</b>	<b>Amount paid</b>
Annual Allowance	1	2017/18	£37,481
Annual Allowance	1	2018/19	£29,520
Annual Allowance	1	2019/20	£15,593
Life-Time Allowance	1	2019/20	£3,817
<b>Total paid to HMRC</b>	<b>4</b>		<b>£86,411</b>

#### EVENT REPORTING

10. In April 2020, the details of the Event Reporting for the 2018/19 tax year were reported to the Board. These are specific events that occur, primarily upon

retirement when benefits are crystallised and incur a tax charge. They are reported to HMRC by the 31 January, following the end of the tax year.

Type of payment	Number of members	Tax year or quarter relates to	Amount paid
Event 1 – Unauthorised payments	17	2018/19	£103,543
<b>Total paid to HMRC</b>	<b>17</b>		<b>£103,543</b>

## RISK REVIEW

11. There are a variety of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.
12. These groups are now well established, meeting regularly and include representatives across the board from pensions, HR, finance and others.
13. The Board heard about two specific risks arising from two court judgements that will inevitably have an impact on Fire Pensions. These are:
  - (a) The O'Brien case which is for part time workers in the Judiciary Pension Scheme
  - (b) The McCloud / Sargeant transitional protections case for the Judiciary and Firefighters pension schemes

### O'BRIEN v MINISTRY OF JUSTICE COURT CASE

14. This is also known as the Matthews case; it relates to part time working and pensions. In essence, these cases had employment going back to the 1970's, but were only eligible to enter the pension schemes from 2000, when the Part Time Workers Directive came into force; however, the court determined that the whole of the employment should count for pension purposes and not just the period from 2000.
15. It was reported to the Board that a consultation was expected in late spring of 2020, but that was before Covid-19 hit, and has subsequently been delayed; we have no information on when this is now expected. The consultation will help us to define the parameters of this work and to be able to start to identify the volume and scope of what will be required.

SARGEANT v LONDON FIRE AND EMERGENCY PLANNING AUTHORITY  
COURT CASE

16. This is also known as the McCloud case and relates to the age discrimination court case that was brought against the transitional protections for the 2015 Fire Pension Scheme.
17. The Board heard that HM Treasury issued a consultation on 16 July 2020 about their proposals of how to apply remedy for the age discriminations; the consultation closed on 11 October 2020 and a response to the consultation was approved and submitted on behalf of the Fire Pension Board.
18. It was reported to the Board that the Employer Pension Manager is project managing the McCloud remedy work for Hampshire Pension Services. This will cover the Local Government Pension Scheme, the Police Pension Schemes and the Fire Pension Schemes across all partners and employers that Hampshire Pension Services provide a pension administration service for.
19. An initial project plan has been drafted and split between actions and tasks that can be undertaken before or after April 2022. It is currently anticipated that while some initial preparation work can be actioned prior to April 2022, the majority of the work will take place after April 2022. This means that although some resources are required now this will need to be increased as the project continues.
20. The Board heard that the process of pulling together some high level indicative costs based on anticipated resources and work required was underway. Hampshire Pension Services will be looking to share the cost between all its partners for which it administers pensions, but there will be some efficiencies and common work across the partners.
21. In addition to the issues of implementing remedy, it was reported to the Board that the FRA will have an additional complication due to the CFA taking effect from 1 April 2021. Because of both the payroll arrangements and HMRC requirements to make all employees a new starter under the new employer.
22. It means that there will only be manual access to historical payroll data prior to 1 April 2021 and that we will not be able to use the SAP HR/Payroll system to automatically calculate the necessary member contributions and pay details that will be required for the remedy period for both the legacy and reformed schemes.
23. There will be significant challenges to calculate the relevant information for all members of the HIWFRA and members that have left either FRA within the remedy period, as all this work will need to be done manually.

## COMMUNICATION

24. Due to the Covid-19 pandemic, some pre-retirement courses had to be cancelled. One face to face, socially distanced course went ahead in December 2020 and it was then agreed that for the foreseeable future, future courses would be held via MS Teams, the first one was in February 2021 and was well received.
25. Two virtual pension presentations were also held for new recruits in February and March 2021.

## MEETINGS

26. The Board heard how HFRA have been represented at a variety of meetings. The Employer Pension Manager regularly attends the Fire Technical Group, the Fire Communications Working Group and the regional South East Fire Pension Officers Group. Over the last year, the LGA have held fortnightly "coffee mornings" which has been a great way to keep in touch and to keep up to date with all the latest developments. All of these meetings have been held online.
27. The Board also heard about the attendance at the online Fire AGM in September 2020, there were a number of speakers and the AGM focussed very much on the McCloud remedy

## MEMBER PORTAL

28. At the February Fire Pension Board meeting, it was reported that registrations to the Pensions Member Portal still remain low, although are slowly rising, with around 36% of current active members registered.
29. Hampshire Pension Services are now encouraging new starters to the scheme and retirees to register for the portal through improved processes. We also hope to improve the functionality of the portal and this will also entice more members to register. The portal will also be used as more of a communication tool for McCloud rather than sending letters to members, they may be required to view documents via the portal.

## TPR SCHEME RETURNS

30. It was reported to the Board that the Employer Pension Manager completed the annual pension scheme returns for The Pension Regulator. This survey requires information to be submitted about scheme membership numbers, details of the scheme manager, Fire Pension Board members, details of the administrator and other relevant contact details.

31. TPR also require data scoring which consists of common data and scheme specific conditional data. The common data score is made up of things like personal data such as name, address, date of birth etc, while the scheme specific data score varies from scheme to scheme and for Fire would include specific things such as membership data including any transfer in details, CPD, temporary promotions etc.
32. The table below shows the scores for year ending 31 March 2019 and the latest year 31 March 2020, which shows that improvements have already been made across most areas. Hampshire Pension Services have a data improvement plan in place which will aim to increase the data scores year on year.

The Pension Regulator Scheme Returns - FIRE Schemes						
<b>Year end</b>	<b>31/03/2019</b>					
<b>TPR Scheme Return</b>	<b>November 2019</b>					
<b>Scheme</b>	<b>Actives</b>	<b>Deferreds</b>	<b>Pensioners</b>	<b>Beneficiaries</b>	<b>Common Data Score</b>	<b>Conditional Data Score</b>
1992 Fire Pension Scheme	110	81	836	131	96%	90%
2006 Fire Pension Scheme	30	421	37	5	84%	75%
2006 Modified Fire Pension Scheme	27	42	67	2	98%	82%
2015 Fire Pension Scheme	1,055	358	5	0	97%	73%
<b>Total</b>	<b>1,222</b>	<b>902</b>	<b>945</b>	<b>138</b>		
<b>Year end</b>	<b>31/03/2020</b>					
<b>TPR Scheme Return</b>	<b>December 2020</b>					
<b>Scheme</b>	<b>Actives</b>	<b>Deferreds</b>	<b>Pensioners</b>	<b>Beneficiaries</b>	<b>Common Data Score</b>	<b>Conditional Data Score</b>
1992 Fire Pension Scheme	53	68	831	136	98%	92%
2006 Fire Pension Scheme	13	411	43	4	88%	98%
2006 Modified Fire Pension Scheme	15	38	73	3	98%	90%
2015 Fire Pension Scheme	1,057	443	5	7	98%	97%
<b>Total</b>	<b>1,138</b>	<b>960</b>	<b>952</b>	<b>150</b>		

### SCHEME ADVISORY BOARD LEVY

33. It was reported to the Board that the Scheme Advisory Board (SAB) levy for 2020/21 was £8.29 per active fire-fighter, which is calculated at £6.20 for the SAB and £2.09 for employers.
34. The levy is important as it enables costs savings for Fire Authorities by reducing duplication and undertaking guidance and communications centrally and helps to ensure national consistency.



## TEMPORARY PROMOTIONS AND ADDITIONAL PENSION BENEFITS

35. There was an amendment to legislation on 1 July 2013 which allowed individual FRAs to decide whether the additional pay received because of a temporary promotion for 1992 and 2006 schemes was pensionable or not. Legislation means that temporary promotions within the 2015 Scheme are not pensionable.
36. HFRA took the decision to make temporary promotions within the 1992 and 2006 schemes pensionable, which meant that firefighters would now earn an Additional Pensionable Benefit (APB) whilst on Temporary Promotion.
37. Affected members were informed of this change on 5 August 2016. Members were placed in one of three cohorts according to their earliest possible retirement date.
  - (a) Cohort one was for members already retired
  - (b) Cohort two was for members who could retire within three years of the date of the notification letter (5 August 2016)
  - (c) Cohort three was for members with a retirement date further ahead
38. The 42 members in cohorts one and two therefore became protected members under this local arrangement and the maximum cost envelope agreed by HFRA of the estimated costs were £256,000 for lump sums and £35,700 a year for annual pensions.
39. Up to 2019/20 there had been 23 retirements and it was reported to the Board that the differences that have been paid out so far for these members were broadly in line with the estimated figures prepared in 2016; and are all still within the maximum cost envelope.
  - (a) Total of all lump sum differences paid are £178,128.84
  - (b) Annual pensions differences paid for 2019/20 are £24,663.62
40. There are a number of factors which could mean that the estimated figures might be exceeded:
  - (a) A different retirement date to the one used in the estimate
  - (b) Pay increases since 2016 to date of retirement
  - (c) A protected and unbroken period of temporary promotion which continues until date of retirement
  - (d) The increase in the commutation factors for the 1992 scheme that came into effect in October 2018
41. The Board heard that should we get close to exceeding the maximum cost envelope then further approval will need to be sought for additional funding.

## OTHER ITEMS

42. At the July meeting, the Board received a report of the Pension Administrator. They were pleased to note that Hampshire Pension Services had performed very well during the year. The Board heard that they had once again been awarded Customer Service Excellence accreditation with compliance plus in seven areas.

## FUTURE ISSUES

43. The Fire Pension Board annual report has identified considerable development across a variety of areas. The focus for the 2021/22 year includes:
- (a) Improvements to functionality of Member Portal
  - (b) Work to complete the transfer of data for the Combined Fire Authority
  - (c) Remedy and impact from McCloud / Sargeant judgement
  - (d) Potential impact from the O'Brien judgement

## CONCLUSION

44. As set out in this report, there has been continued progress across all areas of fire pensions during 2020/21; in particular around governance and control, together with significant improvements in the quality and range of pension information that is available to firefighters.
45. For 2021/22, the year will be about sustaining the continuous improvement and building on the foundations that have been put in place. It will also be a challenging year with a number of upcoming changes to the pension schemes.
46. Although the list of future issues only contains four items, the volume of work for each of these should not be underestimated. Each area will have its own complexities and challenges and having the right amount of resources in place will be key.
47. Hampshire Fire Pensions are in a good place as there is already a robust structure in place with the Employer Pension Manager and the Employer Pension Groups which are an excellent multi-departmental resource across the Shared Services partnership and they will be crucial in co-ordinating the work involved.

## RECOMMENDATION

48. That the content of the report be noted by the HIWFRA Standards and Governance Committee
49. That feedback on previous work or future areas of priority is provided to the HIWFRA Firefighter's Pension Board by the HIWFRA Standards and Governance Committee

## APPENDICES ATTACHED

50. APPENDIX A – Fire Pension Board report and Risk Review (15 July 2020), [report](#), [appendices](#)
51. APPENDIX B - Legislation and Local Government Association (LGA) Update report (15 July 2020), [report](#), [appendices](#)
52. APPENDIX C - Pension Administration update report (15 July 2020), [report](#)
53. APPENDIX D – Fire Pension Board report and Risk Review (8 October 2020), [report](#), [appendices](#)
54. APPENDIX E - Legislation and Local Government Association (LGA) Update (8 October 2020), [report](#), [appendices](#)
55. APPENDIX F – Fire Pension Board report and Risk Review (27 January 2021), [report](#), [appendices](#)
56. APPENDIX G - Legislation and Local Government Association (LGA) Update (27 January 2021), [report](#), [appendices](#)
57. APPENDIX H – Draft Terms of Reference for HIWFRA Pension Board and Membership (27 January 2021), [report](#), [Annexe A](#), [Annexe B](#)

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

## **HIWFRA Standards and Governance Committee**

Purpose: Approval

Date: 26 JULY 2021

Title: **ANNUAL GOVERNANCE STATEMENT 2020/21**

Report of Chief Fire Officer

### SUMMARY

1. Hampshire and the Isle of Wight Fire and Rescue Authority (HIWFRA) is legally required to publish an Annual Governance Statement (AGS) each year. The Authority has delegated to the Standards and Governance Committee, as per its terms of reference, to consider and approve the Annual Governance Statement, and once approved the AGS will be signed by the HIWFRA Chair and the Chief Fire Officer.
2. The approved AGS will form part of the Annual Statement of Accounts 2020/21, which is a statutory requirement of The Accounts and Audit Regulations 2015.
3. The AGS for 2020/21 is attached in **Appendix A** for consideration and approval that the governance arrangements continue to be regarded as fit for purpose in accordance with the Governance Framework.
4. The AGS is a retrospective statement of the previous financial year. For HIWFRA this will reflect the year before the commencement of the Combined Fire Authority and therefore the statement is the statement of the Hampshire Fire and Rescue Authority.

### BACKGROUND

5. Governance comprises the arrangements put in place to ensure our intended outcomes are defined and achieved. Good governance enables fire and rescue authorities to set a strategic policy agenda that meets the

needs of communities and to discharge their statutory responsibilities efficiently and effectively.

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

## HIWFRS GOVERNANCE ARRANGEMENTS

11. The process of producing the AGS involves reviewing the effectiveness of a wide range of controls and measures that are indicators of the effectiveness of good governance.
12. HIWFRS governance arrangements have been reviewed in accordance with the Framework 2016 and guidance note, which has enabled the AGS 2020/21 to be produced.
13. The process of preparing the AGS should itself add value to the effectiveness of the governance and internal control mechanisms. The AGS is a valuable means of communication. It enables the Authority to explain to the community, service users, taxpayers and other stakeholders, its governance arrangements and how the controls it has in place manages risks of failure in delivering its outcomes.

## ACTION PLAN

14. The AGS (as seen in Appendix A) incorporates the action plan at Section 6 of significant governance issues which will be addressed during the year 2021/22. An update on progress against actions from the year 2020/21 is detailed at Section 7.

## SUPPORTING OUR SAFETY PLAN AND PRIORITIES

15. **Public Value.** *We plan over the longer-term to ensure our decisions and actions deliver efficient and effective public services.*
  - (a) The AGS illustrates the importance we place on ensuring good governance and our commitment to improvement. Implementing good governance supports our Safety Plan and priorities by ensuring an efficient and effective process for decision making. The AGS provides clarity and visibility ensuring the needs of our communities are met alongside delivering public value.
  - (b) In reviewing our existing governance arrangements and identifying areas to be improved, HIWFRS are ensuring accountability for making Hampshire and the Isle of Wight a safer place.

## RESOURCE IMPLICATIONS

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



## IMPACT ASSESSMENTS

17. As detailed within the AGS the Service has impact assessment mechanisms embedded within its governance process. By identifying impacts early, we can better plan for them, act to mitigate the risk or issue, inform policy and our plans and provide crucial evidence. This ultimately provides assurance to the Service, Authority and our communities that we at all times apply due consideration of change and support informed decision making.
18. There are no specific changes as a result of this annual report, and therefore there are no positive or negative impacts to the environment or sustainability which may result due to this report. However, these mechanisms support good governance.

## LEGAL IMPLICATIONS

19. The AGS is a statutory requirement and explains how the Authority meets the requirements of The Accounts and Audit (England) Regulations 2015 and complies with the principles contained in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance in Local Government Framework 2016 edition.
20. It is a statutory requirement for the AGS to be included within the Statement of Accounts which are to be presented to the Authority in September 2021.

## RISK ANALYSIS

21. Annual reporting ensures regular review of governance arrangements and monitors how the controls in place effectively manage the risks in delivering the organisation's outcomes. Without this regular review, the organisation may stifle innovation and learning and increase risks in delivering public value and delivery of efficient and effective services to our communities.
22. As stated, the AGS is an annual statutory requirement, and therefore if it is not approved may risk statutory non-compliance.

## EVALUATION

23. It is important that service activities are evaluated to identify what/how we can learn, understand, plan and do better for the organisation and our communities.
24. Included in the AGS is the action plan to deal with significant governance issues. Delivery against the proposed action plan in Appendix A will be undertaken across the next year and evaluated in the HIWFRA Annual Governance Statement 2021/22.

## CONCLUSION

25. The AGS is submitted to the Authority in accordance with The Accounts and Audit Regulations 2015, for approval and inclusion in the Annual Statement of Accounts 2020/21. It is recommended that Members to acknowledge that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016 and for the approved AGS to be included into the Annual Statement of Accounts to meet the Authority's statutory requirement. The approval of the AGS at this time will ensure the Authority meet its statutory obligations to provide the statement within the Statement of Accounts 2020-2021

## RECOMMENDATION

26. That the Annual Governance Statement 2020/21 as set out in **Appendix A** be approved by the Standards and Governance Committee:
27. That Members acknowledge that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016.
28. That the approved AGS be included into the Annual Statement of Accounts, to meet the Authority's statutory requirement.

## APPENDICES ATTACHED

29. **Annual Governance Statement 2020/21 – Appendix A**

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# **ANNUAL GOVERNANCE STATEMENT**

**2020/2021**

**FOR**

**HAMPSHIRE FIRE AND RESCUE AUTHORITY**

## **Annual Governance Statement for Hampshire Fire and Rescue Authority**

### **1. Scope of responsibility**

1.1. Hampshire Fire and Rescue Authority (HFRA) (the Authority) is responsible for ensuring that:

- its business is conducted in accordance with the law and to proper standards;
- public money is safeguarded and properly accounted for, and used economically, efficiently and effectively;
- pursuant to the Local Government Act 1999, it secures continuous improvements in the way in which its functions are exercised, having regard to a combination of efficiency, effectiveness and economy; and
- pursuant to the The Accounts and Audit Regulations 2015, there is a sound system of internal control which facilitates the effective exercise of the Authority's functions and which include arrangements for the management of risk.

1.2. This Annual Governance Statement (AGS) is a retrospective statement for the previous financial year. On 1 April 2021, Hampshire and the Isle of Wight combined to create Hampshire and the Isle of Wight Fire and Rescue Authority (HIWFRA). References in this statement will be made to the governance surrounding the transfer with the Hampshire and Isle of Wight Fire and Rescue Shadow Authority however the statement itself refers to the HFRA.

1.3. The Authority has delegated to the Standards and Governance Committee (S&GC), as per its terms of reference, to consider and approve the Annual Governance Statement, and once approved the AGS will be signed by the HIWFRA Chair and the Chief Fire Officer.

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

1.5. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework.

### **2. The purpose of corporate governance**

2.1. Governance comprises the arrangements put in place to ensure the intended outcome of stakeholders are defined and achieved. Good governance will enable fire and rescue authorities (FRAs) to set strategic policy agenda that meets the needs of communities and discharges its statutory responsibilities efficiently and effectively. To ensure that the policy agenda and defined outcomes are delivered on time, on budget, and to the required standard.

- 2.2. The Service's corporate governance framework comprises the systems and processes, and cultures and values, by which the Service is directed and controlled. It enables the Authority to monitor the achievement of its priorities and to consider whether they have led to the delivery of appropriate, cost effective and efficient services.
- 2.3. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve its aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risk to the achievement of the Authority's priorities. It evaluates the likelihood of those risks being realised and the impact should they be realised, to manage them efficiently, effectively and economically.
- 2.4. The Authority set strategic direction, monitors, scrutinises and ensures delivery of services, whilst accountability for the achievement of the Authority's priorities sit with the Service. The Service's corporate governance framework demonstrates and enables the ability to deliver its core purpose of making life safer, through cohesive working and clear routes of governance.
- 2.5. The corporate governance framework is designed to provide a robust governance process, streamline decision making and support efficient and effective operations for the Service. The effectiveness of the framework is evaluated throughout the year.
- 2.6. Executive Group is chaired by the Chief Fire Officer and its purpose and responsibilities are clearly defined within its terms of reference. The Executive Group considers reports identified on the organisation's Forward Plan (a tool that supports the effective operation of the corporate governance framework identifying agenda, report topics and the responsible Directors). The Forward Plan supports a robust planning and control cycle for strategic and operational plans ensuring informed decision making and transparency of decisions being recorded.

### **3. Core principles of good governance**

#### **3.1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

- 3.1.1 The role of scrutiny in good governance is reflective of the decisions about the values and associated behaviours that will guide the organisation.
- 3.1.2 The Authority continues to operate with 10 Members, since the review of governance arrangements during 2015/2016. The Police and Crime Commissioner (PCC) can attend Authority meetings and has the ability to speak on items on the agenda. The new structure and arrangements have resulted in a strategic and business focus from the Authority with improved member engagement and scrutiny. The Authority is in the best position to continue to lead the Service in delivering excellent



quality services to the residents of Hampshire whilst remaining resilient and responsive to challenges in the future.

- 3.1.3 The key policies that set out the scope of responsibilities for Members and delegation to officers is detailed within the Constitution's Scheme of Delegation, Contract Standing Orders and Financial Regulations. Members and officers are aware of their responsibilities within these policies.
- 3.1.4 The Authority review and approve minor amendments to the Constitution at their annual Authority General Meeting (AGM) and as needed throughout the year.
- 3.1.5 The organisation's values are embedded in our ways of working. These values are underpinned by a range of policies and procedures including Members' codes of conduct, the registers of interests and disclosure of pecuniary interests, gifts and hospitality and protocol for member and officer relations which is included within the Constitution.
- 3.1.6 The Authority is committed to the highest ethical standards. A code of corporate governance is included within the Constitution, which demonstrates a comprehensive commitment on the part of the Authority to accountability, integrity, ethical values and the rule of law.
- 3.1.7 Senior Management have the relevant professional external networks and expertise to identify the impacts of new legislation, and legal advice is also provided to ensure the Authority continues to comply with legislation and regulation.
- 3.1.8 Within the Corporate Governance Framework to underpin the Executive Group, there are five Directorate Boards to oversee key areas; such as the Policy and Planning Board, Operations Management Board, Integrated Performance and Assurance Board, People and Organisational Development Board, and the Corporate Services Management Board. These boards provide cohesive working, clear routes of governance and extra scrutiny on behalf of the Executive Group.
- 3.1.9 The Corporate Governance Framework's Directorate Boards have all reviewed their ToR this financial year. The creation of a Corporate Governance Procedure with an Officer Scheme of Authorisation has strengthened the robust decision making processes already in place. It has also provided clarity on decision making for Officers and illustrated where the Constitution Scheme of Delegation links with the Officer Scheme of Authorisation. During 2021-2022 the Service will welcome a new Deputy Chief Fire Officer which will result in making amendments to the Governance Framework. The necessary amendments will be made to ensure continued openness, transparency, accountability and clarity.
- 3.1.10 A policy, procedure and guidance (PPG) framework has been developed and approved and is implemented across the organisation.

The PPG are documents that capture and define the way the organisation operates and how it delivers its services and functions. The framework establishes how to manage those documents in a robust and sustainable way. The PPG framework includes Authority owned Policies.

- 3.1.11 The Service have four values (Supporting Others, Showing Respect, Everyone Playing Their Part, Reaching Further) which are integral to everything we do. Further work to embed the values into the Service and encourage behaviour that demonstrates the Values will be carried out during 2021-2022.

### **3.2 Ensuring openness and comprehensive stakeholder engagement.**

- 3.2.1 The role of scrutiny in good governance is reflective of the decisions on how the organisation demonstrates openness and engage stakeholders.
- 3.2.2 The Authority approved the Hampshire and Isle of Wight safety plan 2020-2025 in February 2020. HFRA and Isle of Wight Council (IWC) agreed that due to the imminent Combined Fire Authority (CFA) that this would be a fully aligned Safety Plan for both HFRA and the IWC.
- 3.2.3 The Safety Plan incorporates the Integrated Risk Management Plan (IRMP) requirement and the annual Service Plan into a single document. The Safety Plan 2020-2025 is a live document which is updated annually. This approach to managing risk in our communities will ensure the organisation is able to report on how effective its risk reduction activities are. The Safety Plan is on the website and available to stakeholders electronically and in paper format (upon request).
- 3.2.4 The Authority operates in an open and transparent way. It complies with The Openness of Local Government Bodies Regulations 2014. The Authority's meetings are open to the public, and its papers and decisions are available through the website (save for individual items of a sensitive nature properly considered in confidential session). In addition, Authority meetings are filmed to enable staff and the public better access to view decision making.
- 3.2.5 The Authority publish data in line with the Local Government Transparency Code 2015 to provide open data sources ensuring transparency and accountability.
- 3.2.6 During the Coronavirus pandemic, local government temporarily removed the legal requirement for local authorities to hold public meetings in person. A change was made to the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel meetings) (England and Wales) Regulations 2020. This gave the ability to hold meetings virtually using video and telephone conferencing technology. HFRA and Hampshire and Isle of Wight Shadow Authority meetings continued to be open and

transparent and took full advantage of the technology available to continue with its obligations. Clear guidance and protocols have been written and are followed.

- 3.2.7 Clear guidance and protocols on decision making, templates for reports and effective arrangements for the approval of exempt reports, ensures that the Authority takes decisions in public when appropriate and after full consideration of relevant information.
- 3.2.8 The Authority, through the Service, enjoys a constructive relationship with the trade unions and associations representing staff groups across the organisation, through which meaningful consultation and negotiation on service issues takes place.
- 3.2.9 Public consultation to listen to stakeholders and inform decision making is undertaken where required and expected. Extensive consultation was undertaken during the Authority's risk review and creation of the Safety Plan. The consultation process enables our staff, the public and other stakeholders to have their say on how their fire and rescue service should operate in the future.
- 3.2.10 Extensive consultation was also undertaken for the proposed creation of a Combined Fire Authority (CFA). The consultation enabled our staff, the public and other stakeholders to have their say on how their fire and rescue authority should operate in the future. These processes were quality assessed by the Consultation Institute and found to have conformed to best practice.
- 3.2.11 The Authority has a long history of collaborative working with partner agencies. In particular, blue light collaboration with South Central Ambulance Service (SCAS) and Hampshire Constabulary which continues as business as usual. The COVID-19 pandemic has really demonstrated the need for collaboration, all working together towards the same goal. The Service have worked closely with the Local Resilience Forum (LRF), Local Authorities and the National Health Service (NHS) as well as our blue light partners, to ensure good governance and robust frameworks in the collaborative environment which has resulted in successful outcomes. The Authority receive an annual report which explains all the collaborative work that has taken place and demonstrates how we are effectively complying with the Policing and Crime Act 2017 and the Fire and Rescue Services National Framework.

### **3.3 Defining outcomes in terms of sustainable economic, social and environmental benefits.**

- 3.3.1 The role of scrutiny in good governance is reflective of the decisions on outcomes to be achieved.
- 3.3.2 Delivery of fire and rescue services and the associated community safety activity remains the Authority's core activity.

- 3.3.3 In February 2020, the Authority approved the Hampshire and Isle of Wight Safety Plan 2020-2025. It sets out our five-year strategy that establishes a long-term approach to achieving our purpose of 'Together We Make Life Safer' and to ensure we constantly provide a service to our communities that makes life safer and that our staff are proud to deliver.
- 3.3.4 The safety plan sets out our approach, and that we are keen to consider how we make life safer and have therefore taken a wider view of risk and safety in our approach.
- 3.3.5 Year one of Safety Plan has now been completed with an end of year report submitted to the HIWFRA in June 2021. Performance against the priorities is measured and reported to the Authority throughout the year.
- 3.3.6 Our strategic assessment of risk provides the understanding for us to set out our services and priorities in order to manage, control and mitigate that risk. We also consider the learning from significant events locally, nationally and internationally to inform our planning, while gaining information about best practice from inspections by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).
- 3.3.7 Our safety plan is underpinned by our strategic assessment of risk, which is a detailed and constantly updated analysis, which has been developed by:
- Identifying risk
  - Assessing the risk
  - Prioritising the risk
  - Mitigating the risk
  - Reviewing the risk
- 3.3.8 To achieve our purpose, we must 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. On this basis we have developed five priorities that we are committed to for the life of the Safety Plan:
- Our communities
  - Our people
  - Public value
  - High performance
  - Learning and improving
- 3.3.9 These focus our resources to the relevant community risks, environmental risks and economic risks. It also provides focus on organisational improvements to support our service delivery to ensure

that we are efficient and effective. We must constantly reassess our communities to make sure our assessment of risk is still accurate.

- 3.3.10 The Safety Plan is underpinned by detailed Directorate plans and our corporate portfolio of projects which is monitored through the Integrated Performance and Assurance Board. Progress against these plans are monitored through regular performance updates to assess the deliverables to HFRS Executive Group and the Authority.
- 3.3.11 Detailed Directorate Plans that align to the Safety Plan have been in operation for a year. The Directorate Plans provide the link from the Safety Plan through to an individuals objectives and goals and enables everyone to see how the work they do contributes to the bigger picture and the Safety Plan.
- 3.3.12 People Impact Assessments (PIAs) are used to identify any significant impact on people, and in particular, those who share a characteristic which is protected under equality law. PIAs also identify any environmental, economic and legislative risks. PIAs are carried out prior to implementing a policy, procedure, change or decision with a view to ascertaining its potential impact. PIAs are also carried out during formal report writing to identify any impact on the recommendations within reports.
- 3.3.13 The Service's Change Management Framework has a core focus on the outcomes and benefits achieved by projects and programmes (change activity) – with these being considered throughout the lifecycle of change activity. In April 2020, the Change Management Framework was launched, and in early 2021 it was independently audited by our internal auditors who concluded it provided 'substantial' assurance with: *"A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited."*
- 3.3.14 Furthermore, during 2020, work commenced to look at 'lessons learned' (including and beyond lessons from projects and programmes) with an aim to ensure all lessons learned are captured centrally, and monitored for action. This work continues into 2021/2022.

#### **3.4 Determining the interventions necessary to optimise the achievement of the intended outcomes.**

- 3.4.1 The role of scrutiny in good governance is reflective of the decisions on interventions/services necessary to achieve the outcomes.
- 3.4.2 There are clear guidance and protocols for decision making. The involvement of legal and finance officers in all significant decisions of the Authority, ensures that decisions are only made after relevant options have been weighed and associated risks assessed.

- 3.4.3 The budget setting process is well established and prioritises budgets and spending to achieve intended outcomes. In recent years, the budget setting process has focussed on the achievement of savings to meet reductions in government grant funding. However, it is clear that financial resources are focussed to deliver the Authority's aims and priorities which underpinned continuous improvement.
- 3.4.4 Risks associated with the delivery of Directorate plans and the Safety Plan are detailed in project, department and Directorate risk registers and are escalated to the Organisational risk register when necessary. The risk registers evaluate the effectiveness of existing control measures as well as identifying proposed mitigation.
- 3.4.5 In 2020, the Authority approved a refreshed Risk Management Policy agreeing a risk management approach and approved a new Organisational Risk Register. The Organisational Risk Register is in place to identify current operational and organisational risks that could affect delivery of the Service. The Organisational Risk Register is monitored by Executive Group regularly and all Directorates maintain a Directorate Risk Register which feeds into the Organisational Risk Register should risks need escalating. The Authority regularly monitor the organisational risk register through formal reporting. To ensure risks are captured efficiently and well managed with effective control measures, a Risk Management System will be implemented throughout the Service from 1 April 2021. This system will effectively manage risks in all of the risk registers in one place. It will ensure the Authority determine relevant risks to delivery of the Safety Plan and have effective control mechanisms in place.
- 3.4.6 As a category 1 responder, the Service has played a key role in responding to the Covid-19 pandemic, both as an emergency service and as part of the Local Resilience Forum (LRF) command structure. This has included supporting other agencies to achieve their own outcomes during the crisis and working collaboratively.

### **3.5 Developing the entity's capacity including the capability of its leadership and the individuals within it.**

- 3.5.1 The role of scrutiny in good governance is reflective of the decisions to ensure that the organisation has the human and financial resources it needs.
- 3.5.2 The relationship between Members and officers is established on a professional culture of mutual respect, trust and co-operation. Within the Constitution, the member officer protocol is included providing clarification around the two roles.
- 3.5.3 The role of scrutiny by Members as a means to holding officers to account is central to exercising effective governance. Members provide constructive challenge to officers, it is this 'critical friendships' that tests

the reliability and consistency of advice, information and quality decision making.

- 3.5.4 The Authority holds pre-authority meetings which supports awareness and preparations. Effective questioning is a crucial component of constructive challenge offered by 'critical friends' and achieved through combination of good preparation, knowing which questions to ask and when to ask them; pre-meetings are helpful to determine how the meetings will be conducted.
- 3.5.5 A member's champions scheme is operated in support of an effective and professional relationship between Members and officers in which both understand each other's role. Officers engage proactively to provide information and in support of scrutiny activity, using their professional expertise to help Members better understand the context within which the organisation is operating and make robust judgements about performance.
- 3.5.6 Members also receive copies of key internal staff communications.
- 3.5.7 The Authority have a Policy and Planning Champion who supports and oversees the management of risk in a number of ways, such as providing scrutiny and community insight.
- 3.5.8 HFRS develop Members knowledge and understanding through delivery of an induction programme and periodic training to Members. Both Members and officers enjoy Local Government Association (LGA) membership that entitles them to attendance at training and conferences, targeted at raising awareness of national themes and in development of their leadership and scrutiny roles.
- 3.5.9 Members attend the Authority Policy Advisory Group (APAG) meetings which are delivered during the year. The meetings are chaired by the Chief Fire Officer and facilitates the two-way exchange and update of information between Members and officers. It is a forum providing the opportunity for Members and officers to informally discuss and shape policy. The group receives updates on matters of interest and consider the future strategic direction of the Authority and service business.
- 3.5.10 To ensure capability of leadership, the Executive Group have been enrolled onto the Institute of Directors (IOD) Certificate in Company Direction, with professional membership to the IOD included. The leadership training will ensure professionalism of the Executive Group, governance and leadership, imparting wider benefits of resilience and skills to the service.
- 3.5.11 The Authority, its committees and the Chief Fire Officer have access to a full range of professional advisers to enable them to carry out their functions effectively and in compliance with statutory requirements. Some legal and democratic services are provided through service level agreements with Hampshire County Council (HCC). The shared



service partnership with HCC and Hampshire Constabulary provides a wide pool of professional advice for areas such as human resources (HR), finance and procurement.

- 3.5.12 The development of our People and Organisational Development Directorate (POD) has placed Workforce Development (WFD) and Academy under the same leadership, enabling a joined-up Learning and Development function which will deliver leadership, management and technical and professional development.
- 3.5.13 Delivery of leadership and management training to supervisory and middle managers across the organisation has started virtually, and will also be delivered in person when appropriate to do so.
- 3.5.14 Our POD framework identifies leadership and management development as a strategic priority, which is supported by our current HMICFRS action plan. The content of our leadership and management training aligns with the NFCC Leadership Framework and Code of Ethics, as well as our own Service Values.
- 3.5.15 We will be using the insights gained from our cultural survey, HMICFRS inspections and wellbeing survey, to develop an updated people and development strategy for the Service. This will help make our organisation a great place to work for everyone whilst delivering excellent services to our communities through a professional, well equipped and agile workforce.
- 3.5.16 Our priorities are captured within the Safety Plan and include the importance that our staff at all levels are skilled and feel equipped to undertake their responsibilities. We align the skills and capabilities of our teams to ensure they can perform at the highest levels, based on our priorities. Our leadership development framework supports the growth of our staff in their capacities as both leaders and managers.
- 3.5.17 It is vital that we have the right people in the right roles to be effective. We must focus on our recruitment to find and retain talented people who embody the values we feel are central to representing our organisation. Embedding our values throughout our recruitment processes will help us to build a great working environment of which our workforce will be proud.
- 3.5.18 HFRS regularly reviews the shape of its workforce against the context of its capacity and capability requirements to meet the needs of communities. This then informs a range of strategies such as recruitment, retention and people development in order to provide effective leadership and deploy appropriate resources to meet the needs of the service.
- 3.5.19 HFRS is developing a culture of on-going coaching style conversations which focus upon high performance in all aspects of our work. Staff take personal responsibility for their own performance and how this

contributes to the overall performance of their team. They are encouraged to use the range of learning opportunities that are available across the organisation.

3.5.20 The Service is committed to driving high performance by unlocking the potential of all employees. The Service have rolled out a revised Personal Development Review (PDR) system, with personal goals and objectives to link back to the objectives within directorate plans, priorities within the safety plan and behaviours linked to the organisational values. This focus on performance will ensure we deliver the best possible service to the communities we serve.

### **3.6 Managing risks and performance through robust internal control and strong public financial management.**

3.6.1 The role of scrutiny in good governance is reflective of the decisions regarding the adequacy of progress and associated risk management arrangements.

3.6.2 The Authority operates a risk management methodology following the Risk Management Policy, with oversight of the arrangements provided by the Policy and Planning Board, which reports to the Executive Group. To ensure the most effective management of risks across the Authority and to ensure continued delivery of the Safety Plan priorities, a new risk management system will be introduced to the Service on 1 April 2021.

3.6.3 Performance management is in place to measure progress against aims and priorities to prompt remedial action where appropriate. The Integrated Performance and Assurance Board adds improved scrutiny of the performance management process.

3.6.4 The Executive Group review key performance indicators (KPIs) on a regular basis and the Chief Fire Officer holds Directors to account for performance of their areas across the organisation.

3.6.5 The Authority has a framework for regularly monitoring its performance with timely and relevant information. The Authority holds the Chief Fire Officer to account and receives regular performance reports at its public meetings.

3.6.6 The internal management structure operates under a structure that promotes improved efficiency, effectiveness and improvement of its ability to make communities safer.

3.6.7 We compare our performance to that of other fire and rescue services; for example, we make use of national benchmark information. This continues to show that we are performing well when compared with other similar fire and rescue services.

- 3.6.8 The internal audit plan was developed to operate at a strategic level providing a value-adding, and proportionate level of assurance aligned to the Authority's key risks and priorities. This includes a regular review of the organisation's risk management processes.
- 3.6.9 The internal audit plan incorporates provision for both proactive and reactive counter fraud and corruption work, which is underpinned by an Anti Theft, Fraud, Corruption and Bribery Policy. HFRS approach is to identify areas that could present greatest risk or where managers have identified indicators that improvement is needed.
- 3.6.10 This financial year, the Anti-Theft, Fraud, Corruption and Bribery Policy and Procedure have been reviewed and updated alongside other relevant procedures such as Gifts and Hospitality, Register of Interests and the Certificate of Assurance. Fraud Awareness Training has also been delivered by Southern Internal Audit Partnership (SIAP) as part of the internal audit plan.
- 3.6.11 The delivery of the resulting internal audit plan enables the Chief Internal Auditor to provide an annual report providing an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control which is reported to the Authority, and later published within the Annual Statement of Accounts in compliance with statute.
- 3.6.12 The Authority's Standards and Governance Committee (S&GC) has a clear terms of reference, to provide an effective source of scrutiny, challenge and assurance regarding the arrangements for managing risk and maintaining an effective control environment. The S&GC consider the delivery and outcomes of the internal audit plan, along with scrutinising the service performance in delivering against agreed actions.
- 3.6.13 The Authority has strong financial management arrangements at both the strategic and operational level and consistently obtains unqualified opinions for its annual accounts and value for money assessments. The Section 151 Officer is the Chief Finance Officer and all formal significant financial decision making has the benefit of advice and review from this officer or the wider finance team.
- 3.6.14 Financial management in key risk areas across the organisation, focusses on activity and performance management alongside the budget management processes. The financial management framework throughout the organisation is appropriately advised and supported by the finance team.
- 3.6.15 The Authority has an interim financial plan to inform its corporate planning given the absence of grant figures beyond the current financial year. This concentrates on the period up to the end of 2021/22 and a budget was set that required a draw from reserves in line with that interim strategy. Whilst there are risks within this approach these are

mitigated by the level of our reserves and the contributions to reserves contained in the base budget. Once a multi-year spending review has been announced, a full update of the Medium-Term Financial Plan (MTFP) will be produced. The MTFP is overseen and monitored by our Executive Group and is regularly formally reported to the Authority at its public meetings.

3.6.16 The first budget for the new Combined Fire Authority (CFA) has been set in readiness for the implementation date of 1 April 2021.

3.6.17 Financial planning and management are fully integrated with, and driven by, the corporate planning and monitoring processes set out above. This includes processes for the forward planning of expenditure, consultation on budget proposals, setting and monitoring income and budgets, and the completion of final accounts. The Treasury Management Strategy is reviewed regularly and approved by the Authority annually with the budget.

3.6.18 The Service has been responding to the Covid-19 pandemic, but in most cases this has been using existing capacity within the workforce. Some additional costs around RDS call outs, overtime and PPE purchase have been incurred, but these are more than covered by the grant that has been received from central government.

### **3.7 Implementing good practices in transparency reporting and audit to deliver effective accountability.**

3.7.1 The role of scrutiny in good governance is reflective of the decisions on what will be reported to the public in order to ensure transparency and practice accountability.

3.7.2 The Authority meetings are open to the public and reports are written in an understandable style appropriate to the audience and published on the website ensuring that they are easy to access and interrogate. Authority meetings remained open to the public during the COVID-19 pandemic ensuring transparency and accountability

3.7.3 Members provide performance oversight and bring a mixture of experience and expertise from their professional backgrounds as well as their time in politics. It is also important to have access to requisite knowledge regarding the subject matter so Members are supported by officers for any knowledge needs. It is also necessary to co-opt independent expertise to support scrutiny so that constructive challenges are taking place from well-informed positions.

3.7.4 The 'Internal Audit Charter' is presented annually for approval by the S&GC. The purpose of the Internal Audit Charter is to formally define its purpose, authority, and responsibility. The Chief Internal Auditor has direct access to elected Members of the Authority and those who serve on the S&GC.

- 3.7.5 The on-going work of internal audit is presented routinely through the progress reports to the S&GC, providing an overview of service performance. It considers delivery against the plan and the progress made by the service in the implementation of management actions that have been agreed to mitigate risks identified through internal audit work.
- 3.7.6 Where appropriate, internal audit will gain assurances from third parties to contribute to their overall assurance opinion.
- 3.7.7 Representatives of External Audit routinely attend S&GC meetings and present external audit reports. Any recommendations for corrective action detailed within internal or external audit reports are highlighted to Members.
- 3.7.8 Financial reporting complies with relevant statute, codes and good practice guidance. Financial and performance information are reported consistently throughout the year. Where relevant and appropriate, performance comparisons are made to other organisations.
- 3.7.9 The Authority have a trading company, 3SFire. During 2020-2021 the trading company carried out a strategic review of its business activities which led to the Authority approving the change to the legal structure to enable the trading company to operate with the main aim of providing community benefit. On 1 April 2021 3SFire became a Community Interest Company (CIC). The company operate under the same governance of a Board of Directors and the 3SFire CIC Stakeholder Committee. The 3SFire CIC Stakeholder Committee ensure appropriate controls and scrutiny are in place for the trading company. To ensure and maintain separation of the Service and 3SFire CIC, which are separate legal entities, the internal governance of reports and performance is monitored by the Company Board and is reported to the Authority at its public committee meetings twice yearly, or as needed. 3SFire CIC are bound by the Regulator of Community Interest Companies (CIC) which requires full compliance with the regulation in order to operate.
- 3.7.10 Governance of our internal safeguarding arrangements are provided through various safeguarding audit activity work which is generated from both the local Adults Safeguarding Boards and the Local Childrens Safeguarding Partnership.
- 3.7.11 The implementation if an Officer Scheme of Authorisation as part of the Corporate Governance Framework has provided the ability to ensure effective accountability of Officers.

#### **4. Obtain assurances on the effectiveness of key controls.**

- 4.1 Key controls relating to risks, internal control (including financial management) and governance processes are identified by senior managers as part of the governance framework.

- 4.2 Senior managers complete the annual certificate of assurance which is a self-assessment and declaration that they and their teams are familiar and operate within policy and internal control mechanisms.
- 4.3 The Authority receives an Annual Assurance Statement which is published on the website. The Annual Assurance Statement provides an accessible way in which communities, local authorities and other partners may make a valid assessment of their local fire and rescue authority's management of performance and key controls on financial, governance and operational matters and show how they have due regard to the expectations set out in the IRMP.
- 4.4 Risks are managed as determined by the risk management policy and progress monitored through risk registers.
- 4.5 Internal Audit, as part of its planned review of internal controls, regularly evaluates the key controls to determine their adequacy and carries out tests to confirm the level of compliance. An audit opinion on effectiveness is provided to management and any actions for improvement to be agreed.
- 4.6 HFRS in compliance with the General Data Protection Regulations (GDPR) which came into effect in May 2018 has developed and continues to deliver training to staff and raise awareness to Members. This will remain an ongoing and evolving commitment and progress reported to the Authority through the annual and mid-year performance reports.
- 4.7 The Authority prides itself on being a professional learning organisation that actively seeks challenge and review.
- 4.8 In 2018, HMICFRS concluded HFRS and IWFRS are 'Good' at effectively understanding risks within its community, 'Good' at efficiently managing its resources, and as 'Requires Improvement' at looking after its people. The Authority's S&GC and the Isle of Wight Council's Corporate Scrutiny Committee approved the joint action plan for HFRS and IWFRS, which ensured measurable actions were identified to deliver improvement. Progress against the action plan is routinely monitored by the Executive Group, and regularly reported to the Authority and Isle of Wight Council as an integral part of governance and performance assurance/improvement arrangements. The action plans were formally closed in July 2020.
- 4.9 In the summer of 2020, the Government commissioned HMICFRS to proceed with a COVID-19 inspection of all fire and rescue services and their response to COVID-19 with particular focus on: what is working well and what is being learnt; how the fire sector is responding to COVID-19; how fire services are dealing with the problems they face; and what changes are likely as a result of the COVID-19 pandemic.
- 4.10 The inspection was conducted entirely virtually for two weeks from 26 October 2020. There was also various information provided to the inspectorate in early September in advance of the inspection. Given our coordinated response to the pandemic, HFRS and IWFRS were inspected collectively. Following the

completion of inspection activity, the inspectorate generated a findings letter for each fire and rescue service accompanied by a national report.

4.11 HMICFRS's HIWFRS report concluded that: "In summary, we are impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing". The report also identified our aim to continue and develop several new ways of working to give longer lasting change. The report did, however, flag three areas of focus for us (which are being responded to):

- determining how we will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.
- making sure all wholetime firefighters are fully productive, while continuing to minimise the risk of them contracting or spreading the virus.
- evaluate how effective our extra activities have been.

4.12 From a governance perspective it is important for Members to secure assurance that the organisation is well-prepared for HMICFRS inspections, which will significantly increase the chances of a positive inspection result. As appropriate Members have received reports on HMICFRS inspection readiness.

4.13 The Fire Standards Board continues to consult on the development of Standards. Officers have been fully engaged in the process and have fed into the development of the Standards.

4.14 Other external reviews include the following:

- ISO27001 Information Security Audit accreditation meaning that HFRS are compliant to the internationally recognised information security standard;
- Complete annual Code of Connection (CoCo) review and Home Office submission for our Public Sector Network (PSN) / Emergency Services Network (ESN) connectivity;
- Complete annual audit and Code of Connection (CoCo) statement return for Airwave;
- Annual penetration tests by authorised third-party companies to conform to ISO27001, Public Sector Network and Emergency Services Network accreditation requirements;
- The National Fire Chiefs Council (NFCC) have published a Fire and Rescue Service (FRS) Safeguarding Guidance document which includes a requirement to provide a self-assessment return.
- Peer review of the Combined Fire Authority (CFA) project management activities and method.



## **5. Evaluate assurances and identify gaps in control/assurance.**

5.1 One of the key elements of the corporate governance framework and the production of the AGS is the methodology applied to obtain the necessary assurance. This has included:

- a self-assessment assurance statement (certificate of assurance) being sent every year to members of senior management;
- consultation with other relevant officers throughout the organisation.

5.2 The certificate of assurance covers a range of corporate governance and assurance issues and they refer to the existence, knowledge and application within departments of governance policies generally.

5.3 HFRS corporate governance framework illustrates how decisions are made and by whom. This framework works alongside the HFRA Constitution to ensure clarity around all governance arrangements. To provide a greater understanding around this an HFRS Corporate Governance procedure has been created which contains an Officer Scheme of Authorisation. This provides further assurances to all stakeholders on governance arrangements.

## **6. Action Plan ensuring continuous improvement of the system of governance.**

6.1 There is a requirement for the AGS to include an agreed action plan showing actions taken or proposed to deal with significant governance issues.

6.2 HFRS corporate governance framework provides a robust mechanism to ensure significant governance issues are identified, and an appropriate action plan is agreed to continue improvement of the system of governance.

6.3 The following identifies the actions to ensure continuous improvement of key governance issues that will be carried out over the next year 2021-2022:

6.3.1 To ensure the Corporate Governance Framework is updated as a result of restructures at Director level and that the Corporate Governance Framework and associated documents are made available for all staff.

6.3.2 As a result of the CFA, to carry out a Authority Member Allowances review.

6.3.3 To ensure that the Authority's new governance arrangements for the Combined Fire Authority are effectively and efficiently working.

6.3.4 To embed the Values into the organisation and encourage behaviours that demonstrate the Values positively.

6.3.5 To embed the new Risk Management System into the organisation to encourage good practices in risk management and reporting.

- 6.3.6 To carry out a gap analysis of each of the Fire Standards as they are released, particularly the Code of Ethics, to ensure the organisation is in a strong place and can give assurances to HMICFRS.

## **7. In response to the Action Plan outlined in the 2020/21 Annual Governance Statement:**

- 7.1 There is a requirement for the AGS to include reference to how issues raised in the previous year's AGS been resolved.
- 7.2 The following identifies the actions resolved in 2020/2021:
  - 7.2.1 The establishment of the Constitution and governance arrangements for the shadow period prior to the 1 April 2021 go-live date for the combined fire authority of Hampshire and Isle of Wight Fire.
  - 7.2.2 Delivery of year one aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.
  - 7.2.3 The establishment of directorate plans that align department activities to the aims and objectives outlined within the Hampshire and Isle of Wight Safety Plan.
  - 7.2.4 As a result of the Covid-19 pandemic, the establishment of governance arrangements for local authority public meetings to be held as virtual meetings – the establishment of resilience and continued operation of local government decision making as an open and transparent process.
  - 7.2.5 The review and publication of the Anti-Theft, Fraud, Corruption and Bribery Policy and procedure and Whistleblowing policy. The review and publication of Register of Interests, Gifts and Hospitality and Certificate of Assurance procedure. Awareness sessions held, available to all staff, to provide an overview of all the areas above.
  - 7.2.6 The successful delivery of year one of operating with the new Personal Development Review (PDR) system for all staff.
  - 7.2.7 The approval by the Authority of an improved Organisational Risk Register and the establishment of a process for scrutiny and review of risk by the Service and Authority.

### **Declaration**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are set out in this statement.

We propose over the coming year to take steps to further enhance our governance arrangements. We are satisfied that these steps will address the need for

improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Chief Fire Officer

Date:

Signed:

HIWFRA Chair

Date:



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

## **HIWFRA Standards and Governance Committee**

Purpose: Approval

Date: **26 JULY 2021**

Title: **Annual Assurance Statement 2020/21**

Report of Chief Fire Officer

### SUMMARY

1. The Annual Statement of Assurance ('Annual Statement') is a document that is required by the National Framework for Fire and Rescue (2018) to provide assurance to local communities and government on financial, governance and operational matters. Hampshire & Isle of Wight Fire and Rescue Authority must publish an Annual Statement which is made accessible to all stakeholders to enable transparency of fire and rescue services in Hampshire and the Isle of Wight for the period April 2020 to March 2021.
2. 2020/21 has been a challenging year for the Service (Hampshire Fire and Rescue Service and Isle of Wight Fire and Rescue Service) and our communities, with the escalation and impact of the COVID-19 pandemic. This unprecedented situation has given rise to a challenge faced by all emergency responder agencies to ensure that they can keep communities safe. The COVID-19 pandemic has dominated the year and impacted the working practices of the Service in various ways, but operational and corporate performance, and our range of assurance mechanisms, have remained strong, illustrating how both the Service and its workforce have adapted to the unparalleled circumstances the pandemic has created.
3. As illustrated in Appendix A, page 7, both Services have also provided significant support to partners throughout COVID-19 by undertaking a range of additional activities, including, but not limited to: the provision of personnel to support in hospital ICU settings; staff providing ambulance driver support to South Central Ambulance Service (SCAS) and Isle of Wight Ambulance Service (IWAS); repurposing part of Basingstoke Fire

Station as a vaccination centre, which in June issued its 100,000<sup>th</sup> vaccination, while maintaining its operational response capability; a significant number of personnel trained and operating as vaccinators at a number of different sites; additional medical response capability; and providing mask fitting support to both SCAS and Hampshire Constabulary. We have continued to support partners beyond 31<sup>st</sup> March 2021 with the vaccination-related activity, and engagement in other HIOW LRF groups and activity.

4. The Service has a wide range of assurance mechanisms in place to identify risks, areas for improvement, and good practice to disseminate. As the 2020/21 end of year performance report noted, number and types of incidents have varied throughout the year, reflecting the pandemic lockdowns and their impact on both commercial and domestic activity, and behaviour. However, overall the number of incidents decreased when compared to last year, as did the number of non-fatal casualties, and our on-call availability has improved. We have also made positive improvements in our prevention and protection activity (which had to be delivered differently for parts of the year), and in our learning from operational incidents. We continue to monitor, and develop our understanding of, the impact of COVID-19 on our services, as we move through into recovery.

## BACKGROUND

5. The Fire and Rescue National Framework published in May 2018 sets out the reason for each Fire and Rescue Service to produce an Annual Statement:

*“The statement should outline the way in which the authority and its fire and rescue service has had regard – in the period covered by the document – to this National Framework, the Integrated Risk Management Plan and to any strategic plan (e.g. the Fire and Rescue Plan – see 4.10 below) prepared by the authority for that period. The authority must also provide assurance to their community and to government on financial, governance and operational matters.”*

6. The Annual Statement is a retrospective review of the completed financial year and therefore, Hampshire and the Isle of Wight Fire and Rescue Services require two separate statements due to combination only taking effect in April 2021. **Appendix A and Appendix B** contains the detailed Annual Statement of Assurance which has been structured, for the reader’s benefit, to follow the Safety Plan priorities. Next year’s 2021/22 statement will be the first fully combined HIWFRA Annual Assurance Statement.

7. The format of the Annual Statement is not prescribed and therefore it is determined by the Fire and Rescue Service to demonstrate to local communities and partner organisations how it fulfils its statutory obligations and activities to make Hampshire a safer place to live, work and travel.

#### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

8. The Annual Statement, through the Fire and Rescue Authority, provides assurance to the public on the Fire and Rescue Service's fulfilment of its duties and activities so *Together we make life safer*. Therefore, each of the headings within the Statements of Assurance are aligned to the Safety Plan priorities to demonstrate how we actively meet our statutory obligations using a robust Safety Plan.

#### RESOURCE IMPLICATIONS

9. There are no financial implications to the approval of the Annual Statements of Assurance as these are retrospectively looking back at the previous financial year rather than suggesting a future course of action.

#### IMPACT ASSESSMENTS

10. There are no impacts to assess as the Annual Statements are retrospectively looking back at the previous financial year rather than suggesting a future course of action.

#### LEGAL IMPLICATIONS

11. The Annual Statement is a legal obligation in accordance with the National Framework for Fire and Rescue 2018.
12. As each Fire and Rescue Authority are required to approve the Statement, the Isle of Wight Fire and Rescue Service Annual Statement of Assurance is scheduled for approval at the Isle of Wight Council Audit Committee on 26th July 2021, as the year 2020/21 falls within their jurisdiction.

#### OPTIONS

13. OPTION 1 – approve the HFRS statement and agree to the content provided as is. To also note the contents of the IWFRS statement. This will mean a swift turn around for publication on the HIWFRS website, which will provide members, partners and our communities with assurances around our wide range of Service activities.

14. OPTION 2 – approve the statement with slight amendments before they can be published and to note the contents of the IWFRS statement.
15. OPTION 3 – further consideration is required and report back to the Authority for approval at a future meeting. This is not recommended as time frames maybe significantly impacted, which may present a reputational risk.

#### RISK ANALYSIS

16. The Annual Statement is a legal obligation in accordance with the National Framework for Fire and Rescue 2018. Therefore, failure to deliver a statement may result in litigation.
17. HMICFRS Inspection will be taking place commencing Spring 2022 and the Annual Statement is one of the documents required for their document review. Failure to deliver a statement may result in reputational damage following an area for improvement identified by the Inspectorate. Likewise, the Home Office routinely request and review these documents, so failure to produce and approve them may result in reputational damage.

#### EVALUATION

18. As there are no future changes because of the Statement, there is no requirement to undertake an evaluation. However, our statement is written in line with guidance published by the Department of Local Government in 2014 and aligned to the revised National Framework in 2018.

#### CONCLUSION

19. The Annual Statements of Assurance for 2020/21 provide stakeholders with oversight of Hampshire Fire and Rescue Service's and Isle of Wight Fire and Rescue Service's ability to deliver its core purpose that *Together we make life safer*, and therefore meet the requirements of the 2018 National Fire and Rescue Framework.

#### RECOMMENDATIONS

20. That the Hampshire Fire and Rescue Service Annual Statement of Assurance be approved by the HIWFRA Standards and Governance Committee



21. That the Isle of Wight Fire and Rescue Service Annual Statement of Assurance be noted by the HIWFRA Standards and Governance Committee

APPENDICES ATTACHED

22. Appendix A - Hampshire Fire and Rescue Service Annual Statement of Assurance 2020/21
23. Appendix B – Isle of Wight Fire and Rescue Service Annual Statement of Assurance 2020/21

BACKGROUND PAPERS

24. [Fire and Rescue National Framework for England, May 2018](#)

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# Appendix A



## Annual Assurance Statement 2020/21

April 2020 to March 2021

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## Introduction

This statement seeks to provide an accessible way in which communities, central government, local authorities and other partners may make a valid assessment of our Fire and Rescue Authority's performance for the financial year 2020/21. This is the last statement specifically focused on Hampshire as following the creation of the new Combined Fire Authority on 1 April 2021, subsequent annual assurance statements will cover both Hampshire and the Isle of Wight.

Hampshire is a large county based in the South of England which covers an area of more than 1450 square miles. The county is home to a population of 1.85 million people dispersed across rural, urban and coastal areas. Rural Hampshire covers 83% of the county with urban areas accounting for the remaining 17%.

Hampshire is bordered to the West by Dorset and Wiltshire, to the East by West Sussex and Royal Berkshire and Surrey to the North. The county is bordered by the Solent to the south which is one of the busiest shipping lanes in the world served by the commercial ports of Southampton and Portsmouth.

Hampshire is rich in history with national parks, significant places of interest and heritage sites of international importance. The cities of Southampton and Portsmouth are urban areas of growing populations with universities that are seeing significant growth in student numbers and accommodation requirements. The growth in industry around Winchester and Basingstoke highlights the changing landscape. Balanced with this are large numbers of remote villages with many thatched and listed buildings.

Hampshire is home to several significant military bases and ports. There are also several businesses that are classified as Control of Major Accidents and Hazard (COMAH) sites. These locations have specific plans in place to manage the risks they have on site. There is a large and diverse range of commercial and industrial elements across Hampshire with heavy industries, including Fawley oil refinery and BAE systems.

The county also has several major transport hubs including airports, ferry terminals, commercial ports, major motorways and several major hospitals, prisons and key infrastructure.

Our purpose is *Together we make life safer* for everyone in Hampshire and the Isle of Wight, and for our people. We work hard to educate people to take the right action to reduce the risk of fires and other incidents happening. But if they do occur then we ensure we have the best equipment and skilled people available to respond accordingly.

Over the last decade we have successfully driven down the number of fires and fire-related casualties to around half the level of 10 years ago. Despite this we continue to look for more ways to improve the safety of people in Hampshire. We are also passionate about collaborating and working ever more closely with our partners and our communities to further enhance the safety of the county.

We believe in continuous improvement and constantly look to develop what we do for our communities, as well as ensuring that we provide value for money. To achieve this improvement, we encourage feedback from our communities, staff, partner organisations, and other professionals.

We gather information from members of the public after incidents and undertake a range of audits, evaluations and assessments, both internally and by external bodies. All of these are

used to assist us to understand our strengths and weaknesses and inform our strategic assessment and Safety plan.

We are proud of our past performance; however, we will not stand still and are always seeking ways to deliver Public Value.

## COVID-19 Response

In response to the emerging pandemic, in February 2020 we set up an Emergency Management Group to cover Hampshire and the Isle of Wight Fire and Rescue Services. This group was set up to monitor the situation and ensure appropriate communications, advice and procedures are shared with everyone. As the situation escalated, on the 13<sup>th</sup> March 2020 the Emergency Management Group agreed to put a Pandemic Management Group together, including representation from a wide range of Directorates and teams, along with the following initial measures:

- **Restrictions to Control to support business continuity:** only Control staff and Control data team having access to Control unless there is an operational requirement.
- **Safety at stations:** guidance provided to restrict non-essential events activities on station.
- **BA cleaning:** we moved immediately to weekly face seal testing on a Sunday for BA sets as per the current on-call staff position. Following the face seal test, personnel will perform a full station clean. At operational incidents, face masks will become personal for the duration of that incident and until a full station clean can be performed.
- **At incidents:** if someone shows symptoms at an incident, withdrawing to two metres and wash hands, notify Fire Control, as per current Operations guidance.
- **Critical Safe & Well visits:** only undertaking safety critical Safe & Well visits. Before conducting any visits, staff ascertaining if a person is in self-isolation and/or if they are showing any symptoms – persistent cough or high temperature – prior to the visit, over the phone (with the introduction of telephone risk assessments). If there are no symptoms a Safe & Well visit will continue, with a proactive approach to deliver all current outstanding referrals. If people are self-isolating and the visit is deemed necessary, then a full risk assessment being undertaken with Community Safety Officer's to decide the best course of action. The appropriate action being decided on a case-by-case basis, depending on the risks presented.
- **The creation of an Emergency Staff Cell:** to monitor the impact of staff absences in take action to mitigate any resourcing risks, where required.

On the 19<sup>th</sup> March 2020, the Local Resilience Forum (LRF) for Hampshire and the Isle of Wight's Strategic Coordination Group (SCG) declared the Coronavirus outbreak a major incident. This enabled a multi-agency response, with the Fire and Rescue Headquarters hosting the Strategic Coordination Centre (SCC). In addition, many Officers were deployed into support roles of the SCC or chairing specific cells on behalf of the LRF, such as Logistics, Business Continuity and others. We had already been providing a multi-agency response for a number of weeks, but the declaration moved us to the next phase of our well-rehearsed plans. This ensured all partners, which includes all the emergency services, could use joint-working arrangements to effectively manage, and where possible minimise, the impact of the virus on our population during these unprecedented times.

This in turn prompted a series of measures from us to maintain operational cover whilst increasing further protections to our staff including working from home arrangements for non-operational staff and utilising our new Office 365 platform to maintain business continuity with extremely effective results.

During 2020/21, we adapted effectively to protect the public by continuing to carry out Safe & Well visits, fire safety audits and our community safety campaign work, such as online safety programmes for young people and two new Fire Cadets schemes. We also continued to respond to calls from the public in a timely manner and effectively responded to fires and other emergencies; and supported neighbouring services and sent specialist resources to support nationally co-ordinated incidents.

As well as performing our statutory functions, wholetime firefighters volunteered for extra activities, including those under the tripartite agreement which was an agreement put in place by the National Fire Chief Council in collaboration with representative bodies and our partner agencies. Our on-call workforce also took on extra responsibilities to cover some of the roles that were agreed as part of the tripartite agreement. And non-operational staff gave support in the control room and critical COVID-19 groups supporting the Strategic and Tactical co-ordination of the LRF response, as well as internal FRS groups, which we set-up to support our response and, more latterly, recovery.

In addition to this, we further extended our collaboration with the police and the ambulance service and looked at ways in which our workforce could support these organisations more permanently, especially during periods of high demand. An overview of the additional activities we have carried out is provided below, and covers activity by both HFRS and IWFRS staff. These activities were underpinned by extensive internal consultation and risk assessments.



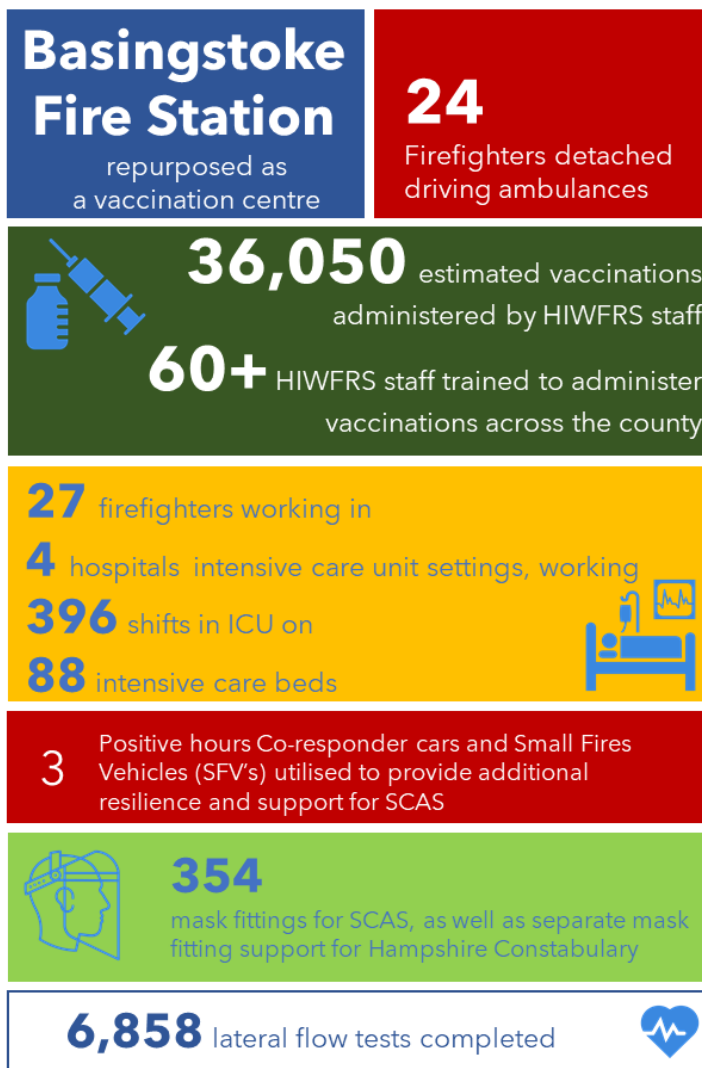
Furthermore, following HMICFRS’s 2020 COVID-19 inspection of Hampshire and Isle of Wight Fire and Rescue Services’ response to the pandemic, the inspectorate published a report in January 2021 that concluded they were impressed with how effectively we responded to support both our communities and our people: “In summary, we are impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing” (HMI Matt Parr).

We also quickly implemented changes to how we operate, such as enabling our staff to work remotely and accelerating the purchase of extra software licenses for Isle of Wight Fire and Rescue Service staff to ensure they could access service information and briefings ahead of combination in April 2021.

Staff wellbeing was a key priority for us during the pandemic. Following a wellbeing survey to understand staff needs, support such as counselling, mental health first aiders, a bereavement guide, access to wider wellbeing, financial and legal advice (through an external employee assistance programme), webinars on topics such as exercise, healthy eating, and mindfulness, and more were put in place. There was also regular communication to our staff on various areas, including wellbeing, through different channels, including a weekly Chief’s briefing and other manager’s briefings on MS Teams, a regularly updated COVID-19 FAQs document, and a new Wellbeing Portal on our intranet. These and other communications mechanisms meant that our staff provided positive feedback – on how the Service has communicated to our staff – in both our wellbeing survey and a staff survey by HMICFRS

Staff most at risk of COVID-19 were identified effectively, including those from a BAME background and those with underlying health problems and we worked with them to develop and implement processes to manage the risk. We also provided regular, relevant and more engaging communication to all staff, including virtual team meetings and virtual corporate briefings.

We also devised the ‘PPE on – Bluetooth off’ guidance, which is now national practice across all blue light services. This was so that our staff engaging in frontline activity wearing full and appropriate Personal Protective Equipment (PPE) would not be subject to extensive



periods of isolation, following notifications from the Government's 'Track and Trace' mobile application.

The latest Strategic Coordinating Group stood down from a 'major incident' for COVID-19 on 10<sup>th</sup> March 2021 and concurrently recovery planning was initiated within the LRF and its partners. From a recovery perspective, the HLOWLRF set-up a Recovery Coordinating Group, as did HIWFRS. The HIWFRS Recovery Coordinating Group has been supported by a Recovery Working Group to support strategic recovery decisions for the Service. The overarching recovery objectives have been:

- To plan for and deliver a Recovery command and control structure for Hampshire and Isle of Wight Fire and Rescue Service.
- To maintain oversight and governance in the decisions to restore activities in the recovery from the COVID-19 pandemic whilst recognising the changes to working practices.
- To keep HIWFRS Executive Group sighted on the delivery of this strategy and to escalate any issues where appropriate.
- To maintain links into national and regional recovery co-ordination to share learning and understanding of other FRS's recovery to COVID-19.
- To ensure the health and safety, and welfare and wellbeing of staff is maintained.
- In preparation for the HMICFRS inspection in 2022 gather any learning and be able to describe our recovery.
- To plan for and deliver a communications strategy.

## Summary

2020/21 has been a challenging year for the Service and our communities, with the escalation and impact of the COVID-19 pandemic. This unprecedented situation has given rise to a challenge faced by all emergency responder agencies to ensure that they can keep communities safe. The COVID-19 pandemic has dominated the year and impacted the working practices of the Service in various ways, but operational and corporate performance have remained strong, illustrating how both the Service and its workforce have adapted to the unparalleled circumstances the pandemic has created.

The Service has played a critical role within the Hampshire and Isle of Wight Local Resilience Forum (HLOWLRF) and its response to COVID-19 - for example, chairing the Strategic Coordination Group and hosting the Strategic Coordination Centre at our Eastleigh Headquarters; leading work around logistics, media activity and business continuity; and delivering additional activities, such as ambulance driving, hospital ICU care, the successful establishment of Basingstoke fire station as a vaccination centre, and detached and voluntary vaccinators. We have also led the HLOWLRF work to ensure any surplus vaccines on Hampshire and the Isle of Wight are made available to LRF partners – and as a result around 15,000 vaccines had been utilised as at the end of March 2021.

We harnessed and utilised our ICT infrastructure, ensuring we were, and continue to be, able to maintain critical and other activities with many staff working from home or having to work differently.

Whilst the pandemic continues, there remains uncertainty of its overall impact, including on the Services' financial position and the medium- and long-term impact on the health and wellbeing of our people, whom we continue to provide extensive support and communications to. We have operated effectively, with new working practices and comparably low COVID-19 sickness levels (which have been monitored regularly to ensure business continuity).

The Service has a wide range of assurance mechanisms in place to identify risks, areas for improvement, and good practice to disseminate. As the 2020/21 end of year performance report noted, number and types of incidents have varied throughout the year, reflecting the pandemic lockdowns and their impact on both commercial and domestic activity, and behaviour. However, overall the number of incidents decreased when compared to last year, as did the number of non-fatal casualties, and our on-call availability has improved. We have also made positive improvements in our prevention and protection activity (which had to be delivered differently for parts of the year), and in our learning from operational incidents. We continue to monitor, and develop our understanding of, the impact of COVID-19 on our Services, as we move through into recovery.

It is also vital to understand the performance of other areas across the Service, including in terms of people, finances and corporate services. Despite COVID-19, our average sickness went down slightly – which is testament to our staff and the organisational focus on the health and wellbeing of our people. Separately, we have seen the female representation of our workforce improve in the last year – with ongoing focus in this, and equality, inclusion and diversity more widely, as part of the People & Organisational Development (POD) framework. In terms of our finances, the COVID-19 pandemic resulted in additional spend on during financial year 2020/21. This spend was offset by Government grant, meaning that there was no impact on the bottom line. Despite the challenges of the past year, the service delivered an underspend that will be contributed to reserves to fund future change and capital investment.

Furthermore, our overall internal audit opinion was ‘reasonable’ (the same assurance level as last year, albeit with a different definition owing to CIPFA guidance changes), which is testament to our extensive focus on risk-based internal audit planning and internal audit more widely. 2020/21 saw a wide range of ‘substantial’ (top level) rated audits too, including on our COVID-19 risk assessments and our Change Management Framework. However, some audits required management actions were identified to help us continually improve. These are monitored regularly internally, including within Executive Group, with quarterly reporting into the Standards and Governance Committee.

Our new Safety Plan, covering both Hampshire and the Isle of Wight, was launched in April 2020 and sets our strategic priorities and specific in-year activity objectives to achieve our priorities over the five-year period. There was, and continues to be, regular scrutiny of our progress in delivering Safety Plan improvements, with reporting internally, including to the Executive Group, and to the Fire Authority.

Finally, with the new Combined Fire Authority, the activity of the CFA Programme Board, its accountable owners, and workstream leads, and related assurance of this activity has been a crucial part of 2020/21. 2020/21 saw the continued and extensive preparations for the new Combined Fire Authority. In advance of the combination, we built upon the existing partnership and increasingly embedded aligned working practices, integrated services and technology, and continued our organisational focus on policies, procedures and guidance.

## **Governance**

The Hampshire Fire & Rescue Authority (the Authority) is a combined authority made up of 10 elected members who collaborate and take collective decisions across council boundaries in delivery of the Fire Service Act 2004. Our Fire Authority is made up of 8 Hampshire County Council members, 1 Portsmouth City Council member and 1 Southampton City Council member. The Authority delegates responsibility for a wide range of decisions relating to operational delivery to the Chief Fire Officer (or other officers). Hampshire Fire and Rescue Service (the Service) is the name given to the operational fire

and rescue service led by the Chief Fire Officer. The Service staff and officers are employed by the Authority to deliver the day-to-day operational functions.

To support this, we have a Scheme of Delegation, Contract Standing Orders and Financial Regulations combined into the Authority's Constitution. The Constitution sets out in a single place and in clear language, how the Authority works with the Service and how it makes decisions.

For more details on our Constitution, please see:

[2020-06-HFRA-Constitution.pdf \(hantsfire.gov.uk\)](#)

To support our Constitution, it is essential for us to have an appropriate and robust governance framework. The framework operates with clear reporting lines and streamlines decision making. It also enables us to monitor the achievement of our priorities and to consider whether they have led to the delivery of appropriate, cost effective and efficient services.

As part of the framework, we have several boards where decisions are made and performance managed. At the highest level we have the Hampshire Fire & Rescue Authority Committee meeting. This is a public meeting where all high-level decisions are discussed and made by the Authority, with the Authority supported by its Standards & Governance Committee, which includes 5 members and now meets quarterly. Before items are brought to the Authority they are first discussed by the Service in the Executive Group. This meeting is a crucial part of the governance framework and is supported by several sub-committees and group aligned to our new Directorate structure. In addition to this, we also set up a Hampshire and Isle of Wight Fire and Rescue Authority Shadow Board to run alongside the existing Authority Committee in preparation for combination with the Isle of Wight.

The details of our framework are presented in our Annual Governance Statement, which is an essential part of our financial Statement of Accounts. For more details of our Governance Statement, please see: [Information we publish - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](#)

## **Combined Fire Authority (CFA)**

Significant work has been undertaken to combine the Hampshire Fire and Rescue Authority with the Isle of Wight. This was agreed by both Authorities on 24<sup>th</sup> January 2019 and a combination order request was subsequently approved by the Home Office. This was then put forward for any parliamentary objections for a period of 40 days (COVID-19 lead to parliamentary delays) which concluded on the 1<sup>st</sup> May 2020 with no objections. With the combination order in place, the combination was able to commence on the 1<sup>st</sup> April 2021.

The combination will enhance public safety, support and enable us to make life safer across the geographical areas and work to reduce risk for members of the public. This is the main driver for the initiative, which builds upon an existing partnership which has already delivered benefits across the communities served by both authorities.

There are many benefits that the creation of a new CFA will bring organisationally, both in terms of operational delivery and for the safety of our public.

The new CFA will be one organisation with a single purpose, *Together we make life safer*. Local accountability of the FRS on the Isle of Wight will transfer from the Isle of Wight

Council into a larger Combined Fire Authority. This new governing body will have a single focus on fire specific issues for the Isle of Wight (and the other constituent authority areas), rather than a wider range of complex public services for the Council to consider.

A single organisation with a dedicated focus on public safety is better equipped to provide efficient and effective scrutiny around decision-making on fire and rescue related matters.

A new CFA will also create greater resilience, remove duplication, enhance capacity and ensure continuous improvement, whilst enabling a common approach consistently applied across a wider area. Such an approach will offer improved learning opportunities and greater scope for the sharing of specialisms across the area. This will all support improved public safety.

The business case for the proposal was approved by the Home Secretary, and a Shadow Fire Authority was established from April 2020, with a view to full implementation and 'Go-Live' of the new Combined Fire Authority for the areas of Hampshire, Isle of Wight, Portsmouth and Southampton in April 2021.

Prior to April 2021, progress towards the new Combined Fire Authority was overseen, managed and assured by the CFA Programme Board, which includes a wide range of Accountable Owners who were responsible for ensuring progress in preparatory and alignment activity. CFA Programme updates were also regularly provided to the Executive Group for additional assurance, and an external peer review of the Programme was also undertaken – with the recommendations considered by the CFA Programme Board and the Executive Group, with appropriate action taken in response to the review.

## **Directorate Review**

Further to the significant alignment work undertaken in preparation for the combination with the Isle of Wight Fire and Rescue Service, we also reviewed the organisational directorates to maximise our effectiveness and ensure continuous improvement is at the heart of our organisation. To do this, we adopted a 'Plan', 'Do', 'Review' operating model that looked to give greater emphasis to setting clear policy and evaluating the benefits of our operational activity. This has now evolved to provide the following directorate structure:

- Policy, Planning & Assurance
- Operations
- Corporate Services
- People & Organisational Development

In support of the new directorates, we also reviewed the governance arrangements in respect of Directorate Boards as detailed in our Annual Governance Statement. This enables the Executive Group to maintain assurance of all organisational activities through greater reporting at directorate and team levels.

## **Safety Plan**

On 1<sup>st</sup> April 2020, a new combined Safety Plan (covering both Hampshire Fire and Rescue Service, and Isle of Wight Fire and Rescue Service) was launched following approval by the Hampshire Fire and Rescue Authority and the Isle of Wight Council.

Our plans and strategies are formed around the large amount of data we collate and analyse. We also review risk regularly, so we can work out how to best protect our

communities. This then informed our Strategic Assessment (of risk) which adds context and detail to aid our planning process.

For more details about our Strategic Assessment of Risk please see:

[Strategic Assessment of Risk 2019/20 \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/strategic-assessment-of-risk-2019-20)

Using this assessment, we then developed an Integrated Risk Management Plan (IRMP) in 2019/20, which identifies potential dangers that could affect communities and how we can address them. We then used the IRMP combined with the risks to our organisation, to pull together our Safety Plan following public consultation, which will be launched in April 2020.

This has been available on our website since the 1<sup>st</sup> April 2020:

[Safety Plan - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/safety-plan-hampshire-isle-wight-fire-rescue-service)

## **Integrated Risk Management Plan (IRMP)**

To inform our Safety Plan an IRMP was developed in 2019/20. This process involved the new methodology as articulated above and followed a period of consultation with the public and our own teams, with the IRMP public consultation commencing in the autumn of 2019. This IRMP is a joint IRMP with the Isle of Wight Fire & Rescue Service as we establish greater alignment in preparation for the Combined Fire Authority and is the first joint IRMP to be delivered in the country.

We have purposefully set out our IRMP to firstly explain the current landscape and risks within Hampshire and the Isle of Wight in the context of Places and People. We then explain how we plan to mitigate those risks. We call it integrated risk management planning because it brings together a range of ways we can help make you safer from fires and other emergencies. This starts by understanding the communities we serve.

In this plan we reflect on risks in the community which could make the public susceptible to harm. We focus on people and how their individual needs can be best served. We look at these alongside broader issues in our society such as how population changes and climate affect our communities, fires and our landscape. Bringing all these risks together we then use various analytical tools to work out how many fire stations, firefighters and specialist resources (equipment and teams) we need.

We look at what work we can do to prevent fires, road traffic collisions and other emergencies by helping people adopt safer behaviours, and also what we can do to make buildings safer. We consider a number of key components to support our purpose of making Hampshire and Isle of Wight safer and use the following elements to build our risk management approach:

- You, our communities: Analysis of data on age profiles, health indicators and other factors that can impact levels of vulnerability. More information on how we do this is set out in this plan.
- The environment: Buildings in which we live, work, visit and stay. The infrastructure within an area including transport arrangements and our climate and weather which create their own risks and demands on the fire and rescue services.
- Local intelligence: Our staff and teams work and live within our communities and their local knowledge, understanding and information sharing through partnerships is invaluable.

- Community and National Risk Register: Hampshire and Isle of Wight fire and rescue services are a key agency within the Local Resilience Forum. Through that forum a community risk register is established which sets out high level risks or issues that need to be considered and planned for (including large scale events such as music festivals) to ensure our communities are prepared.
- Partners: We work closely with a wide range of partners both centrally at a strategic level and locally.
- Research: Ongoing research locally, nationally and internationally is constantly reviewed, and indeed many of our own staff undertake research, which informs our approach and understanding of risks and issues.
- Learning from each other: We constantly strive to learn from our own experiences and those of others. Lessons learned from incidents are shared nationally and internationally to inform our plans.

To view the IRMP consultation document please see:

[Integrated Risk Management Plan 2019 Consultation \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk)

Following the outcomes of the IRMP we have developed the new Safety Plan that not only includes our priorities and commitments as set out in the IRMP but also takes consideration of our organisational risks and outlines our organisational values. This Safety Plan was published on 1<sup>st</sup> April 2020.

## **Risk Management**

On 19<sup>th</sup> February 2020, a new Risk Management Policy was approved by the Hampshire Fire and Rescue Authority. This new policy drives a risk-based approach through Directorates and Teams to identify both external Community and internal Organisational risks.

We review the risks to our communities and undertake various responding and mitigating activities in accordance with the Fire Service Act 2004 and other associated legislation. These risks to communities, such as that of a fire or road traffic collision, are termed *Community Risk*. We also identify risks to our staff, assets, budgets, operations and change activity, which can have a significant impact on our ability to carry out our core functions and deliver our strategic objectives. This is termed *Internal Risk*.

Considering both the Community Risk and Internal Risk shapes priorities, which drive all the Organisation's activity. Risks are effectively managed by the Organisation through the implementation of various controls, examples being:

- Activities grounded in risk assessment, where service delivery decisions are supported by an evidence base
- Maintenance of risk registers
- Implementation of risk-based systems and processes, such as internal audit, impact assessments, the change management framework, organisational learning and risk evidenced business cases, policy and procedures
- Ongoing monitoring of statutory and regulatory obligations.

Where there is legislation in place for the management of specific risks, such as Occupational Health and Safety, this does not relieve the Organisation of its responsibility to comply with that legislation.



Each Directorate is responsible for maintaining a Directorate Risk Register. Any risks deemed to have a significant impact on the delivery of our Safety Plan priorities are escalated up into an Organisational Risk Register agreed by the Executive Group, which is then routinely reported to the Fire Authority.

For more information on our Organisational Risk Register, please refer to Standards & Governance Committee minutes and papers, available at:

<https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=178&MId=6612&Ver=4>

## **Our Communities**

We work together to understand different community needs and deliver accessible, local services which build safer places.

### **Prevent & Protect**

Our main operational aim is to prevent incidents from occurring and protect people from harm should an incident occur.

In the workplace, this is the responsibility of the business owners, however, to support businesses we deliver a Risk Based Inspection Programme and a Local Based Inspection Programme.

Our Risk Based Inspection Programme forms part of the Service's overall integrated approach to risk management for Protection activities, by prioritising buildings most likely to experience a fire, a potential occupant sleeping risk and those buildings most likely to have fire safety compliance issues. We use data to target these premises that have not been audited or where a premise's is due for a revisit. Revisit dates of 1, 3 or 5 years are applied to premises by the inspector dependent upon the risk and levels of compliance found following an inspection. Some premises will not require re-inspection due to the high level of compliance and the low risk found within the building.

We also understand that premises present a risk to the organisation and to those in and around non-domestic premises due to a multitude of factors, such as 'sleeping risk', the previous history of business and contact with HFRS on enforcement issues. This understanding of risk forms a Locally Based Inspection Programme (LBIP). These operationally significant premises can be considered as those presenting issues for Protection, Prevention or Response. They are inspected by Locally Based Inspection Teams in priority order.

Using these two targeted programmes, we are then able to support businesses by:

- telling businesses what they need to do to comply with fire safety law;
- helping businesses carry out a fire risk assessment;
- helping businesses identify the general fire precautions they need to have in place;
- challenging all or parts of a fire risk assessment where concerns are identified; and
- taking further action if all the risks are not considered.

In 2020/21, we carried out 530 targeted fire safety audits (a decrease of 56% compared to 2019/20) of business premises owners fire risk assessments and control measures to ensure compliance with the Fire Safety Order 2005. To ensure we maintained our inspection programme during the COVID-19 pandemic we prioritised high risk premises with particular focus on high-rise buildings and those with potentially dangerous cladding. We also



investigated 340 alleged fire risks reported to us from members of the public which was an increase of 9% compared to 2019/20 (311).

In addition to this, our Fire Engineering and Consultation Team reduce risk in Hampshire to occupants and firefighters by working alongside a wide group of stakeholders to contribute to building regulation consultations that are received from building control bodies locally and nationally. In 2020/21, we carried out 1,173 Business Regulation consultations.

To view more information on keeping safe at work please see:

[The workplace - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/the-workplace)

To help mitigate the risk of fire in homes and the subsequent harm these can cause, our Firefighters, designated Community Safety Officers, Volunteers and partner agencies carry out 'Safe & Well' visits to our targeted risk groups. Recognising that our most vulnerable risk groups align with that of our partners in Health, we have tailored our traditional Home Fire Safety Check to include an intervention on slips, trips and falls as well other potential hazards that may affect our community's wellbeing. Our Safe & Well visits are primarily delivered to individuals who have been referred to us by our partners in Health, however, we also use historic incident data, demographic profiling tools and externally provided data sets to identify those who may benefit from an intervention.

The overall volume of Safe & Well activity (all closed jobs) increased by around 10% (to over 9,500 jobs) in 2020/21 compared to the previous year, however activity was delivered differently owing to COVID-19. For part of the pandemic, Safe and Well visits were downscaled to just cover safety critical visits to the most vulnerable, supplemented by a significant amount of work and engagement activity including telephone risk assessments and sourcing referrals by providing information to communities at Basingstoke vaccination centre. In Hampshire, there were 2,200 telephone risk assessments, over 2,000 COVID-19 safety critical visits in 2020/21.

Our Safe & Well Falls Risk Assessment uses National Institute of Health & Care Excellence (NICE) guidelines, go direct to General Practitioners and establishes eligibility for our 'Safety through Education Exercise and Resilience (STEER)' course, by identifying vulnerable people and preventing harm.

Another tool in which we provide home safety advice is through our 'Safe & Sound' survey. This online tool takes individuals through a series of questions to assess potential risks and provide useful information. If an individual is assessed to be at high risk, then a Safe & Well visit may be required.

To view more information on keeping safe at home please see:

[At home - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/at-home)

We also deliver a range of interventions through our Children and Young People Teams:

- Fire Education within schools;
- Princes Trust programme; and
- Range of children and young people initiatives (including fire cadets).

These initiatives seek to deliver fire safety information but also help build confidence and support wider social issues facing young people today.

We also provide interactive safety messages through our fun educational website: [KidZone and Schools - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/kidzone).

Furthermore, a significant amount of activity has been delivered by our CYP team – despite COVID-19 – through, in part, the use of technology and new methods of delivery. One specific example is Susie the Childminder and the Pandemic book that was launched in July 2020 and is the most downloaded resource on the NFCC StayWise website page.

CYP Schools Education, Cadets, Princes Trust and FireWise continued to deliver face-to-face or virtually. Our ICT capability and systems have been a major factor in the delivery of these programmes. Home learning pages within our KidZone on our website are also being kept up to date with new products for children, parents and teachers.

Additionally, our Arson Task Force take a lead on investigations post incident, to determine the cause of fires. To help secure convictions we have a full time Police Officer working within our team. This enables us to share timely information and effectively support the investigation through to its conclusion. We also have highly trained dogs who are a vital part of the investigation team and play a pivotal role in securing convictions. To prevent fire setters from reoffending we deliver a Fire Setters programme to educate offenders of the potential dangers and damage that can be caused by reckless behaviour.

To view more information on arson reduction, please see: [Reducing risk of arson - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/reducing-risk-of-arson)

## **Respond**

We work hard to keep our communities safe through education and safety measures. However, we accept incidents will still occur and in the event of a call to an emergency, we have effective strategies in place to respond to numerous different types of incidents. We operate from a number of locations including 51 strategically positioned fire stations. Our fire stations are purpose built and located in cities, towns, and villages and are close to residential, commercial and industrial areas. Our frontline resources and fire appliances are spread across these stations according to the local risk factors. The county's fire stations consist of:

- 5 fire stations staffed 24 hours a day by firefighters based at the station;
- 38 fire stations with around the clock cover provided by on-call firefighters who live or work within four minutes of the station and respond at the time of an incident; and
- 8 fire stations with both firefighter crews based at the station and on-call staff cover.

As well as our frontline fire appliances, we also have a number of specialist capabilities which assist us in dealing with a variety of different incidents. Our specialist capability teams provide us with an enhanced range of equipment, skills and knowledge for dealing with a wide range of unusual and complex incidents. They can respond to emergency incidents within our county and, as part of a national mutual assistance arrangement, anywhere in the United Kingdom. Specialist capabilities in Hampshire include:

- Urban Search and Rescue Unit
- Water Rescue Units
- Animal Rescue Units
- Arson Task Force Unit
- Wildfire Units

- Environmental Units
- Marine Response Team
- Hazardous Materials and Detection, Identification and Monitoring Unit
- Water Carriers
- High Volume Pump
- Aerial Ladder Platforms

In 2020/21, we attended 3,944 fires, 8,186 non-fire emergency ('special service call') incidents (such as road traffic collisions) and 7,029 false alarms. In 2020/21, we have been able to maintain a critical response time below eight minutes despite operating within our degradation plan on various occasions; and we have done this whilst managing peaks of COVID-19 related absence and supporting HIOWLRF partners with a wide range of activities, as outlined earlier in this response. Further information on our performance is outlined in our mid-year and end-of-year performance reports to HFRA, and now HIWFRA.

## Resilience

Emergency services are facing an increased variety of demanding situations such as that of the COVID-19 pandemic. Major incidents caused by natural disasters, industrial accidents and the threat of terror attacks are challenges that we need to prepare for at a national level. These incidents could potentially have an impact on our daily lives. For this reason, there is a need for high levels of preparedness by the emergency services and our communities, including improved ability to operate effectively together. We hold many assets and deliver a response capability to National incidents that may arise in support of this initiative.

To support our local communities, we are members of the Local Resilience Forum for Hampshire and the Isle of Wight. The Hampshire and Isle of Wight Local Resilience Forum comprises of local Emergency Service Responders (Police, Fire, Ambulance), Local Authorities, as well as associated businesses, organisations and voluntary sector representatives. Through the Local Resilience Forum, these organisations work together to prepare for, respond to, and recover from emergencies. For the last 5 years we have been the Community Resilience leads. This role includes:

- Strategic co-ordination of all Community Resilience activity in the Local Resilience Forum.
- Maintaining an overview of Community Resilience activity and expected outcomes.
- Coordinating activities and identifying Community Resilience opportunities.
- Ensuring key messages are produced by risk owners and integrated into Community Resilience interactions with individuals and communities.
- Ensuring engagement with communities is risk focused so the Forum is prioritising geographical areas or vulnerable communities by potential impact on them.

In response to the COVID-19 pandemic we have been heavily involved in the Local Resilience Forum's multi-agency Strategic Coordination Group, which is chaired by our Chief Fire Officer, Neil Odin – with the Strategic Coordination Centre based at our headquarters. Our teams have been working within the Tactical Coordinating Groups and in a number of LRF cells to effectively manage, and where possible minimise, the impact of the virus on our population during these unprecedented times. This includes providing cross-agency support to ensure operational cover can be maintained and critical services resume accordingly.

For more information on our Local Resilience Forum, please see:

[www.hampshireprepared.co.uk](http://www.hampshireprepared.co.uk)

As well as supporting our communities prepare for widespread incidents, we must also ensure we have the necessary arrangements in place to maintain our service delivery. Our Service Resilience Team provide the Contingency Planning and Business Continuity for the Service. This programme of work is achieved through engagement with all internal departments and with our partners in the Local Resilience Forum to:

- Identify and assess risk within Hampshire and the Isle of Wight.
- Identify mitigation to the risks in Hampshire and the Isle of Wight (including Community Resilience).
- Produce individual department, service wide and Multi Agency response plans
- Undertake a programme of training and exercising at Operational, Tactical and Strategic levels.

This work enables the Service to meet its mission critical activities and still respond to the communities of Hampshire during periods of disruption and high demand.

## **Collaboration**

We work closely, on a daily basis, with our blue light colleagues from other fire and rescue, police and ambulance services – regularly discussing cross-cutting issues and coordinate a range of joint initiatives to deliver greater partnership working. We also have excellent relationships with our colleagues in Hampshire County Council, Southampton City Council, Portsmouth City Council, Isle of Wight Council, and other local authorities and agencies across Hampshire. We believe that through collaboration we can maximise the benefits of our collective offering to the public and therefore, *Together we make life safer.*

Hampshire borders with Wiltshire, Dorset, Berkshire, Surrey and West Sussex. As incidents arise, we assist other fire and rescue services working across the border and neighbouring fire and rescue services will also assist us. There are standard agreements in place to either support the neighbouring fire & rescue service resolve an incident or to attend the incident on the other fire and rescue service's behalf.

Furthermore, we have come together with three other fire and rescue services to form an innovative partnership that revolutionises the way the best resource for an incident is identified and despatched. Devon & Somerset, Dorset, and Wiltshire Fire and Rescue Services joined Hampshire to form the Networked Fire Control Services Partnership, which means all of the services use the same technology in their Control centres. This allows us to be able to take 999 calls and mobilise appliances for each other, offering greater resilience and saving millions of pounds across the partnership. The integrated system allows the services to work together even more effectively, providing greater protection to the public and enhancing firefighter safety.

In addition to this, we deliver a co-responding scheme which launched in 2004 in partnership with South Central Ambulance Service. Co-responders are firefighters with training in basic life support including resuscitation and defibrillation, who attend life critical incidents such as cardiac arrest, anaphylactic shock, strokes and asthma attacks. Supporting our ambulance colleagues in this way helps to provide an immediate response to incidents across the county and relieves the pressure on ambulances. In 2020/21, we attended 4,862 medical co-responder calls. We are the first fire service to hold clinical governance framework for our health-related work, which includes Immediate Emergency Care, Emergency Medical Response and falls response.

Building on our successful partnership arrangements with the Ambulance Service, we also carried out a range of activities, including ambulance driving, logistical support and setting

up the 'Grayson site' temporary mortuary at Southampton Airport. These activities were made possible by a tripartite agreement that enabled greater collaborative working to better support our communities in response to the pandemic.

Our Senior Officers also lead the Isle of Wight Fire and Rescue Service (IWFRS) as their Chief Officers, in a unique partnership arrangement, the first of its kind in the country. We worked closely with IWFRS to align the delivery of services together in preparation for combination. One of these ways includes handling 999 calls and mobilising IWFRS appliances through our Control centre. Since April 2021, the two Fire and Rescue Services have now combined.

We also seek to capitalise on our proven ability to reduce deaths and injuries in fires, by applying the same educational and experiential strengths to the road safety agenda as part of a partnership approach. We are proud to be part of the Hampshire Road Safety Partnership, made up of:

- Hampshire County Council
- Portsmouth City Council
- Southampton City Council
- Hampshire Constabulary
- Hampshire Fire and Rescue Service
- Highways England

For more details please see:

<https://www.hantsfire.gov.uk/keeping-safe/ontheroad/>

We share many of our premises across these partners but most significantly we share our headquarters with Hampshire Constabulary. By co-locating in this way we hope to seek further opportunities for closer working and look to make efficiencies where possible. We also share many of our remote stations with Police and Ambulance colleagues. Making use of our estates in this way helps all partners involved, reduce premise related costs.

Hampshire Fire and Rescue Service's Human Resources, Finance and Procurement functions are delivered by Hampshire Shared Services. Shared Services also delivers services for Hampshire County Council and Hampshire Constabulary through an agreed partnership. The partnership continues to seek new members and grow its capability to increase resilience and deliver high quality services by combining expertise across a broad number of public sector services.

## **Our People**

We look after each other by creating great places to work and promoting the health, wellbeing and safety of our people.

### **People & Organisational Development (POD) Strategy**

In support of the new IRMP and subsequent Safety Plan that was launched on 1<sup>st</sup> April 2020, we have developed a new People & Organisational Development Directorate which is accompanied by a new strategic framework. This strategy encompasses the following areas and has built based on feedback from our staff through various surveys:

- Inclusion and Diversity.

- Culture, Values & Behaviours.
- Health and Wellbeing.
- Workforce transformation and engagement.
- Learning and Development.
- Leadership and Management.

## Values & Behaviours

In addition to the launch of the new Safety Plan, we also developed a new set of Values that were published in the Safety Plan. These values were created by our workforce through a series of workshops and a staff survey to find out what matters to them. We worked with an expert partner who facilitated the sessions across both Services and a high proportion of our staff engaged in the process.

Through everyone living the agreed values across Hampshire and the Isle of Wight Fire and Rescue Service, we believe there will be improved trust and leadership, and everyone will feel proud of our Service. In Hampshire and the Isle of Wight, we believe in:

- 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

Following an evaluation in 2020/21, we found that our values have been incorporated in many critical activities, such as firefighter recruitment, a newly launched Personal Development Review Programme and leadership training courses delivered through our Learning and Development Team. Further work in this area will be ongoing in 2021/22.

For more information on our Values, please see our Safety Plan:

[Safety Plan - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/safety-plan)

## Health and Safety

Our Health & Safety team carried out various activity to support staff during the ongoing COVID-19 pandemic – providing expert advice and support beyond business as usual and project activities.

We have conducted active monitoring across the Service incorporating business as usual safety and COVID management either by MS Teams, phone or in person. Our Health & Safety team has been carrying out a range of activity to support the Service, including, but not limited to:

- making Green Book Health and Safety induction available on Moodle;
- manual handling training has been produced for, and undertaken by, Green Book staff with a wider project covering all departments that have manual handling as part their role;



- there has been a DSE/Agile training/assessment roll out of a new platform to cover all of personnel that may not just work from an office, i.e. working from home, other areas of the Service or on the move;
- Health and Safety policy and procedures has been reviewed and aligned, where possible; and
- A new H&S tool is currently being implemented to further support the Service.

Furthermore, our health and safety risk assessments have been reviewed by our internal auditors who assurance rated our activity as 'Substantial' (the highest audit rating) and an independent peer review by Kent Fire and Rescue Service who provided positive feedback.

## **People Performance**

We strive for excellence through delivering outstanding training and support people to achieve their full potential. Developing a skilled workforce begins with recruitment, training and development programmes, leading into our Maintenance of Competence Scheme. We ensure our staff competencies are regularly assessed and core competencies such as safe working at heights, the use of breathing apparatus and applying incident command are assured at an appropriate competent level.

To ensure all our operational staff are fit to carry out their duties we undertake two fitness assessments every year. This includes an output test and either a multi-stage fitness test/bleep test or a Chester treadmill test.

We also monitor staff sickness through regular reporting and national benchmarking at our Resource Management Team. This team considers all aspects of resource management and staff wellbeing to ensure teams are appropriately supported and to maximise our availability. This includes developing new and innovative ways of recruiting and maintaining on-call staff.

We believe having an inclusive, engaged workforce means better outcomes for our communities. We run various engagement activity, including with our staff network groups (FireOUT, FireREACH, FireABLE and FireINSPIRE) to understand and discuss the issues facing our staff, as well as regularly engaging – both formally and informally with representative bodies. The results of these, and other activity, help to shape our people strategy and provide our leaders with crucial insight into how we can better support and equip our teams.

The Executive Group and HFRA have received additional reporting and insights covering our people performance. This has included a focus on the size and diversity of our workforce compared to previous years; sickness levels with an increased focus on mental health and our Employee Assistance Programme provision; fitness test performance; and qualifications and competency. We also carried out a wellbeing survey in the summer of 2020, which received 526 responses, with the data analysed and communicated to our staff through various mechanisms. This has helped us identify areas of good practice and areas for further consideration, including what support we signpost and provide to our people. We have followed this up with a pulse staff survey, which received over 300 responses that we are in the process of analysing.

For more detail, please refer to our mid-year and end-of-year performance reports:

[Agenda for Hampshire and Isle of Wight Fire and Rescue Authority on Tuesday, 15th June, 2021, 10.30 am | About the Council | Hampshire County Council \(hants.gov.uk\)](#)

## Public Value

We plan over the longer-term to ensure our decisions and actions deliver efficient and effective public services.

## Financial Management

The Authority has an excellent track record in financial management and in staying ahead of the curve in response to a sustained period of austerity that has had a major impact on the public sector.

Medium Term Financial Planning on a mid to worst case scenario basis has enabled us to put savings plans in place that have not only successfully balanced the budgets over a period of six years but have also provided surplus resources to fund the cost of transformation and improvements in support of the Service Plan deliverables. It also includes funding arrangements for the maintenance of our vehicles, equipment and estates.

Our Medium-Term Financial Plan is regularly updated and reported to the Executive Group and the Hampshire Fire & Rescue Authority Committee. Progress reports monitor the outcomes of any income generation or cost saving improvements and are used to make appropriate adjustments to future budgets.

In addition to this, it is important that public money is used well and appropriately managed. We do this by using proper accounting practice within our own set of Financial Regulations. This means that when we plan our budget or require additional funds, there are protocols to give appropriate scrutiny on how public money is to be used and to ensure there is clear justification to do so. This includes policies and procedures in place for the prevention of fraud & corruption and a Register of Interest and a register of Gifts & Hospitality. These robust systems are used for identifying and evaluating all significant financial and operational risks to the Authority on an integrated basis.

For more details on our budget for 2020/21, please see:

<https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=736&MId=7370>

## Financial Performance

Ensuring that funding is appropriately accounted for is vital for all public sector organisations. Our financial performance is reported to the Executive Group and the Hampshire Fire & Rescue Authority every year:

<http://democracy.hants.gov.uk/ieListDocuments.aspx?CId=179&MId=5594&Ver=4>

Each year our financial accounts are audited by an external body. Once approved by the external auditor our Statement of Accounts is published and contains more detail regarding our expenditure. As noted earlier in this Statement, despite the challenges of the past year, the service delivered an underspend that will be contributed to reserves to fund future change and capital investment.

For more details of our Statement of Accounts, please see: [Information we publish - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](#)



Also, the Executive Group and HFRA, and now HIWFRA, receive additional reporting and insights covering our financial performance. These are discussed at each Directorate Boards with, as another example of our robust management of finances, an additional Financial Management Team meeting, held specifically to look at one of our largest areas of spend within our Operations Directorate. Each Directorate then submits quarterly finance reports for review and scrutiny within the Executive Group.

## **Transparency**

The Local Government Transparency Code 2014 is designed to ensure greater transparency of local authority data. In compliance with this code, we publish the following public data:

- Expenditure exceeding £500
- Procurement card transactions
- Procurement information:
- Contracts register
- Tenders
- Local Authority Land
- Grants to voluntary, community and social enterprise organisations
- Organisation chart
- Trade Union facility time
- Senior salaries
- Constitution
- Pay multiple

We ensure that the publication of any data complies with the Data Protection Act 1998 and future General Data Protection Regulations due to come into effect May 2018.

For more details please see: [Transparency - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](http://hantsfire.gov.uk)

We also facilitate the request for any additional information through a well-managed Freedom of Information request process. For more details on how to make a request for information please see:

[Contact Us - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](http://hantsfire.gov.uk)

## **Carbon reduction**

The Service has historically taken a proactive approach to reducing our environmental impact, not just in response to the Government's Climate Change Act but predominantly to protect our communities and reduce the consequences of inaction, since the Service acts as a first responder to these extreme weather events. Significant analysis and work have been undertaken in this area, and we provide additional information in next year's assurance statement.

## **High Performance**

Our diverse teams are trusted, skilled and feel equipped to deliver a leading fire and rescue service today and into the future.

## Inspection

In July 2017, Her Majesty's Inspectorate of Constabulary's (HMIC) remit was extended to include inspections of fire and rescue services in England. It is now called Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and they were tasked with providing an inspection programme to begin in the financial year 2018/19. To help us prepare for and comply with the inspection we have a Service Liaison Officer who is our Organisational Assurance Manager. The Service Liaison Officer represents Hampshire and the Isle of Wight Fire and Rescue Services through regular engagement with the HMICFRS representative (Service Liaison Lead) in the collation of information and the coordination of engagement visits and producing the Inspection schedule.

Our first inspection took place in June 2018. The inspection looked at three overarching pillars which are supported by many diagnostics and more detailed sub-diagnostics. The outcome of the inspection, reported in December 2018, was as follows in terms of ratings:

- Effectiveness - good
- Efficiency - good
- People – requires improvement

The inspection identified many areas of good practice but also made several recommendations for areas that could be improved. There was one 'Cause for concern', which was as follows:

*Hampshire Fire and Rescue Service doesn't do enough to be an inclusive employer. We found signs of low morale in the workforce. People have little confidence that they will be treated fairly or that senior leaders have their best interests at heart. By June 2019 the Service should:*

1. *Embed a programme to ensure that inclusion, fairness, equalities and professional development are priorities for the service;*
2. *Ensure that its recruitment activities are open and accessible to all of Hampshire's communities;*
3. *Treat employees according to their needs so they feel valued;*
4. *Ensure that each person's potential can be developed so they can perform to their very best;*
5. *Ensure that the chief officer team leads the programme, promoting the values of the organisation; and*
6. *Ensure that everyone knows how they contribute to the values.*

To see the full report, please see:

<https://www.justiceinspectorates.gov.uk/hmicfrs/publications/frs-assessment-2018-19-hampshire/>

Following the publication of the report in December 2018, we were required to submit an action plan to address the 'Cause for concern' by 30 June 2019. Our action plan, which focused on more than just the 'Cause for concern' is monitored at the Executive Group and the Standards & Governance Committee on a regular basis.

There was a total of 41 actions against 21 diagnostics of the HMICFRS framework. As of March 2021, all actions have been completed. Furthermore, in December 2020, we provided the Inspectorate with a range of detailed information on the progress we have made in response to the 2018 inspection and the cause for concern raised. For example, a

Leadership Framework, which was signed off by the POD Board, articulates the Service's commitment to professional development by mandating both inclusion and diversity training for all our employees, and appropriate management and leadership development for all those in managerial roles.

The new values framework has been created through extensive workforce engagement and is actively supported and promoted by the Chief Fire Officer and the Executive Group. A working group was established and has played a key role in developing, implementing and embedding our values across the Services. Our new values are also core to recruitment, promotion and other processes, and the Safety Plan 2020-25, and also form a fundamental part of the new PDR process. Following a successful pilot which concluded in May 2019, the new Personal Development Review (PDR) process has been developed, incorporating the new set of statements in respect of values and behaviours, and was rolled out in April 2020. In support of this new process, a Personal Development Review (PDR) data capture tool was developed in early 2020, with a refreshed tool produced in March 2021.

The POD Board also continues to promote and support the health, wellbeing and safety of our employees.

There has been significant investment in supporting the mental health of our employees through access to psychological screening and increased numbers of mental health first aiders. We have also worked with partner agencies to provide support and guidance in respect of menopause and men's health issues, both from a personal and managerial perspective. We undertook a wellbeing survey in the summer of 2020, which we discussed as part of the recent COVID-19 inspection. This had many positive findings, including on staff's views on the support they have received from their line managers, as well as areas for consideration – which are being well-communicated to staff through a series of communications and updates, along with any subsequent activity undertaken in response to the findings.

The next inspection was planned to take place week commencing the 28<sup>th</sup> September 2020, however, due to the unprecedented COVID-19 pandemic, HMICFRS (in liaison with the Home Office) decided to postpone all inspection activity. The full inspection activity since restarted in January 2021 with the commencement of the first tranche of Services. Hampshire and the Isle of Wight Fire and Rescue Service has now been moved to tranche 3 with a start date of January 2022 (for the provision of documents and data) followed by inspections visits later in 2022.

## **COVID-19 Inspection**

In addition to the normal inspection programme, the Home Office commissioned HMICFRS to proceed with a COVID-19 inspection of all fire and rescue services and their response to COVID-19 with particular focus on:

- What is working well and what is being learnt
- How the fire sector is responding to COVID-19
- How fire services are dealing with the problems they face
- What changes are likely as a result of the COVID-19 pandemic

The inspection was conducted entirely virtually for two weeks from 26 October 2020. There was also, however, various information we have provided to them in early September in advance of the inspection.

Given our coordinated response, Hampshire Fire and Rescue Service and Isle of Wight Fire and Rescue Service were inspected collectively. Following the completion of inspection activity, the inspectorate generated a findings letter for each fire and rescue service accompanied by a national report.

The letter does not provide a graded judgement such as that provided against the normal inspection programme; but it did include various positive findings about our response to the pandemic – concluding that it was impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing.

It also identified, amongst other positive findings that the service had in place up-to-date plans that were sufficient to give an initial response to the pandemic. The service reviewed these plans as it understood more about the risks it faced. It continued to carry out safe and well visits and do fire safety audits (although it did fewer of both face to face). It was proactive in offering support to others. All groups of staff did additional work, especially to support the local ambulance service. The work varied based on local demand across the two service areas and meant that the people of Hampshire and Isle of Wight were better supported through the pandemic.

The inspection also included that resources were well managed. It found the service responded quickly to protect staff and support their wellbeing. Staff told HMICFRS the service communicated well with them and used technology to help reach the widest staff audiences. The service made extra efforts to understand individual needs of staff (particularly those who are at higher risk from COVID-19) and put in place tailored support.

The inspection did however, flag three areas of focus for us, which we will be focusing on throughout 2021/22, partly within our programme of assurance activity:

- 1. determining how we will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.*
- 2. making sure all wholetime firefighters are fully productive, while continuing to minimise the risk of them contracting or spreading the virus.*
- 3. evaluate how effective our extra activities have been.*

To see the full COVID-19 Inspection letter, please see:

[COVID-19 inspection: Hampshire and Isle of Wight Fire and Rescue Services - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/covid-19-inspection-hampshire-and-isle-of-wight-fire-and-rescue-services-hmicfrs/)

## **Fire Standards**

As part of the reforms for fire and rescue services in England, the Fire Standards Board were created to introduce new Standards to the fire sector. The intention being to help drive continual improvement across the services alongside the re-introduction of inspection arrangements. The mission for the new Fire Standards Board is to oversee the development and maintenance of a suite of professional Standards that set out “what good looks like”.

In 2020/21, we saw the launch of 4 new Fire Standards with a further 11 in development. When a new Standard is being developed, we take a proactive approach by engaging with the consultation process. This gives us 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 are then able to take appropriate actions to ensure we are compliant against the proposed Standard. This will form a core part of our assurance activity in 2021/22 (and beyond).

For more information of the Fire Standards, please see:  
[Fire Standards Board](#)

## **Performance Management**

Our strategic performance is reported to the Executive Group regularly, and to the Hampshire Fire & Rescue Authority committee twice a year. These reports show our performance across a wide range of Service area measures. These measures are made up of the Service-wide impacts, our response standard to critical incidents and other areas, including staff wellbeing. These measures helped us focus our change activity across all our Service Plan priority areas, and now of Safety Plan priorities.

For more information on our performance reporting, please see:

<https://democracy.hants.gov.uk/ieListDocuments.aspx?CId=749&MId=7769&Ver=4> and  
[https://www.hantsfire.gov.uk/about/transparency/information-we-publish/?\\_sft\\_document\\_type=performance-docs](https://www.hantsfire.gov.uk/about/transparency/information-we-publish/?_sft_document_type=performance-docs)

## **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.

## **Policy, Procedure and Guidance**

In 2020/21, we have worked to further embed a new Policy Framework following a significant review of our Service's policies. Our Policy, Procedure and Guidance (PPG)'s are documents that capture and define the way our organisations operate and how we deliver services and functions.

They ensure our people have the necessary reference tools required to do their job with the information presented and communicated in a way which is simple and easy to use which forms a safe system of work.

- Policies:
  - Are owned by the Service and provide the overarching authority by which the organisation delivers their operations or service's.
  - They are statements of the what and the why, ensuring the Service is compliant with legislation and are non-negotiable.
- Procedures:
  - Are owned by the relevant Directorate and support the policies in place.
  - They are subject to change and continuous improvement and clearly state what individual actions should be taken.
- Guidance:
  - Are owned by the relevant Directorate and provide our people with help and advice on how they can complete tasks.

- The guidance is more general and can apply to either everyday business or operational incidents.

Other types of procedure or guidance includes:

- National Operational Guidance (NOG).
- Tactical Operational Guidance (TOG).
- Standard Operating Procedures (SOP).
- Additional Hazard Information Sheets (AHIS).

## **National Operational Guidance**

National Operational Guidance is developed through the National Fire Chiefs Council in collaboration with each of the UK Fire and Rescue Services. Their aim is to provide a one-stop shop for good practice operational guidance that can be tailored to local needs. When new guidance becomes available, we assess the gaps in our own current guidance and then work to ensure that we adopt, adapt, and embed these practices in line with the National Fire Standards. Significant ongoing work and assurance activity will continue in 2021/22 in response to National Operational Guidance developments.

This is overseen by our Policy, Planning and Assurance directorate who regularly monitor are progress in policy development to ensure compliance. In addition to adopting any guidance, we also review any National Operational Learning or Joint Operational Learning to ensure we stay at the forefront of the industry. This includes making our own contributions to national learning by submitting our own operational learning to the National Operational Learning Group.

For more information please see:

[Homepage | NFCC CPO \(ukfrs.com\)](https://www.ukfrs.com)

## **Operational Assurance**

Our operational activities are supported by clearly defined policies and procedures. An Operational Assurance team work hard to capture lessons of our effectiveness and look to make improvements where possible. They do this using a number of key assurance mechanisms that test the performance of our operational staff but also test the effectiveness of Service policies and procedures.

One of the assurance mechanisms is Operational Assurance Assessments. This is where a Group Manager will visit a Station and run an operational exercise with the crew to assess their performance and address any areas of concern. Operational Assurance Assessments were due to commence from March 2020 but due to the COVID-19 pandemic these have were put on hold for part of the year, recommencing in October 2020 and then paused again in January 2021, owing to the second wave of the pandemic. The assessments recommenced again in April 2021. These assessments are to ensure standards are being met and procedures being followed appropriately. These mechanisms also provide crews with an opportunity to feedback any improvements that could be made to policies and procedures. All this information is then assessed by the Operational Assurance Team and improvements made where required.

To provide assurance at incidents we use Tactical Advisors, which attend critical incidents to support our crews. The role of the Tactical Advisor is to monitor the decisions being made by the Incident Commander and provide assistance if required. We have a post incident a

debrief process, which also includes any significant events that could impact on our service delivery. Feedback is gathered from all those involved and the Operational Assurance Team will analyse any trends. This information is then presented back to the individuals involved to highlight any areas of performance and to discuss potential solutions. This leads to improvement actions at a policy level as well as the identification of possible risks that may occur again should similar incidents occur in the future.

To further support the debrief process and to widen the potential opportunity for improvements, we launched a new 'Submit Learning' application in 2019/20. This tool enables any member of staff to provide feedback at any time on a number of different platforms including mobile phones and mobile data terminals in appliances. This enables us to capture real time feedback but also allow people to reflect on situations and feedback at a later time. The tool has been designed to gather feedback in other areas across the Service, such as lessons learned from Project delivery or feedback on HR related investigations. This additional development was undertaken in 2020/21.

Our Operational Assurance Team also support multi-agency exercises as part of our contingency planning and business continuity. By assessing the effectiveness of these exercises, we are able to identify ways of working more effectively with our partners and make the necessary plans to ensure that should a major incident occur, we are able to deal with them accordingly.

We also contribute our learning to the National Operational Learning Group. This Group provide National Operational Guidance to support a common approach across fire and rescue services. We provide our technical expertise to help shape this guidance, which is regularly reviewed and widely adopted. For more details on the National Operational Learning Group, please see: <https://www.ukfrs.com/>

## **Audit**

Hampshire Fire and Rescue Authority is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising Hampshire Fire and Rescue Authority that these arrangements are in place and operating effectively. Our internal audits are carried out by the Southern Internal Audit Partnership (SIAP) who also assist us in the development of future audit plans.

Details of our internal audits are reported to the Authority through our Standards & Governance Committee. This includes the progress of management actions resulting from observations of improvements required, which we monitor closely and also report on internally. Our overall assurance rating for 2020/21 was 'Reasonable'; which is a continued improvement compared to previous years. Furthermore, we have seen an improvement in the number of open and overdue actions throughout the course of 2020/21; and continue our positive relationship with SIAP (based on a Memorandum of Understanding between HIWFRS and SIAP).

For more details please see papers submitted to the Standards & Governance Committee, available at: <https://democracy.hants.gov.uk/mgCommitteeDetails.aspx?ID=178>

## **Assurance Programme**

In 2020/21, we launched a new Assurance Procedure to provide a framework of assurance for our activity. This framework establishes a series of assurance activities to ensure



services are delivered effectively. To ensure assurance activities are independent and objective, we have adopted the 'three lines of defence' model which is essential to the overall framework of control:

- The first line of defence can be described as the day-to-day management processes and controls that teams or Directorates have in place, including performance management.
- The second line of defence is the governance and oversight arrangements that exist and are specified within clear and signed-off terms of reference for decision-making bodies, such as the Directorate Boards and the Executive Group and the Fire and Rescue Authority (FRA).
- The third line of defence is the independent assurance you obtain from Internal Audit and third-party assurance providers, such as HMICFRS.

In respect of second- and third-line assurance activity we carry out a range of evaluations, assessments and externally led reviews that are commissioned by Service Directorates to provide additional assurance in targeted areas. These reviews are based on a range of quantitative and qualitative data, and include key findings, an overall conclusion, and recommendations for improvement. In 2020/21, we carried out an evaluation on the newly launched Values and Behaviours to see where they had been integrated into the Service.

Individual Directorate Boards are responsible for recommendations, with overall evaluation findings and recommendations (and the response to them) discussed regularly at the Integrated Performance and Assurance Group and subsequently reported to the Executive Group.

## **Feedback**

We also encourage feedback from our communities to help us improve our performance. Any issues raised are assigned an investigating officer who carries out a comprehensive investigation to determine the cause and recommend any remedial actions. Learning from this feedback is exceptionally important to us and reports exploring performance and data in this area are discussed at our Executive Group. For more details regarding feedback, please see: <https://www.hantsfire.gov.uk/about-us/contact-us/get-in-touch/>





ISLE OF WIGHT  
**FIRE AND  
RESCUE**  
SERVICE

# Isle of Wight Fire and Rescue Service **Annual Assurance Statement 2020/21**

April 2020 to March 2021

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## Introduction

This statement seeks to provide an accessible way in which communities, central government, local authorities and other partners may make a valid assessment of our Fire and Rescue Authority's performance for the financial year 2020/21.

The Isle of Wight covers an area of 147 square miles, with a coastline that runs for 57 miles. The Island features a wide variety of natural, rural and urban landscapes. Over 50% of the Island is designated as an Area of Outstanding Natural Beauty and 28 miles of coastline is designated as Heritage Coast. In addition, the Island also includes a very high number of internationally, nationally and locally important nature conservation sites. Whilst the overriding character of the Island is rural, about 60% of the Island's population live within the main towns of Newport, Cowes, East Cowes, Ryde, Sandown and Shanklin. Newport is the County Town of the Island and is the main employment centre. Outside of these settlements there are around 30 villages and hamlets.

During the height of the summer season the population can double with visitors to the Island which causes a large volume of vehicles on the roads. It is estimated that 2.34 million people have visited the Isle of Wight in the past year. Newport is the largest county town by population (17,200) and is home to the Isle of Wight Council (IWC), St Mary's Hospital, courts and the headquarters of the emergency services.

The Isle of Wight Council is a unitary authority providing the widest range of local authority services to its residents and businesses. It is also home to Her Majesty's Prison Isle of Wight, which is a category B prison. The prison holds approximately 1,100 prisoners on two sites with central administration. Manufacturing, ship building, agriculture and tourism are among the industries on the Island which is also home to a COMAH site.

Our purpose is *Together we make life safer*, for everyone on the Isle of Wight. We work hard to educate people to take the right action to reduce the risk of fires and other incidents happening. But if they do occur then we ensure we have the best equipment and skilled people available to respond accordingly.

Over the last decade we have successfully driven down the number of fires and fire-related casualties. Despite this we continue to look for more ways to improve the safety of people on the Isle of Wight as we through 2021 and beyond. We are also passionate about collaborating and working ever more closely with our partners to further enhance the safety of the county.

We believe in continuous improvement and constantly look to develop what we do for our communities, as well as ensuring that we provide value for money. To achieve this improvement, we encourage feedback from our communities, staff, partner organisations, and other professionals.

We gather information from members of the public after incidents and undertake a range of audits and assessments, both internally and by external bodies. All of these are used to assist us to understand our strengths and weaknesses and inform our strategic assessment and Service plan.

We are proud of our past performance; but always look for continuous improvement through particular initiatives and seeking ways to deliver the best services with greater value for money.

## COVID-19 Response

In response to the emerging pandemic in February 2020 we set up an Emergency Management Group to cover Hampshire and the Isle of Wight Fire and Rescue Services. This group was set up to monitor the situation and ensure appropriate communications, advice and procedures are shared with everyone. As the situation escalated, on the 13<sup>th</sup> March 2020, the Emergency Management Group agreed to put a Pandemic Management Group together, including representation from a wide range of Directorates and teams, along with the initial measures that were outlined in last year's (2019/20) annual assurance statement. This included but was not limited to restrictions to Control to support business continuity; guidance provided to restrict non-essential events activities on stations; and creating an Emergency Staff Cell to monitor the impact of staff absences in take action to mitigate any resourcing risks, where required.

On the 19<sup>th</sup> March 2020, the Local Resilience Forum (LRF) for Hampshire and the Isle of Wight's Strategic Coordination Group (SCG) declared the Coronavirus outbreak a major incident. This enabled a multi-agency response, with the Fire and Rescue Headquarters hosting the Strategic Coordination Centre (SCC). In addition, many Officers were deployed into support roles of the SCC or chairing specific cells on behalf of the LRF, such as Logistics, Business Continuity and others. We had already been providing a multi-agency response for a number of weeks, but the declaration moved us to the next phase of our well-rehearsed plans. This ensured all partners, which includes all the emergency services, could use joint-working arrangements to effectively manage, and where possible minimise, the impact of the virus on our population during these unprecedented times.

This in turn prompted a series of measures from us to maintain operational cover whilst increasing further protections to our staff including working from home arrangements for non-operational staff and utilising our new Office 365 platform to maintain business continuity with extremely effective results. During 2020/21, we adapted effectively to protect the public by continuing to carry out Safe & Well visits, fire safety audits and our community safety campaign work, such as online safety programmes for young people and two new Fire Cadets schemes. We also continued to respond to calls from the public in a timely manner and effectively responded to fires and other emergencies; and supported neighbouring services and sent specialist resources to support nationally co-ordinated incidents.

As well as performing our statutory functions, firefighters and other staff volunteered for extra activities, including those under the tripartite agreement which was an agreement put in place by the National Fire Chief Council in collaboration with representative bodies and our partner agencies. Our on-call workforce also took on extra responsibilities to cover some of the roles that were agreed as part of the tripartite agreement. And non-operational staff gave support in the control room and critical COVID-19 groups supporting the Strategic and Tactical co-ordination of the LRF response, as well as internal FRS groups, which we set-up to support our response and, more latterly, recovery.

In addition to this, we further extended our collaboration with the police and the ambulance service and looked at ways in which our workforce could support these organisations more permanently, especially during periods of high demand. These activities were underpinned by extensive internal consultation and risk assessments.

Furthermore, following HMICFRS's 2020 COVID-19 inspection of Hampshire and Isle of Wight Fire and Rescue Services' response to the pandemic, the inspectorate published a report in January 2021 that concluded they were impressed with how effectively we responded to support both our communities and our people: "In summary, we are impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing" (HMI Matt Parr).

We also quickly implemented changes to how we operate, such as enabling our staff to work remotely and accelerating the purchase of extra software licenses for Isle of Wight Fire and Rescue Service staff to ensure they could access service information and briefings ahead of combination in April 2021.

Staff wellbeing was a key priority for us during the pandemic. Following a wellbeing survey to understand staff needs, support such as counselling, mental health first aiders, a bereavement guide, access to wider wellbeing, financial and legal advice (through an external employee assistance programme), webinars on topics such as exercise, healthy eating, and mindfulness, and more were put in place. There was also regular communication to our staff on various areas, including wellbeing, through different channels, including a weekly Chief's briefing and other manager's briefings on MS Teams, a regularly updated – COVID-19 FAQs document, and a new Wellbeing Portal on our intranet. These and other communications mechanisms meant that our staff provided positive feedback – on how the Service has communicated to our staff – in both our wellbeing survey and a staff survey by HMICFRS. This support was also more accessible to island personnel following the advanced work on our ICT infrastructure (and access to SharePoint) as part of the Combined Fire Authority Programme.

Staff most at risk of COVID-19 were identified effectively, including those from a BAME background and those with underlying health problems and we worked with them to develop and implement processes to manage the risk. We also provided regular, relevant and more engaging communication to all staff, including virtual team meetings and virtual corporate briefings. We also devised the 'PPE on – Bluetooth off' guidance, which is now national practice across all blue light services. This was so that our staff engaging in frontline activity wearing full and appropriate Personal Protective Equipment (PPE) would not be subject to extensive periods of isolation, following notifications from the Government's 'Track and Trace' mobile application.

The latest Strategic Coordinating Group stood down from a 'major incident' for COVID-19 on 10<sup>th</sup> March 2021 and concurrently recovery planning was initiated within the LRF and its partners. From a recovery perspective, the HIOWLRF set-up a Recovery Coordinating Group, as did HIWFRS. The HIWFRS Recovery Coordinating Group has been supported by a Recovery Working Group to support strategic recovery decisions for the Service. The overarching recovery objectives have been:

- To plan for and deliver a Recovery command and control structure for Hampshire and Isle of Wight Fire and Rescue Service.
- To maintain oversight and governance in the decisions to restore activities in the recovery from the COVID-19 pandemic whilst recognising the changes to working practices.
- To keep HIWFRS Executive Group sighted on the delivery of this strategy and to escalate any issues where appropriate.
- To maintain links into national and regional recovery co-ordination to share learning and understanding of other FRS's recovery to COVID-19.

- To ensure the health and safety, and welfare and wellbeing of staff is maintained.
- In preparation for the HMICFRS inspection in 2022 gather any learning and be able to describe our recovery.
- To plan for and deliver a communications strategy.

## Summary

2020/21 has been a challenging year for the Service and our communities, with the escalation and impact of the COVID-19 pandemic. This unprecedented situation has given rise to a challenge faced by all emergency responder agencies to ensure that they can keep communities safe. The COVID-19 pandemic has dominated the year and impacted the working practices of the Service in various ways, but operational and corporate performance have remained strong, illustrating how both the Service and its workforce have adapted to the unparalleled circumstances the pandemic has created.

The Service has played a critical role within the Hampshire and Isle of Wight Local Resilience Forum (HIOWLRF) and its response to COVID-19 - for example, chairing the Strategic Coordination Group and hosting the Strategic Coordination Centre at our Eastleigh Headquarters; leading work around logistics, media activity and business continuity; and delivering additional activities, such as ambulance driving, and detached and voluntary vaccinators. We harnessed and utilised our ICT infrastructure, ensuring we were, and continue to be, able to maintain critical and other activities with many staff working from home or having to work differently.

Whilst the pandemic continues, there remains uncertainty of its overall impact, including on the Services' financial position and the medium- and long-term impact on the health and wellbeing of our people, whom we continue to provide extensive support and communications to. We have operated effectively, with new working practices and comparably low COVID-19 sickness levels (which have been monitored regularly to ensure business continuity).

The Service has a wide range of assurance mechanisms in place to identify risks, areas for improvement, and good practice to disseminate. As the 2020/21 end of year performance report noted, number and types of incidents have varied throughout the year, reflecting the pandemic lockdowns and their impact on both commercial and domestic activity, and behaviour. However, overall the number of incidents decreased when compared to last year, and our on-call availability has improved slightly. We have also made positive improvements in our prevention and protection activity (which had to be delivered differently for parts of the year), and in our learning from operational incidents. We continue to monitor, and develop our understanding of, the impact of COVID-19 on our Services, as we move through into recovery.

It is also vital to understand the performance of other areas across the Service, including in terms of people, finances and corporate services. Despite COVID-19, our average sickness went down – which is testament to our staff and the organisational focus on the health and wellbeing of our people. Separately, we have ongoing focus on the representation of our workforce and equality, diversity and inclusion, as part of the People & Organisational Development (POD) framework. In terms of our finances, the COVID-19 pandemic resulted in some additional spend during financial year 2020/21, but there was a strong focus on financial management throughout the year, through various mechanisms, including the island Financial Management Team and the IWFRS leadership team meetings.

Our new Safety Plan, covering both Hampshire and the Isle of Wight, was launched in April 2020 and sets our strategic priorities and specific in-year activity objectives to achieve our

priorities over the five-year period. There was, and continues to be, regular scrutiny of our progress in delivering Safety Plan improvements, with reporting internally, including to the Executive Group, and to the Fire Authority.

Finally, with the new Combined Fire Authority, the activity of the CFA Programme Board, its accountable owners, and workstream leads, and related assurance of this activity has been a crucial part of 2020/21. 2020/21 saw the continued and extensive preparations for the new Combined Fire Authority. In advance of the combination, we built upon the existing partnership and increasingly embedded aligned working practices, integrated services and technology, and continued our organisational focus on policies, procedures and guidance.

## **Governance**

The Isle of Wight Fire and Rescue Service (IWFRS) is a directorate within the IWC who take decisions in delivery of the Fire Service Act 2004. Councilor Dave Stewart is the Community safety and public protection lead and is the policy and strategy lead for IWFRS within the Cabinet; through a strategic partnership arrangement the council, discharges responsibility for running the IWFRS to the Hampshire Fire and Rescue Service (HFRS) Chief Fire Officer, Neil Odin who is accountable to the IWC Chief Executive John Metcalfe for the delivery of the partnership arrangements.

To support this, we have a Scheme of Delegation, Contract Standing Orders and Financial Regulations combined into the IWC's Constitution. The Constitution sets out in a single place and in clear language, how the IWC works with the Service and how it makes decisions.

For more details on our Constitution, please see:

<https://www.iow.gov.uk/Council/transparency/The-Council/Democratic-Services/Constitution1>

To support our Constitution, it is essential for us to have an appropriate and robust governance framework. The framework operates with clear reporting lines and streamlines decision making. It also enables us to monitor the achievement of our priorities and to consider whether they have led to the delivery of appropriate, cost effective and efficient services.

The Isle of Wight Council's local governance framework is designed to be consistent with the CIPFA/SOLACE Delivering Good Governance in Local Government good governance code of practice. The framework summarises the council's internal arrangements that have been put in place to ensure that there is effective governance. The overarching aim of good governance is to ensure that the council always achieves its intended priority outcomes while acting in the public interest.

The details of our framework are presented in our Annual Governance Statement. For more details of our Governance Statement, please see:

<https://www.iow.gov.uk/Council/OtherServices/Financial-Management/Audit-and-Governance>

## **Combined Fire Authority (CFA)**

Significant work has been undertaken to combine the Hampshire Fire and Rescue Authority with the Isle of Wight. This was agreed by both Authorities on 24<sup>th</sup> January 2019 and a

combination order request was subsequently approved by the Home Office. This was then put forward for any parliamentary objections for a period of 40 days (COVID-19 lead to parliamentary delays) which concluded on the 1<sup>st</sup> May 2020 with no objections. With the statutory instrument in place, the combination was able to commence on the 1<sup>st</sup> April 2021.

The combination will enhance public safety, support and enable us to make life safer across the geographical areas and work to reduce risk for members of the public. This is the main driver for the initiative, which builds upon an existing partnership which has already delivered benefits across the communities served by both authorities.

There are many benefits that the creation of a new CFA will bring organisationally, both in terms of operational delivery and for the safety of our public.

The new CFA will be one organisation with a single purpose, *Together we make life safer*. Local accountability of the FRS on the Isle of Wight will transfer from the Isle of Wight Council into a larger Combined Fire Authority. This new governing body will have a single focus on fire specific issues for the Isle of Wight (and the other constituent authority areas), rather than a wider range of complex public services for the Council to consider.

A single organisation with a dedicated focus on public safety is better equipped to provide efficient and effective scrutiny around decision-making on fire and rescue related matters.

A new CFA will also create greater resilience, remove duplication, enhance capacity and ensure continuous improvement, whilst enabling a common approach consistently applied across a wider area. Such an approach will offer improved learning opportunities and greater scope for the sharing of specialisms across the area. This will all support improved public safety.

The business case for the proposal was approved by the Home Secretary, and a Shadow Fire Authority was established from April 2020, with a view to full implementation and 'Go-Live' of the new Combined Fire Authority for the areas of Hampshire, Isle of Wight, Portsmouth and Southampton in April 2021.

Progress towards the new Combined Fire Authority has been overseen, managed and assured by the CFA Programme Board, which includes a wide range of Accountable Owners who were responsible for ensuring progress in preparatory and alignment activity. CFA Programme updates were also regularly provided to the Executive Group for additional assurance, and an external peer review of the Programme was also undertaken – with the recommendations considered by the CFA Programme Board and the Executive Group, with appropriate action taken in response to the review.

## **Safety Plan**

On 1<sup>st</sup> April 2020, a new combined Safety Plan (covering both Hampshire Fire and Rescue Service, and Isle of Wight Fire and Rescue Service) was launched following approval by the Hampshire Fire and Rescue Authority and the Isle of Wight Council.

Our plans and strategies are formed around the large amount of data we collate and analyse. We also review risk regularly, so we can work out how to best protect our communities. This then informed our Strategic Assessment (of risk) which adds context and detail to aid our planning process.

For more details about our Strategic Assessment of Risk please see: [Strategic Assessment of Risk 2019/20 \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/strategic-assessment-of-risk-2019-20)



Using this assessment, we then developed an Integrated Risk Management Plan (IRMP) in 2019/20, which identifies potential dangers that could affect communities and how we can address them. We then used the IRMP combined with the risks to our organisation, to pull together our Safety Plan following public consultation, which will be launched in April 2020.

This has been available on our website since the 1<sup>st</sup> of April 2020:

[Safety Plan - Hampshire & Isle of Wight Fire & Rescue Service. Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/safety-plan)

## **Integrated Risk Management Plan (IRMP)**

To inform our Safety Plan an IRMP was developed in 2019/20. This process involved the new methodology as articulated above and followed a period of consultation with the public and our own teams, with the IRMP public consultation commencing in the autumn of 2019. This IRMP is a joint IRMP with the Isle of Wight Fire & Rescue Service as we establish greater alignment in preparation for the Combined Fire Authority and is the first joint IRMP to be delivered in the country.

We have purposefully set out our IRMP to firstly explain the current landscape and risks within Hampshire and the Isle of Wight in the context of Places and People. We then explain how we plan to mitigate those risks. We call it integrated risk management planning because it brings together a range of ways we can help make you safer from fires and other emergencies. This starts by understanding the communities we serve.

In this plan we reflect on risks in the community which could make the public susceptible to harm. We focus on people and how their individual needs can be best served. We look at these alongside broader issues in our society such as how population changes and climate affect our communities, fires and our landscape. Bringing all these risks together we then use various analytical tools to work out how many fire stations, firefighters and specialist resources (equipment and teams) we need.

We look at what work we can do to prevent fires, road traffic collisions and other emergencies by helping people adopt safer behaviours, and also what we can do to make buildings safer. We consider a number of key components to support our purpose of making Hampshire and Isle of Wight safer and use the following elements to build our risk management approach:

- You, our communities: Analysis of data on age profiles, health indicators and other factors that can impact levels of vulnerability. More information on how we do this is set out in this plan.
- The environment: Buildings in which we live, work, visit and stay. The infrastructure within an area including transport arrangements and our climate and weather which create their own risks and demands on the fire and rescue services.
- Local intelligence: Our staff and teams work and live within our communities and their local knowledge, understanding and information sharing through partnerships is invaluable.
- Community and National Risk Register: Hampshire and Isle of Wight fire and rescue services are a key agency within the Local Resilience Forum. Through that forum a community risk register is established which sets out high level risks or issues that need to be considered and planned for (including large scale events such as music festivals) to ensure our communities are prepared.
- Partners: We work closely with a wide range of partners both centrally at a strategic level and locally.

- Research: Ongoing research locally, nationally and internationally is constantly reviewed, and indeed many of our own staff undertake research, which informs our approach and understanding of risks and issues.
- Learning from each other: We constantly strive to learn from our own experiences and those of others. Lessons learned from incidents are shared nationally and internationally to inform our plans.

To view the IRMP consultation document please see:

[Integrated Risk Management Plan 2019 Consultation \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/Integrated-Risk-Management-Plan-2019-Consultation)

Following the outcomes of the IRMP we have developed the new Safety Plan that not only includes our priorities and commitments as set out in the IRMP but also takes consideration of our organisational risks and outlines our organisational values. This Safety Plan was published on 1<sup>st</sup> April 2020.

## **Risk Management**

On 19<sup>th</sup> February 2020, a new Risk Management Policy was approved by the Hampshire Fire and Rescue Authority. This new policy drives a risk-based approach through Directorates and Teams to identify both external Community and internal Organisational risks.

We review the risks to our communities and undertake various responding and mitigating activities in accordance with the Fire Service Act 2004 and other associated legislation. These risks to communities, such as that of a fire or road traffic collision, are termed *Community Risk*. We also identify risks to our staff, assets, budgets, operations and change activity, which can have a significant impact on our ability to carry out our core functions and deliver our strategic objectives. This is termed *Internal Risk*.

Considering both the Community Risk and Internal Risk shapes priorities, which drive all the Organisation's activity. Risks are effectively managed by the Organisation through the implementation of various controls, examples being:

Activities grounded in risk assessment, where service delivery decisions are supported by an evidence base.

- Maintenance of risk registers.
- Implementation of risk-based systems and processes, such as internal audit, impact assessments, the change management framework, organisational learning and risk evidenced business cases, policy and procedures.
- Ongoing monitoring of statutory and regulatory obligations.

Where there is legislation in place for the management of specific risks, such as Occupational Health and Safety, this does not relieve the Organisation of its responsibility to comply with that legislation.

Each Directorate is responsible for maintaining a Directorate Risk Register. Any risks deemed to have a significant impact on the delivery of our Safety Plan priorities are escalated up into an Organisational Risk Register agreed by the Executive Group, which is then routinely reported to the Fire Authority.

For more information on our Organisational Risk Register, please refer to Standards & Governance Committee minutes and papers, available at:

## Our Communities

We work together to understand different community needs and deliver accessible, local services which build safer places.

### Prevent & Protect

Our main operational aim is to prevent incidents from occurring and protect people from harm should an incident occur.

In the workplace, this is the responsibility of the business owners, however, to support businesses we deliver key messages to potentially high-risk business premises. We do this by:

- telling businesses what they need to do to comply with fire safety law;
- helping businesses carry out a fire risk assessment;
- helping businesses identify the general fire precautions they need to have in place;
- challenging all or parts of a fire risk assessment where concerns are identified and;
- taking further action if all the risks are not considered.

In 2020/21, we carried out 65 targeted fire safety audits (a decrease of 58% compared to 2019/20 (155) owing to the impact of COVID-19) of business premises owners fire risk assessments and control measures to ensure compliance with the Fire Safety Order 2005. To ensure we maintained our inspection programme during the COVID-19 pandemic we prioritised our high-risk premises.

In addition to this, our teams work to reduce risk on the Isle of Wight to occupants and firefighters by, for example, working alongside a wide group of stakeholders to contribute to building regulation consultations that are received from building control bodies locally and nationally. In 2020/21, we carried out 62 Business Regulation consultations.

To view more information on keeping safe at work please see:

[The workplace - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/)

To help mitigate the risk of fire in homes and the subsequent harm these can cause, our Firefighters, designated Community Safety Officers, Volunteers and partner agencies carry out 'Safe & Well' visits to our targeted risk groups. Recognising that our most vulnerable risk groups align with that of our partners in Health, we have tailored our traditional Home Fire Safety Check to include an intervention on slips, trips and falls as well other potential hazards that may affect our community's wellbeing. Our Safe & Well visits are primarily delivered to individuals who have been referred to us by our partners in Health, however, we also use historic incident data, demographic profiling tools and externally provided data sets to identify those who may benefit from an intervention.

The overall volume of Safe & Well activity reduced by around 200 closed jobs, to around 400, and activity was delivered differently owing to COVID-19. For part of the pandemic, Safe and Well visits were downscaled to just cover safety critical visits to the most vulnerable, supplemented by a significant amount of work and engagement activity including

telephone risk assessments and sourcing referrals by providing information to communities at Basingstoke vaccination centre.

Our Safe & Well Falls Risk Assessment uses National Institute of Health & Care Excellence (NICE) guidelines, go direct to General Practitioners and establishes eligibility for our 'Safety through Education Exercise and Resilience (STEER)' course, by identifying vulnerable people and preventing harm.

Another tool in which we provide home safety advice is through our 'Safe & Sound' survey. This online tool takes individuals through a series of questions to assess potential risks and provide useful information. If an individual is assessed to be at high risk, then a Safe & Well visit may be required.

To view more information on keeping safe at home please see:

[At home - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/at-home)

We also deliver a range of interventions through our Children and Young People Teams:

- Fire Education within schools;
- Princes Trust programme; and
- Range of children and young people initiatives (including fire cadets).

These initiatives seek to deliver fire safety information but also help build confidence and support wider social issues facing young people today.

We also provide interactive safety messages through our fun educational website:

[KidZone and Schools - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/kidzone)

Furthermore, a significant amount of activity has been delivered by our CYP team – despite COVID-19 – through, in part, the use of technology and new methods of delivery. One specific example is Susie the Childminder and the Pandemic book that was launched in July 2020 and is the most downloaded resource on the NFCC StayWise website page.

CYP Schools Education, Cadets, Princes Trust and FireWise continued to deliver face-to-face or virtually. Our ICT capability and systems have been a major factor in the delivery of these programmes. Home learning pages within our KidZone on our website are also being kept up to date with new products for children, parents and teachers.

Additionally, our Arson Task Force take a lead on investigations post incident, to determine the cause of fires. To help secure convictions we have a full time Police Officer working within our team. This enables us to share timely information and effectively support the investigation through to its conclusion. We also have highly trained dogs who are a vital part of the investigation team and play a pivotal role in securing convictions. To prevent fire setters from reoffending we deliver a Fire Setters programme to educate offenders of the potential dangers and damage that can be caused by reckless behaviour.

To view more information on arson reduction, please see:

[Reducing risk of arson - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/reducing-risk-of-arson)

## Respond

We work hard to keep our communities safe through education and safety measures. However, we accept incidents will still occur and in the event of a call to an emergency, we have effective strategies in place to respond to numerous different types of incidents. Our frontline resources and fire appliance are spread across these stations according to the local risk factors. Based throughout the Island we have ten fire stations with a headquarters in Newport.

Newport Fire Station is a whole-time facility which is crewed 24 hours in addition to a retained duty system crew. Ryde Fire Station has a whole-time crew during the day and a retained duty system at night. All other stations have retained duty system personnel.

As well as our frontline fire appliances, we also have a number of specialist capabilities which assist us in dealing with a variety of different incidents. Our specialist capability teams provide us with an enhanced range of equipment, skills and knowledge for dealing with a wide range of unusual and complex incidents. Specialist capabilities in IWFRS include:

- Rescue Tender
- Water Rescue Units
- Animal Rescue Units
- Water Carriers
- Aerial Ladder Platforms
- Land Rovers

In 2020/21, we attended 327 fires, 458 non-fire emergency ('special service call') incidents (such as road traffic collisions) and 650 false alarms. In 2020/21, we have been able to maintain a critical response time below eight minutes despite operating within our degradation plan on various occasions; and we have done this whilst managing peaks of COVID-19 related absence and supporting HIOWLRF partners with a wide range of activities, as outlined earlier in this response. Further information on our performance is outlined in our mid-year and end-of-year performance reports to HFRA, and now HIWFRA.

## Resilience

Emergency services are facing an increased variety of demanding situations. Major incidents caused by natural disasters, industrial accidents and the threat of terror attacks are challenges that we need to prepare for at a national level. These incidents could potentially have an impact on our daily lives. For this reason, there is a need for high levels of preparedness by the emergency services and our communities, including improved ability to operate effectively together.

To support our local communities, we are members of the Local Resilience Forum for Hampshire and the Isle of Wight. The Hampshire and Isle of Wight Local Resilience Forum comprises of local Emergency Service Responders (Police, Fire, Ambulance), Local Authorities, as well as associated businesses, organisations and voluntary sector representatives. Through the Local Resilience Forum, these organisations work together to prepare for, respond to, and recover from emergencies.

For more information on our Local Resilience Forum, please see:

[www.hampshireprepared.co.uk](http://www.hampshireprepared.co.uk)

As well as supporting our communities prepare for widespread incidents through the Local Resilience Forum, we also have an Island Resilience Forum to focus on specific risks that can affect us and our partner agencies on the Island. Through this partnership we have a programme of work, which is achieved through engagement with all internal departments and with our partners across the Island.

For more information on our Island Resilience Forum, please see:

<https://www.iow.gov.uk/council/OtherServices/Emergency-Management/About-the-Emergency-Management-Team>

This work enables the Service to meet its mission critical activities and still respond to the communities of Isle of Wight during periods of disruption and high demand.

## **Collaboration**

We work closely on a day-to-day basis, with our blue light colleagues from other fire and rescue, police and ambulance services. We also have excellent relationships with our colleagues across the Isle of Wight Council as we work together to deliver a shared Corporate Plan. As part of the council all of our support services (e.g. payroll, HR, accountants, and property services) are shared with other council services. We believe that through collaboration we can maximize the benefits of our collective offering to the public.

The Isle of Wight has cross border arrangements with HFRS and other neighbouring Fire and Rescue Services. Being an island means that we need to maintain a high degree of self-sufficiency, however, being able to call upon our neighbours for additional support and operational assets is a critical part of our emergency response plans should a major incident occur. There are standard agreements in place to formalise these arrangements under the Fire Service Act (2004) and the Civil Contingencies Act (2004). These plans include our arrangements with the ferry companies to ensure mutual aid can be reached across the Solent.

In 2015 a 'Delivering Differently in Partnership' agreement was put in place to effectively outsource certain aspects of IWFRS to HFRS, in response to the significant financial challenge facing the IWC. This arrangement included the HFRS Senior Officers leading the Isle of Wight Fire and Rescue Service (IWFRS) as their Chief Officers. This unique partnership arrangement was the first of its kind in the country. We continue to work closely with HFRS to find new ways of delivering services together more efficiently and support them in dealing with large and complex incidents. One of these ways includes handling 999 calls and mobilising IWFRS appliances through HFRS's Control centre. Further alignment will continue under these arrangements until April 2021, when the two Authorities combine.

We also seek to capitalise on our proven ability to reduce deaths and injuries in fires, by applying the same educational and experiential strengths to the road safety agenda as part of a partnership approach. We are proud lead the Isle of Wight Road Safety, on behalf of the IWC and other partner agencies.

For more details please see:

<https://www.iow.gov.uk/Residents/fire-and-rescue-service/Road-Safety/About>

## **Our People**



We look after each other by creating great places to work and promoting the health, wellbeing and safety of our people.

## **Close working between Isle of Wight Council and HFRS People and Organisational Development (POD) Directorate**

Owing to DDiP, as mentioned above in this report, and in advance of the new Combined Fire Authority, there continues to be an ongoing close working relationship between Isle of Wight Council, Isle of Wight Fire and Rescue Service, and Hampshire Fire and Rescue Service in various areas, including our support to our people.

While there have been various people-related Council initiatives and support in place for IWFRS staff, such as the implementation of the 'Believe in Great' (BIG) organisational development plan; and a wide range of internal and external support available to IWFRS staff, such as occupational health provision, an employee assistance programme and mental health first aiders, and COVID-19 specific support. There have also been joint recruitment campaigns for HFRS and IWFRS. This has all been supplemented by HFRS's POD Directorate and its activity, some of which is outlined below. The support the Service provides to our people and their wellbeing was also scrutinised as part of the joint COVID-19 HMICFRS inspection, which had various positive people related conclusions, and can be found here: <https://www.justiceinspectors.gov.uk/hmicfrs/publications/covid-19-inspection-hampshire-and-isle-of-wight-fire-and-rescue-services/>. The report concluded, for example, that:

*“Resources were well managed. The service responded quickly to protect staff and support their wellbeing. Staff told us the service communicated well with them and used technology to help reach the widest staff audiences. The service made extra efforts to understand individual needs of staff (particularly those who are at higher risk from COVID-19) and put in place tailored support.”*

*“The service also made sure all staff had the resources they needed to do their jobs effectively. This included giving personal protective equipment (PPE) to all who needed it, and extra IT (particularly for staff on the Isle of Wight, so they could access Hampshire systems and information ahead of the planned combination in April 2021). The service has used learning from the first phase of the pandemic to inform its future decision making. It has also shared its learning nationally, and with other local and regional organisations.”*

## **People & Organisational Development (POD) Strategy**

In support of the new IRMP and subsequent Safety Plan that was launched on 1<sup>st</sup> April 2020, we have developed a new People & Organisational Development Directorate which is accompanied by a new strategic framework. This strategy encompasses the following areas and has built based on feedback from our staff through various surveys:

- Inclusion and Diversity.
- Culture, Values & Behaviours.
- Health and Wellbeing.
- Workforce transformation and engagement.
- Learning and Development.
- Leadership and Management.

## **Values & Behaviours**

In addition to the launch of the new Safety Plan, we also developed a new set of Values that were published in the Safety Plan. These values were created by our workforce through a series of workshops and a staff survey to find out what matters to them. We worked with an expert partner who facilitated the sessions across both Services and a high proportion of our staff engaged in the process.

Through everyone living the agreed values across Hampshire and the Isle of Wight Fire and Rescue Service, we believe there will be improved trust and leadership, and everyone will feel proud of our Service. In Hampshire and the Isle of Wight, we believe in:

- 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.

Following an evaluation in 2020/21, we found that our values have been incorporated in many critical activities, such as firefighter recruitment, a newly launched Personal Development Review Programme and leadership training courses delivered through our Learning and Development Team. Further work in this area will be ongoing in 2021/22.

For more information on our Values, please see our Safety Plan:

[Safety Plan - Hampshire & Isle of Wight Fire & Rescue Service, Official website of Hampshire & Isle of Wight Fire & Rescue Service \(hantsfire.gov.uk\)](https://www.hantsfire.gov.uk/safety-plan)

## **Health and Safety**

Our Health & Safety team carried out various activity to support staff during the ongoing COVID-19 pandemic – providing expert advice and support beyond business as usual and project activities.

We have conducted active monitoring across the Service incorporating business as usual safety and COVID-19 management either by MS Teams, phone or in person. Our Health & Safety team has been carrying out a range of activity to support the Service, including, but not limited to:

- making Green Book Health and Safety induction available on Moodle;
- manual handling training has been produced for, and undertaken by, Green Book staff with a wider project covering all departments that have manual handling as part their role;
- there has been a DSE/Agile training/assessment roll out of a new platform to cover all of personnel that may not just work from an office, i.e. working from home, other areas of the Service or on the move;
- Health and Safety policy and procedures has been reviewed and aligned, where possible; and
- A new H&S tool is currently being implemented to further support the Service.



Furthermore, our health and safety risk assessments have been reviewed by our internal auditors who assurance rated our activity as 'Substantial' (the highest audit rating) and an independent peer review by Kent Fire and Rescue Service who provided positive feedback.

## **People Performance**

We strive for excellence through delivering outstanding training and support people to achieve their full potential. Developing a skilled workforce begins with recruitment, training and development programmes, leading into our Maintenance of Competence Scheme. We ensure our staff competencies are regularly assessed and core competencies such as safe working at heights, the use of breathing apparatus and applying incident command are assured at an appropriate competent level.

To ensure all our operational staff are fit to carry out their duties we undertake two fitness assessments every year. This includes an output test and either a multi-stage fitness test/bleep test or a Chester treadmill test.

We also monitor staff sickness through regular reporting and national benchmarking.

We believe having an inclusive, engaged workforce means better outcomes for our communities. We run various engagement activity, including with our staff network groups (FireOUT, FireREACH, FireABLE and FireINSPIRE) to understand and discuss the issues facing our staff, as well as regularly engaging – both formally and informally with representative bodies. The results of these, and other activity, help to shape our people strategy and provide our leaders with crucial insight into how we can better support and equip our teams.

We also carried out a wellbeing survey in the summer of 2020, which received 526 responses across HFRS and IWFRS personnel, with the data analysed and communicated to our staff through various mechanisms. This has helped us identify areas of good practice and areas for further consideration, including what support we signpost and provide to our people. We have followed this up with a pulse staff survey, which received over 300 responses that we are in the process of analysing.

For more detail, please refer to our mid-year and end-of-year performance reports, available via: <https://www.hantsfire.gov.uk/about/transparency/information-we-publish/>

## **Public Value**

We plan over the longer-term to ensure our decisions and actions deliver efficient and effective public services.

## **Financial Management**

Our Medium-Term Financial Plan is regularly updated and reported to the Corporate Management Team and the IWC Cabinet. Progress reports monitor the outcomes of any income generation or cost saving improvements and are used to make appropriate adjustments to future budgets.

In addition to this, it is important that public money is used well and appropriately managed. We do this by using proper accounting practice within our own set of Financial Regulations. This means that when we plan our budget or require additional funds, there are protocols to give appropriate scrutiny on how public money is to be used and to ensure there is clear justification to do so. This includes policies and procedures in place for the prevention of

fraud & corruption and a Register of Interest and a register of Gifts & Hospitality. These robust systems are used for identifying and evaluating all significant financial and operational risks to the Authority on an integrated basis. Performance against this framework is assessed using an Assurance Framework Survey, the recording and investigation of suspected incidents and a review from our Internal Auditors into directorship of external companies that the IWC has made payments to. Based on these controls, no changes have been made to the strategy, which we have assessed to be working appropriately.

For more details please see:

<https://www.iow.gov.uk/Council/OtherServices/Financial-Management/Accounts1>

## **Financial Performance**

Ensuring that funding is appropriately accounted for is vital for all public sector organisations. Our financial performance is reported to the Corporate Management Team and the IWC Cabinet every year.

For more details of our Statement of Accounts, please see:

<https://www.iow.gov.uk/documentlibrary/view/draft-statement-of-accounts-2019-20-subject-to-audit->

## **Transparency**

The Local Government Transparency Code 2014 is designed to ensure greater transparency of local authority data. In compliance with this code, we publish the following public data:

- Expenditure exceeding £500
- Procurement card transactions
- Procurement information
- Contracts register
- Tenders
- Local Authority Land
- Grants to voluntary, community and social enterprise organisations
- Organisation chart
- Trade Union facility time
- Senior salaries
- Constitution
- Pay multiple

We ensure that the publication of any data complies with the Data Protection Act 1998 and future General Data Protection Regulations due to come into effect May 2018.

For more details please see: <https://www.iow.gov.uk/Council/transparency/>

We also facilitate the request for any additional information through a well-managed Freedom of Information request process. For more details on how to make a request for information please see:

<https://www.iow.gov.uk/MyAccount/login.aspx?return=https%3a%2f%2fwww.iow.gov.uk%2fCouncil%2fOtherServices%2fFreedom-of-Information-Requests%2fFOI&serviceType=5>

## High Performance

Our diverse teams are trusted, skilled and feel equipped to deliver a leading fire and rescue service today and into the future.

### Inspection

In July 2017, Her Majesty's Inspectorate of Constabulary's (HMIC) remit was extended to include inspections of fire and rescue services in England. It is now called Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and they were tasked with providing an inspection programme to begin in the financial year 2018/19. To help us prepare for this inspection we employed a Group Manager to operate as our Service Liaison Officer and provided additional support from various teams across the Service.

Our first inspection took place in June 2018. The inspection looked at three overarching pillars which are supported by many diagnostics and more detailed sub-diagnostics. The outcome of the inspection, reported in December 2018, was as follows in terms of ratings:

- Effectiveness – good
- Efficiency – good
- People – requires improvement

The inspection identified many areas of good practice but also made several recommendations for areas that could be improved. There was one 'Cause for concern', which was as follows:

*Isle of Wight Fire and Rescue Service doesn't do enough to be an inclusive employer. We found signs of low morale in the workforce. People have little confidence that they will be treated fairly or that senior leaders have their best interests at heart. By June 2019 the Service should:*

1. *Embed a programme to ensure that inclusion, fairness, equalities and professional development are priorities for the service;*
2. *Ensure that its recruitment activities are open and accessible to all of Hampshire's communities;*
3. *Treat employees according to their needs so they feel valued;*
4. *Ensure that each person's potential can be developed so they can perform to their very best;*
5. *Ensure that the chief officer team leads the programme, promoting the values of the organisation; and*
6. *Ensure that everyone knows how they contribute to the values.*

To see the full report, please see:

<https://www.justiceinspectorates.gov.uk/hmicfrs/frs-assessment/frs-2018/isle-of-wight/>

Following the publication of the report in December 2018, we were required to submit an action plan to address the 'Cause for concern' by 30 June 2019. Our action plan, which focused on more than just the 'Cause for concern' is monitored at the Executive Group and the IWC Corporate Scrutiny Committee on a regular basis.

There was a total of 25 actions against 8 diagnostics of the HMICFRS framework. As of March 2020, we have closed all 25 (100%) IWFRS actions with an action plan closure report taken to the Corporate Scrutiny Committee on 7<sup>th</sup> July 2020. Furthermore, in December

2020, we provided the Inspectorate with a range of detailed information on the progress we have made in response to the 2018 inspection and the cause for concern raised.

For example, the new values framework has been created through extensive workforce engagement and is actively supported and promoted by the Chief Fire Officer and the Executive Group. A working group was established and has played a key role in developing, implementing and embedding our values across the Services. Our new values are also core to recruitment, promotion and other processes, and the Safety Plan 2020-25, and also form a fundamental part of the new PDR process. Following a successful pilot which concluded in May 2019, the new Personal Development Review (PDR) process has been developed, and was rolled out in April 2020. In support of this new process, a Personal Development Review (PDR) data capture tool was developed in early 2020, with a refreshed tool launched in March 2021.

The Isle of Wight Council and POD Board also continues to promote and support the health, wellbeing and safety of our employees.

There has been significant investment in supporting the mental health of our employees through access to psychological screening and increased numbers of mental health first aiders. We have also worked with partner agencies to provide support and guidance in respect of menopause and men's health issues, both from a personal and managerial perspective. We undertook a wellbeing survey in the summer of 2020, which we discussed as part of the recent COVID-19 inspection. This had many positive findings, including on staff's views on the support they have received from their line managers, as well as areas for consideration – which are being well-communicated to staff through a series of communications and updates, along with any subsequent activity undertaken in response to the findings.

The next inspection was planned to take place week commencing the 27<sup>th</sup> April 2020, however, due to the unprecedented COVID-19 pandemic, HMICFRS (in liaison with the Home Office) decided to postpone all further inspection activity until further notice. HMICFRS's Service Liaison Lead does, however, continue to review the documentary evidence and data returns that we provided them with earlier in the year and engagement with the Service Liaison Lead continues to take place.

To view the improvement plan, please see:

<https://www.iow.gov.uk/Meetings/committees/Corporate%20Scrutiny%20Committee/9-7-19/PaperC-FireServiceImprovementInspectionPlan.pdf>

## **COVID-19 Inspection**

In addition to the normal inspection programme, the Home Office commissioned HMICFRS to proceed with a COVID-19 inspection of all fire and rescue services and their response to COVID-19 with particular focus on:

- What is working well and what is being learnt
- How the fire sector is responding to COVID-19
- How fire services are dealing with the problems they face
- What changes are likely as a result of the COVID-19 pandemic

The inspection was conducted entirely virtually for two weeks from 26 October 2020. There was also, however, various information we have provided to them in early September in advance of the inspection.

Given our coordinated response, Hampshire Fire and Rescue Service and Isle of Wight Fire and Rescue Service were inspected collectively. Following the completion of inspection activity, the inspectorate generated a findings letter for each fire and rescue service accompanied by a national report.

The letter does not provide a graded judgement such as that provided against the normal inspection programme; but it did include various positive findings about our response to the pandemic – concluding that it was impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing.

It also identified, amongst other positive findings that the service had in place up-to-date plans that were sufficient to give an initial response to the pandemic. The service reviewed these plans as it understood more about the risks it faced. It continued to carry out safe and well visits and do fire safety audits (although it did fewer of both face to face). It was proactive in offering support to others. All groups of staff did additional work, especially to support the local ambulance service. The work varied based on local demand across the two service areas and meant that the people of Hampshire and Isle of Wight were better supported through the pandemic.

The inspection also concluded that resources were well managed. It found the service responded quickly to protect staff and support their wellbeing. Staff told HMICFRS the service communicated well with them and used technology to help reach the widest staff audiences. The service made extra efforts to understand individual needs of staff (particularly those who are at higher risk from COVID-19) and put in place tailored support.

The inspection did, however, flag three areas of focus for us, which we will be focusing on throughout 2021/22, partly within our programme of assurance activity:

- 1. determining how we will adopt for the longer-term, the new and innovative ways of working introduced during the pandemic, to secure lasting improvements.*
- 2. making sure all wholetime firefighters are fully productive, while continuing to minimise the risk of them contracting or spreading the virus.*
- 3. evaluate how effective our extra activities have been.*

To see the full COVID-19 Inspection letter, please see:

[COVID-19 inspection: Hampshire and Isle of Wight Fire and Rescue Services - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/covid-19-inspection-hampshire-and-isle-of-wight-fire-and-rescue-services-hmicfrs/)

## **Fire Standards**

As part of the reforms for fire and rescue services in England, the Fire Standards Board were created to introduce new Standards to the fire sector. The intention being to help drive continual improvement across the services alongside the re-introduction of inspection arrangements. The mission for the new Fire Standards Board is to oversee the development and maintenance of a suite of professional Standards that set out “what good looks like”.

In 2020/21, we saw the launch of 4 new Fire Standards with a further 11 in development. When a new Standard is being developed, we take a proactive approach by engaging with the consultation process. This gives us 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 are then able to take appropriate actions to ensure we are compliant against the proposed Standard. This will form a core part of our assurance activity in 2021/22 (and beyond).

For more information of the Fire Standards, please see:

[Fire Standards Board](#)

### **Performance Management**

Our strategic performance is reported to the Executive Group regularly, and to the Hampshire Fire & Rescue Authority committee twice a year, with separate reporting into IWC around various agreed measures, such as our response standard to critical incidents and other areas, fatalities and injuries, and the number of primary and secondary fires and false alarms attended. These measures helped us focus our change activity across all our Service Plan priority areas, and now of Safety Plan priorities.

For more information on our performance reporting, please see:

<https://www.hantsfire.gov.uk/about/transparency/information-we-publish/>

## **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.

### **Policy, Procedure and Guidance**

In 2020/21, we have worked to further embed a new Policy Framework following a significant review of our Service's policies. Our Policy, Procedure and Guidance (PPG)'s are documents that capture and define the way our organisations operate and how we deliver services and functions.

They ensure our people have the necessary reference tools required to do their job with the information presented and communicated in a way which is simple and easy to use which forms a safe system of work.

- Policies:
  - Are owned by the Service and provide the overarching authority by which the organisation delivers their operations or service's.
  - They are statements of the what and the why, ensuring the Service is compliant with legislation and are non-negotiable.
- Procedures:
  - Are owned by the relevant Directorate and support the policies in place.
  - They are subject to change and continuous improvement and clearly state what individual actions should be taken.
- Guidance:
  - Are owned by the relevant Directorate and provide our people with help and advice on how they can complete tasks.
  - The guidance is more general and can apply to either everyday business or operational incidents.



Other types of procedure or guidance includes:

- National Operational Guidance (NOG).
- Tactical Operational Guidance (TOG).
- Standard Operating Procedures (SOP).
- Additional Hazard Information Sheets (AHIS).

## **National Operational Guidance**

National Operational Guidance is developed through the National Fire Chiefs Council in collaboration with each of the UK Fire and Rescue Services. Their aim is to provide a one-stop shop for good practice operational guidance that can be tailored to local needs. When new guidance becomes available, we assess the gaps in our own current guidance and then work to ensure that we adopt, adapt, and embed these practices in line with the National Fire Standards. Significant ongoing work and assurance activity will continue in 2021/22 in response to National Operational Guidance developments.

This is overseen by our Policy, Planning and Assurance directorate who regularly monitor are progress in policy development to ensure compliance. In addition to adopting any guidance, we also review any National Operational Learning or Joint Operational Learning to ensure we stay at the forefront of the industry. This includes making our own contributions to national learning by submitting our own operational learning to the National Operational Learning Group.

For more information please see:

[Homepage | NFCC CPO \(ukfrs.com\)](https://www.ukfrs.com)

## **Operational Assurance**

Our operational activities are supported by clearly defined policies and procedures. An Operational Assurance team work hard to capture lessons of our effectiveness and look to make improvements where possible. They do this using a number of key assurance mechanisms that test the performance of our operational staff but also test the effectiveness of Service policies and procedures.

One of the assurance mechanisms is Operational Assurance Assessments. This is where a Group Manager will visit a Station and run an operational exercise with the crew to assess their performance and address any areas of concern. Operational Assurance Assessments were due to commence from March 2020 but due to the COVID-19 pandemic these have were put on hold for part of the year, recommencing in October 2020 and then paused again in January 2021, owing to the second wave of the pandemic. The assessments recommenced again in April 2021. These assessments are to ensure standards are being met and procedures being followed appropriately. These mechanisms also provide crews with an opportunity to feedback any improvements that could be made to policies and procedures. All this information is then assessed by the Operational Assurance Team and improvements made where required.

To provide assurance at incidents we use Tactical Advisors, which attend critical incidents to support our crews. The role of the Tactical Advisor is to monitor the decisions being made by the Incident Commander and provide assistance if required. We have a post incident a debrief process, which also includes any significant events that could impact on our service delivery. Feedback is gathered from all those involved and the Operational Assurance Team will analyse any trends. This information is then presented back to the individuals involved to highlight any areas of performance and to discuss potential solutions. This leads to

improvement actions at a policy level as well as the identification of possible risks that may occur again should similar incidents occur in the future.

To further support the debrief process and to widen the potential opportunity for improvements, we launched a new 'Submit Learning' application in 2019/20. This tool enables any member of staff to provide feedback at any time on a number of different platforms including mobile phones and mobile data terminals in appliances. This enables us to capture real time feedback but also allow people to reflect on situations and feedback at a later time. The tool has been designed to gather feedback in other areas across the Service, such as lessons learned from Project delivery or feedback on HR related investigations. This additional development was undertaken in 2020/21.

Our Operational Assurance Team also support multi-agency exercises as part of our contingency planning and business continuity. By assessing the effectiveness of these exercises, we are able to identify ways of working more effectively with our partners and make the necessary plans to ensure that should a major incident occur, we are able to deal with them accordingly.

We also contribute our learning to the National Operational Learning Group. This Group provide National Operational Guidance to support a common approach across fire and rescue services. We provide our technical expertise to help shape this guidance, which is regularly reviewed and widely adopted. For more details on the National Operational Learning Group, please see: <https://www.ukfrs.com/>

## **Audit**

The IWC is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising IWC that these arrangements are in place and operating effectively. Our internal audits are carried out in partnership with Portsmouth City Council (acting for the Isle of Wight Council) who also assist us in the development of future audit plans.

Details of our internal audits are reported through our Audit Committee. This includes the progress of management actions resulting from observations of improvements required, which we monitor closely and also report on internally. Our overall assurance rating for 2020/21 was 'reasonable assurance'. Whilst there were no specific fire and rescue service audits, there were 14 Corporate Services audits and 5 Finance audits, which cover and support all IWC departments.

Moving forward, following the combination, HIWFRS, working with its internal auditors (Southern Internal Audit Partnership, SIAP) will deliver the 2021/22 risk-based audit plan.

For more details please see Internal Auditing Service, available at:

<https://www.iow.gov.uk/council/OtherServices/Audit/Internal-Auditing-Service>

## **Feedback**

We also encourage feedback from our communities to help us improve our performance. Any issues raised are assigned an investigating officer who carries out a comprehensive investigation to determine the cause and recommend any remedial actions. Learning from this feedback is exceptionally important to us and annual reports are discussed at our Executive Group meeting.



For more details regarding feedback, please see:

<https://www.iow.gov.uk/Business/Fire-and-Rescue/Fire-and-Rescue-Service/Contact>

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