



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

# **ANNUAL GOVERNANCE STATEMENT**

**2022/2023**

**FOR**

**HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE  
AUTHORITY**

# **Annual Governance Statement for Hampshire & Isle of Wight Fire and Rescue Authority**

## **1. Scope of responsibility**

- 1.1. Hampshire & Isle of Wight Fire and Rescue Authority (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 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).
- 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 Chairman 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 Chartered Institute of Public Finance and Accountancy (CIPFA) and Delivering Good Governance in Local Government Framework 2016 edition. The AGS is also a key piece of evidence that the Authority has sought to comply with the new CIPFA Financial Management (FM) Code. The Service has undertaken an assessment of its compliance with all of the financial management standards in the FM Code and has assessed that it is compliant with the Code.
- 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.
  - 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, 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 sets strategic direction, monitors, scrutinises and ensures delivery of services, whilst accountability for the achievement of the Authority's priorities sits 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. The 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 operates with 11 Members. The Police and Crime Commissioner (PCC) can attend Authority meetings and has the ability

to speak on items on the agenda. The structure and the related arrangements have resulted in a strategic and business focus from the Authority with good Member engagement and scrutiny. The Authority is in a strong position to continue to lead the Service in delivering excellent quality services to the residents of Hampshire and the Isle of Wight, whilst remaining resilient and responsive to challenges in the future.

- 3.1.3 The Authority has a Constitution, the purpose of which is to set out in a single place and in clear language how Hampshire and Isle of Wight Fire and Rescue Authority (“the Authority”) works and how it makes decisions. The Constitution sets out the roles and responsibilities of the Authority, its committees and Members. The key policies that set out the scope of responsibilities for Members and delegation to officers are detailed within the 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 reviews and approves amendments to the Constitution at their annual Authority General Meeting (AGM) and as needed throughout the year.
- 3.1.5 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.
- 3.1.6 There is a system in place for any complaint received that a Member or Co-opted Member of the Authority has failed to comply with the Authority’s Code of Conduct for Members.
- 3.1.7 The Authority has a Firefighter’s Pension Board. The role of the Board is to:
- assist HIWFRA as the administering authority of the Hampshire and Isle of Wight Firefighter’s Pension Scheme (FFPS)
  - secure compliance with the Firefighter’s Pension Scheme Regulations and any other legislation relating to the governance and administration of the FFPS
  - secure compliance with requirements imposed in relation to the FFPS by the Pensions Regulator
  - ensure the effective and efficient governance and administration of the HIWFFPS by the Authority
  - consider how discretionary and other pension related issues are being addressed from an operational viewpoint
  - present an annual report to the Authority on the exercise of its functions.
- 3.1.8 The Authority publishes an annual Modern Slavery Statement which sets out the steps that are being taking to prevent modern slavery

throughout the Authority and in its supply chains. The statement is set out to include key information to demonstrate its commitment to tackle modern slavery.

- 3.1.9 The Service has four values (Supporting Others, Showing Respect, Everyone Playing Their Part, and Reaching Further) which are integral to everything we do. These values are underpinned by five behaviours (Dedicated, Openness, Caring, Empowering and Inclusive) which align to the Fire Standard Code of Ethics. These are embedded in the organisation's recruitment and promotion processes, personal development review discussions, and staff recognition scheme.
- 3.1.10 Furthermore, these values are underpinned by a range of policies and procedures including the Member's Code of Conduct, the registers of interests and disclosure of pecuniary interests, gifts and hospitality and protocol for Member and officer relations which are all included within the Constitution.
- 3.1.11 The Fire Standard Code of Ethics, published in May 2021 by the Fire Standards Board, has been adopted and aligns to the organisation's values and behaviours. This ensures the organisation's policies, procedures and decision making reflect the ethical behaviour expected from the workforce. The Authority holds the Chief Fire Officer to account for the implementation of the code at a local level, and both the Deputy Chief Fire Officer and Director of People and Organisational Development are responsible for promoting the Core Code throughout the Service and ensuring that all those who work for, or on behalf of the Service understand its contents and what is expected of them.
- 3.1.12 Staff are required to comply with the Staff Code of Conduct which includes the requirement for them to declare interests and register the offer and acceptance of gifts and hospitality.
- 3.1.13 Whistleblowing, Bullying and Harassment, Grievance, Anti-theft, Fraud, Bribery and Corruption, and Complaint procedures are in place, enabling staff and members of the public to raise issues if they believe that appropriate standards have not been met.
- 3.1.14 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 regulations. The statutory roles of Chief Fire Officer, Monitoring Officer and Chief Financial Officer are set out to provide robust assurance and ensure that expenditure and decisions are lawful.
- 3.1.15 Within the Corporate Governance Framework to underpin the Executive Group, there are four Directorate Boards to oversee key areas: the Policy, Planning and Assurance Board, the Operations Management Board, the 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. The Directorate Boards review their terms of reference regularly, with the support of the Governance Team. Furthermore, these Directorate Boards are supported by other forums and Groups, such as the Integrated Performance and Assurance Group (IPAG) and Operations Financial Management Team (FMT), to support good governance across the Service.

- 3.1.16 The creation of a Corporate Governance Procedure with an Officer Scheme of Authorisation strengthens the robust decision making processes already in place. It has also provided clarity on decision making for officers and illustrates where the Constitution's Scheme of Delegation links with the Officer Scheme of Authorisation. The Officer Scheme of Authorisation is reviewed annually to ensure continued openness, transparency, accountability and clarity.
- 3.1.17 A policy, procedure and guidance (PPG) framework has been 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.
- 3.1.18 In January 2022 the Fire Standard for Safeguarding was introduced. This enabled the Service to demonstrate how it works to promote safeguarding in our communities and amongst our staff and volunteers. Work continues via a Safeguarding Development Action Plan to ensure full alignment to the Standard.

## **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 engages with stakeholders.
- 3.2.2 The Authority approved the Hampshire and Isle of Wight Safety Plan 2020-2025 in February 2020. Since Hampshire and the Isle of Wight combined, the Plan is fully aligned.
- 3.2.3 The Safety Plan incorporates the Community Risk Management Plan (CRMP) 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). In the Summer of 2022, HIWFRS agreed a business case to produce the next Safety Plan 2025-2030. Every Fire Authority must have a CRMP as outlined in the Fire and Rescue National Framework for England, for HIWFRA, this is called the Safety Plan. The Authority's next CRMP will be produced by carrying out a two stage approach. Stage one, which

commenced in September 2022 and will run until the summer 2023, involves gaining a clear understanding of, and identification of, the risks HIWFRS face in our communities. This will involve discussion with our staff, communities and local partners, as well as using qualitative and quantitative data. Stage two will begin shortly thereafter and will develop control measures and mitigations to meet the risks identified in stage one. Stage two will include consulting with partners, staff and the public on the nature of our proposals.

- 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 live streamed, and the recording published to enable staff and the public better access to view decision making.
- 3.2.5 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.
- 3.2.6 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. The Service regularly monitors Trades Union Facilities Time and publishes information in line with reporting requirements for public sector organisations outlines in The Trade Union (Facility Time Publication Requirements) Regulations 2017.
- 3.2.7 Public consultation to listen to stakeholders and inform decision making is undertaken where required and expected. Consultation processes enable our staff, the public and other stakeholders to have their say on how their fire and rescue service should operate in the future. In line with the national fire standard on producing Community Risk Management Plans, consultation is an important element in the production of our next Safety Plan covering 2025-30. As outlined above, work to produce this plan has already begun. To ensure we design a robust and comprehensive consultation process, we are working with The Consultation Institute. This external organisation is ensuring our approach is comprehensive, meets national standards and our equality obligations. Over the two stages of the project we will discuss with our communities what it is they expect from us and then consult on options. Our engagement will be specifically designed and appropriately accessible.
- 3.2.8 The Authority has a long history of collaborative working with partner agencies. In particular, with Hampshire County Council as part of the Shared Services Partnership and blue light collaboration with South

Central Ambulance Service (SCAS) and Hampshire and Isle of Wight 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 has continued to work 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. The Authority receives an annual update which explains 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 for England.

### **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 three of the Safety Plan has now been completed. Performance against the priorities is measured and reported to the Authority in mid-year and end of year performance reports, with the latest performance report submitted to the Authority in June 2023 alongside the Safety Plan progress report.
- 3.3.6 Our ongoing and live strategic assessment of risk provides the understanding for us to set out our services and priorities to manage, control and mitigate that risk. We also consider the learning from significant events locally, regionally, nationally and internationally to inform our planning. Whilst also, gaining information about best practice from inspections by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS), as well as from other internal and external assurance activity, which is outlined in our assurance procedure and the associated annual assurance programme.



- 3.3.7 Our Safety Plan is underpinned by our strategic assessment of risk, which is a detailed and constantly updated analysis, 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 can 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, as well as other risk identified through an ongoing Political, Economic, Social, Technological, Environmental, Legal and Organisational (PESTELO) analysis that forms part of our live strategic assessment of risk. 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 Service change portfolio of projects and programmes which is monitored through the Policy, Planning Assurance Board and its Integrated Performance and Assurance Group. Progress against these plans is monitored through regular performance updates to assess the deliverables reporting to the Executive Group and the Authority on an exceptions basis when required.
- 3.3.11 The Directorate Plans provide the link from the Safety Plan through to an individual's 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 those who share a characteristic which is protected under equality law. Impact Assessments also identify any environmental, economic and legislative risks. Impact Assessments are carried out prior to implementing a policy, procedure, change or decision with a view to ascertaining its potential impact. Impact Assessments are also carried out during formal report writing to identify

any impact on the recommendations within reports. with a screening tool developed to help our people understand when supplementary (Stage 2) impact assessments are required

- 3.3.13 The Service's Change Management Framework and its supporting procedure 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 2021, the Change Management Framework 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 The Service uses internal audit and our risk-based internal audit plan as a core part of our annual assurance programme, as a 'third line of defence'. There is regularly reporting into the Standards & Governance Committee on progress of any audit management actions (recommendations), with extensive internal reporting and monitoring as well – including into Executive Group, Directorate Boards and the Integrated Performance and Assurance Group.
- 3.3.15 Furthermore, a Service Learning Tool (capturing all organisational learning, including from, but not limited to, operational incidents; prevention and protection activity; projects, programmes and change activity; and wider staff feedback) is now in place with further work planned to communicate to our staff more widely on action taken in response to their feedback – via a "You Said, We Did" page on our intranet.
- 3.3.16 Since taking the advantage of technology for holding remote meetings, many internal Service meetings and those Member, officer meetings that are not public, such as Chairman's Briefings and the Authority Policy Advisory Group continue to be held remotely in order to save Member and officer time, travel and carbon emissions.

#### **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. The Organisational Risk Register captures current operational and organisational risks that could affect delivery of the Safety Plan. The Organisational Risk Register is reviewed quarterly with reports going to Executive Group. The Authority, delegated to the Standards and Governance committee, regular monitoring of the Organisational Risk

Register through formal reporting. During 2022, the Service reviewed and updated its Risk Management Procedure to action the observations from SIAP's audit of our risk management arrangements.

### **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 cooperation. Within the Constitution, the Member officer Protocol is included providing clarification around the two roles.
- 3.5.3 The role of scrutiny by Members 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 Champion 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. The current focus areas for Member Champions are Governance, Effectiveness & Performance, People, Community Safety and Carbon reduction.
- 3.5.6 The Authority has appointed substitute Members to its two standing committees. This means that any potential attendance and representation issues are addressed. These formal appointments ensure that appropriate governance is in place to ensure lawful decision making when substitute members attend meetings.
- 3.5.7 Members receive copies of key internal staff communications.
- 3.5.8 Members' knowledge and understanding is developed through the delivery of an induction programme and periodic training and awareness sessions. A Members Induction session was held in June 2022 with ongoing training and awareness sessions held throughout the year. 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 facilitate 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 considers the future strategic direction of the Authority and Service business.
- 3.5.10 To ensure capability of leadership, the Executive Group have been enrolled on to the Institute of Directors (IOD) Certificate in Company Direction, with professional membership to the IOD included. In order to achieve this accreditation, all Directors passed exams to test their knowledge and application. The leadership training ensures 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, finance and procurement.
- 3.5.12 The development of our People and Organisational Development Directorate (POD) has created a Learning and Development function under the same leadership, which delivers operational training including incident command, leadership and management as well as commissioning technical and professional development provision such as health and safety qualifications and apprenticeship programmes.
- 3.5.13 Our POD Directorate plan identifies leadership and management development as a strategic priority. Delivery of leadership and management training is aligned with the National Fire Chiefs Council (NFCC) Leadership Framework and the Fire Standards Code of Ethics, as well as our own Service Values. We also use insights profiling, 360 degree feedback and coaching to develop leadership capabilities. Future design of our leadership and management development will align with the requirements of the Fire Standards Leading and Developing People.
- 3.5.14 We use insights from our wellbeing survey, internal and external data analysis, HMICFRS inspections, internal audits and peer reviews alongside feedback from our staff network groups and management forums to inform our POD Directorate plan. This seeks to 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.

- 3.5.15 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.
- 3.5.16 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 continues to help us to build a great working environment of which our workforce will be proud.
- 3.5.17 HIWFRS 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.
- 3.5.18 HIWFRS 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.
- 3.5.19 The Service is committed to driving high performance by unlocking the potential of all employees. There is 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.
- 3.5.20 In December 2022, the Fire Standards Board published two new Fire Standards, Leading the Service and Leading and Developing People. These standards, like the other 12 fire standards, have been subject to a detailed gap analysis to identify what assurance the Service has in these areas, as well as any additional actions required to support these standards being adopted across the Service. The Authority holds the Chief Fire Officer to account for implementation of the Standards at a local level and both the Deputy Chief Fire Officer and Director of People and Organisational Development are responsible for promoting the Standards throughout the Service and ensuring that all those who work for, or on behalf of the Service understand its contents and what is

expected of them. Additionally, there is routine (every six months) reporting into the HIWFRA Standards & Governance Committee on our position against the full suite of Fire Standards. This reporting also provides members with updates on other developments, such a future Fire Standards.

### **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 Fire Authority has a risk management Policy which delegates responsibility to the Executive Group for the day to day management of the Service's organisational risks. Oversight of the arrangements are provided by the Policy, Planning and Assurance 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, JCAD, was introduced to the Service on 1 April 2021. Risks associated with the delivery of the Safety Plan, as well as the work of each directorate, are recorded in JCAD in line with our risk management procedure. Risks are escalated from the Directorate risk register to the Organisational Risk Register when necessary. The risk registers capture risk mitigations and the impact these mitigations are having.
- 3.6.3 Performance management is in place to measure progress against aims and priorities to prompt remedial action where appropriate. The Policy, Planning and Assurance Board provides scrutiny of the performance management process as do the other Directorate Boards. The Directorate Boards are supported by other forums and Groups, such as the Integrated Performance and Assurance Group and Operations Performance Board to support good performance management and scrutiny across the Service.
- 3.6.4 The Executive Group reviews 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 benchmarking 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. The Service's approach is to identify areas that could present greatest risk or where managers have identified indicators that improvement is needed.
- 3.6.10 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.
- 3.6.11 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 considers the delivery and outcomes of the Internal Audit Plan, along with scrutinising the Service's performance in delivering against agreed actions.
- 3.6.12 The budget setting process is well established and prioritises budgets and spending to achieve intended outcomes. Budget setting and medium term financial planning follow seven financial principles adopted by the Authority:
- A corporate approach will be taken to the development of budgets and savings programmes.
  - Savings delivery will be planned so that savings are delivered at the optimum time to balance the budget.
  - Financial planning assumptions will be realistic and prudent and will take account of pay and price inflation.
  - One-off and recurring growth will be limited.
  - Revenue contributions to reserves for capital investment, IT and other equipment replacement will be maintained.
  - The revenue budget and capital investment will be aligned with strategic priorities and risks.
  - Reductions in planned revenue contributions will be used as a last resort to balance the budget.
- 3.6.13 The Authority prepares its revenue budget on an annual basis, supported by periodic updates to its Medium Term Financial Plan and

annual updates to its multi-year capital programme. This is supported by the Authority's Reserves Strategy, Treasury Management Strategy, Capital & Investment Strategy, and Efficiency Plan, all of which are important elements of overall financial management. The Authority Financial resources are focused to deliver its aims and priorities over the short and medium term, with financial planning and management fully integrated with (and driven by) the corporate planning and monitoring process.

- 3.6.14 The Authority has strong financial management arrangements at both the strategic and operational level and consistently obtains unqualified opinions for its annual accounts and positive value for money assessments from its external auditor. The Section 151 Officer is the Chief Financial Officer and all formal significant financial decision making has the benefit of advice and review from this officer or the wider finance team. In 2021/22 the external audit of the accounts was not completed within the statutory deadline. This delay related to wider issues in local government audit rather than specific matters relating to the Fire Authority.
- 3.6.15 Day to day financial management is conducted in line with the Authority's constitution and the delegated responsibilities set out within the corporate governance policies and procedures. It is built into the way the Service is managed, with regular monitoring carried out at a directorate level and reported through to the Executive Group on a quarterly basis or by exception. Financial reporting happens both at a subjective level (ie. income and expenditure types) and by directorate, meaning it is aligned to the Service's operational structure and its roles and responsibilities. Support is provided by the finance team. Capital programme expenditure and forecasts are also regularly monitored. Training is provided to new budget managers to enable them to effectively use the suite of financial reports made available through the shared services portal and to ensure roles and responsibilities are understood. This is supported by access to online guidance and advice from the finance team in addition to bespoke workshops on specific aspects of financial management when required.
- 3.6.16 In February 2023 budget setting meeting the Authority also considered an updated Medium-Term Financial Plan (MTFP). The MTFP covers the four-year period to 2026/27, however the single year Local Government Finance Settlement for 2023/24 means there is increased uncertainty when planning beyond the first year of this period. This is in addition to the uncertainty created by the current economic climate, particularly the ongoing impact of inflation. The risks associated with this uncertainty are mitigated by the use of prudent financial assumptions within the MTFP and the contingencies built into the budget. Further mitigation comes from the level of reserves held by the Authority and the contributions to reserves that continue to be built into the base budget. The robustness of estimates included in the budget and the adequacy of financial reserves are assessed by the Chief Financial Officer in the Section 25 report prepared alongside the



revenue budget. The MTFP and in-year financial position are monitored by our Executive Group and are regularly formally reported to the Authority at its public meetings.

3.6.17 The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management (FM) Code was formally adopted across local government from the 2021/22 financial year. The FM Code sets out the six principles of good financial management, which it then translates into a list of financial management standards which local authorities should test their conformity against. The Service has undertaken an assessment of its compliance with all the financial management standards in the Code. Based on this, the Authority has ascertained that it is compliant with the Code. Although compliant, the Executive Group has discussed opportunities to further enhance the Authority's financial management and will continue to actively do so as opportunities arise.

### **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 Coronavirus Pandemic, ensuring transparency and accountability.

3.7.3 The Authority publishes data in line with the Local Government Transparency Code 2015 to provide open data sources ensuring transparency and accountability.

3.7.4 We use social media to demonstrate and highlight our response to incidents to the public, as well as raise awareness of safety messages, calls to actions and fire and rescue service campaigns.

3.7.5 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.

3.7.6 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.

- 3.7.7 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.
- 3.7.8 Where appropriate, Internal Audit will gain assurances from third parties to contribute to their overall assurance opinion.
- 3.7.9 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.
- 3.7.10 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.
- 3.7.11 The Authority has a community interest company, 3SFire. The company operates under the 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.
- 3.7.12 Our Pay Policy Statement is approved annually by the Authority and published on the Service's website.
- 3.7.13 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 Children's Safeguarding Partnership.

#### **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 The Authority prides itself on being a professional learning organisation that actively seeks challenge and review.
- 4.7 Our ICT environment has been critical to the maintenance of critical services and business as usual activity, with the use of Teams well-established and crucial, as has been the provision of necessary IT, IT security and two-factor authentication, DSE and other equipment to staff to support homeworking. This has led to positive impacts to the environment, eg., with reduced commuting time, reduced costs to some staff and the Service (eg., reduced use of pool cars and reduced travel and subsistence).
- 4.8 There has also been a significant focus on staff wellbeing, such as sessions on nutrition, rest and recovery (supported by survey insights and communications), which have been delivered differently and been well-received. There is also an ongoing focus on business continuity and degradation planning across all departments, which goes wider than COVID-19 but has been accelerated by it.
- 4.9 In January 2023, the HMICFRS published the Round 2 inspection report for Hampshire and Isle of Wight Fire and Rescue Service, as well as reports on various other services, and a national Annual Assessment of Fire and Rescue Services in England. His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) inspection, much like internal audit, is a crucial part of our wide-ranging assurance programme and we are committed to using inspection as an opportunity to learn. The report also provides our communities with a view of how we are performing across the Service, for example in terms of how we understand, prevent and respond to fires and other incidents and risks.
- 4.10 The inspection, which took place between April and July 2022, reviewed the Service as a whole. From how senior leaders set the strategy, to how well our teams perform in their day-to-day tasks. They do this in many ways, from reviewing our documents, analysing our data, carrying out staff and public perception surveys, staff focus groups, visits to stations and more. Much of the activity throughout the year takes place remotely. Some field work visits were completed where they visited our teams right across the organisation.

- 4.11 The 2022 inspection rated the Service as 'Good' for effectiveness, but 'Requires Improvement' for efficiency and how we support our people. However, our 'cause for concern' from the previous inspection, for not doing enough to be an inclusive employer, has been removed because of the significant progress we have made in this area. The Service is providing ongoing reporting into the Authority's Standards & Governance Committee on our progress against the findings of the inspectorate report.
- 4.12 The Fire Standards Board continues to consult on the development of new Standards. Officers and their teams have been proactively engaging in the process and have fed into the development of all Standards. This assists us in our planning and assurance around each Standard, the process for which is outlined elsewhere in this Statement. Once a new Fire Standard is published, there is a thorough assessment and analysis of our current compliance with it. These assessments are published internally and reported into the Executive Group and Integrated Performance and Assurance Group – with six-monthly reporting into the Fire Authority. The Service's current compliance assessment against the Fire Standards is quality assured by the Organisational Assurance team who also publish background information to all our staff, via our intranet on the Fire Standards Board, approved Fire Standards and what their requirements ('desirable outcomes') are.
- 4.13 Other external reviews include the following:
- ISO27001 Information Security Audit accreditation meaning that HIWFRS are compliant to the internationally recognised information security standard.
  - Complete annual Code of Connection (CoCo) review and Home Office submission for our Emergency Services Network (ESN) connectivity.
  - Complete annual audit and Code of Connection (CoCo) statement return for emergency communications.
  - Annual penetration tests by authorised third-party companies to conform to ISO27001, Public Sector Network and Emergency Services Network accreditation requirements.
  - Inspection from HMI covering ICT management activities, methodology, technology and Security.
  - Complete audits of ICT functions conducted by the Southern Audit Partnership, two to four audits per year of our operational teams and or processes.
  - Monthly Internal audits assessing the competence and compliance of ICT staff in line with the ISO27001 scope, standards and requirements.
  - Quarterly tabletop exercises relating to ICT scenarios testing business continuity plans, disaster recovery plans and day to day processes
  - Statutory requirement to comply to Section 11 of The Children Act 2004 and to the statutory guidance of the Care Act 2014. This includes a programme of continuous audit, assurance and reporting arrangements in order to demonstrate and evidence our compliance to the legislation.

## **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 Annual Governance Statement (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 The HIWFRS Corporate Governance Framework illustrates how decisions are made and by whom. This Framework works alongside the HIWFRA Constitution to ensure clarity around all governance arrangements. To provide a greater understanding around this an HIWFRS 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 The HIWFRS 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 2023-2024:

6.3.1 Continue to adopt the 'Leading the Service' and 'Leading and Developing People' Fire Standard to ensure HIWFRS meets the required standard.

6.3.2 Deliver stage two of the CRMP (developing solutions to meet the risks identified in stage one) including consulting with partners, staff and the public.

6.3.3 Continue to align to the sector's current approved codes of practice: strategic and tactical National Operational Guidance.

6.3.4 Deliver the Safety Plan year 4 activities which take into account HMICFRS findings.

6.3.5 As part of the continued commitment to on-call, invest, as approved by the Fire Authority, in improving the support provided to the on-call workforce.

6.3.6 To strengthen the Service's governance around the Inclusive Service Strategy and the Wellbeing Strategy, an Equality, Diversity, Inclusion and Wellbeing Board is being added to the Corporate Governance Framework. This Board will have representation across all Directorates and will provide focus on the actions that form part of the Wellbeing action plan and the three year Inclusive Service strategic action plan.

## **7 In response to the Action Plan outlined in the 2022/23 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 2022/2023:

7.2.1 HIWFRS continue to invest into our Carbon Reduction plans including the installation of electric charging points across the estate. All 37 identified sites will have installed chargers and the completed the project has rolled out 126 charges across the HIWFRS estate.

7.2.2 The Authority considered the Home Office White Paper consultation and provided views in relation to a change of governance. As further updates detailing the outcome of the White Paper consultation are published, the Authority will ensure the current governance frameworks and their supporting Policies, Procedures and Guidance are fit for purpose and align to any recommendations.

7.2.3 The Service published its 'Our Inclusive Service' strategy which describes our Equality Objectives, builds on the positive progress we have made towards creating an inclusive culture and our commitment to equality and diversity. Work continues to create an underpinning three year strategic action plan which will run from 1 April 2023 until 31 March 2026.

7.2.4 In Summer 2022, HIWFRS agreed a business case to produce the next Safety Plan covering 2025-2030. The HIWFRS Safety Plan is the Community Risk Management Plan (CRMP). HIWFRS intend to carry out the work of the CRMP in two stages. Stage one commenced from September 2022 and is underway until June 2023. Stage one will give a clear understanding of and identify the risks we face in our communities. Stage two will begin shortly after and will develop options to meet the risks identified in stage one.

7.2.5 A value for money assessment was completed in January 2023 with the assessment producing a report, which will be used alongside other assurance sources, including the HMICFRS inspection report, to identify areas of focus and improvement for the Service. The assessment also provides valuable benchmarks against other Services and will also allow us to share and tap into good practice from across the sector.

7.2.6 The Service have developed a Wellbeing Strategy which will be presented to the Executive Group for sign off in May 2023. The Strategy has an underpinning Wellbeing action plan.

7.2.7 A considerable amount of work has taken place to mature our compliance with Fire Standards and embed a process for assessing current and forthcoming Fire Standards as part of our ongoing assurance activity. The Authority's Standards & Governance Committee is regularly updated on our assurance activity in this area. With the second update, into the Committee in March 2023, appending our Fire Standards Procedure, which provides further detail on our fire standards assurance approach across the Service.

## **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 Chairman

Date: