



**Hampshire  
& Isle of Wight**  

---

**FIRE & RESCUE AUTHORITY**

# **ANNUAL GOVERNANCE STATEMENT**

**2021/2022**

**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) 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 new 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 the best 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 minor 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. During 2021-2022, the Service welcomed a new Deputy Chief Fire Officer which resulted in amendments to the Governance Framework. These amendments 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.

## **3.2 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. As outlined in the paper on Year 3 Safety Plan improvements that went to the Authority for approval in February 2022, the Service is already preparing for a Community Risk Management Plan (CRMP) beyond that date.
- 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 live streamed, and the recording published to enable staff and the public better access to view decision making.

- 3.2.5 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 up until May 2021. HIWFRA meetings continued to be open and transparent and took full advantage of the technology available to continue with its obligations. Since that time, the Authority has reverted to physical meetings in line with legislation.
- 3.2.6 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.
- 3.2.7 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.
- 3.2.8 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.
- 3.2.9 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.
- 3.2.10 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 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 report 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.

### **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 two 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 2022, 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 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 (IPAG). 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 (IPAG)
- 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.
- 3.4.3 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.

3.4.4 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, and Capital and Investment Strategy. Financial resources are focused to deliver the Authority's aims and priorities over the short and medium term.

3.4.5 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.

3.4.6 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 the 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 monitors the Organisational Risk Register through formal reporting. To ensure risks are captured efficiently and well managed with effective control measures, a Risk Management System has been implemented throughout the Service since April 2021. This system effectively manages risks in all of the risk registers in one place. It ensures the Authority determines relevant risks to delivery of the Safety Plan and has effective control mechanisms in place.

3.4.7 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 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. 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. 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 to supervisory and middle managers across the organisation has progressed virtually and will also be delivered in person when appropriate to do so. The content our leadership and management training align with the National Fire Chiefs Council (NFCC) Leadership Framework and the Fire Standards Code of Ethics, as well as our own Service Values.
- 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.

### **3.6 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, 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 was 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 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 (IPAG) 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 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 Financial Officer and all formal significant financial decision making has the benefit of advice and review from this officer or the wider finance team.

- 3.6.13 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. 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.
- 3.6.14 The Authority updated its Medium-Term Financial Plan (MTFP) when setting its budget for 2022/23. The MTFP covers the three-year period to 2024/25, however the single year Local Government Finance Settlement for 2022/23 means there is increased uncertainty when planning for the second and third years 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 MTFP and in-year financial position are monitored by our Executive Group and are regularly formally reported to the Authority at its public meetings.
- 3.6.15 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. The Authority also sets out its Capital and Investment Strategy and Reserves Strategy as part of its budget setting process, both of which are important parts of the Authority's overall financial management.
- 3.6.16 The new 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.
- 3.7.14 The implementation of 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 The Authority prides itself on being a professional learning organisation that actively seeks challenge and review.
- 4.7 Following the COVID-19 inspection of 2020, which concluded they were impressed by how the service adapted and responded to the pandemic effectively to fulfil its statutory functions, protect the public and support staff wellbeing, we have continued and expanded work with partners as part of our pandemic response and we have also taken action in the three areas of focus that HMICFRS identified in that inspection.
- 4.8 More specifically, there has been extensive work on hybrid working to ensure it is possible at HQ and stations, with staff recording site attendance via an App; as well as a wide range of work to ensure sites can support vaccination efforts, most significantly in Basingstoke fire station as a vaccination centre that delivered over 150,000 vaccinations (saving approximately 200 lives) and various pop-up vaccination clinics. Finally, various critical estates work, aligned to the design principles has continued despite COVID-19.
- 4.9 Our ICT environment has been critical to the maintenance of critical services and business and 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, e.g., with reduced commuting time, reduced costs to some staff and the Service (e.g., reduced use of Pool cars and reduced travel and subsistence).
- 4.10 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.
- 4.11 Wide ranging and ongoing support to partners, e.g., in terms of people (extracted and voluntary vaccinators, mortuary drivers, and extracted ambulance driver support in the first wave), and IT and estates (e.g., to support vaccination efforts); as well as significant support in and around the Hampshire & Isle of Wight Local Resilience Forum. COVID-19 has strengthened our relationships with partners and means we are well-placed to further develop our strategic relationship with health, for example, through our ongoing Health Partnerships project and current support to health partners on mass vaccination, ambulance driving, cardiac arrest and falls response.
- 4.12 The pandemic changed our incident profile by reducing and changing the number of incidents we attended, and the first wave impacted our fire safety audit and safe and well visit activity. However, throughout the pandemic we have maintained our core statutory functions, while also supporting partners on a voluntary basis. With the fluctuating restrictions, we have developed

degradation plans that ensure the maintenance of critical activity, whilst protecting both our staff and the public. We also have well-established governance to coordinate our response and recovery activity; interrogate our sickness, availability, and resourcing levels; and ensure robust control measures have been in place. Our health and safety approach has also been peer reviewed and audited, with positive conclusions.

- 4.13 Throughout the pandemic we have kept a lessons log both locally and collectively with our Local Resilience Forum. Additionally, ongoing conversations are taking place through our Health Partnerships project to incorporate some of these supporting activities into our business-as-usual resilience plans with Health colleagues. This project will track and monitor benefits. Reviews and lessons learned were also captured from the additional activities we have already undertaken to support partners.
- 4.14 In June 2021, the HMICFRS published a letter outlining our comprehensive response to their cause for concern (on the Service not doing enough to be an inclusive employer) from the 2018 inspection. The HMICFRS letter considered the documentary evidence we provided in relation to the progress being made on the cause of concern and they concluded:

*“[HMICFRS] are encouraged by the work that is in progress to improve the values and culture of the service, and to become a more inclusive employer. We welcome the new frameworks, policies and associated improvements made to date, and recognise the fresh beginning a new service offers.*

*It is pleasing to see that the results of the recent surveys recognise the improvements made. However, while there has been good progress, it will take time for these improvements and the transition to the new service to become established. We will therefore inspect this cause of concern as part of your round 2 scheduled inspection in 2022.”*

- 4.15 The next inspection of HIWFRS, our first as a combined Service, took place between April and June 2022, with a final report set to be published by the end of 2022. We welcome the opportunity to demonstrate the progress that has been made across the Service since 2018, as well as the opportunity to capture learning or improvements.
- 4.16 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, Chief Officer’s Group, and Integrated Performance and Assurance Group (IPAG) – 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.

4.17 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\*
- 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 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 2022-2023:

6.3.1 To continue investment into our Carbon reduction plans, including electric vehicle charging points across the estate.

6.3.2 To publish our Inclusive Service Strategy and work with Network Groups and stakeholders to develop an underpinning action plan with appropriate oversight and governance.

6.3.3 To undertake a review of governance frameworks and their supporting Policies, Procedures and Guidance

6.3.4 To deliver Phase One of the Community Risk Management Plan (understanding risk, issues, challenges and opportunities in Hampshire and the Isle of Wight

6.3.5 Undertake an external value for money assessment on HIWFRS which follows on from the baseline benchmarked data provided through the 2020 assessment

6.3.6 To develop a Wellbeing Strategic Plan, addressing the finding from the wellbeing survey

6.3.7 Across all Directorates, progress our maturity and compliance with Fire Standards

**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 2021/2022:

7.2.1 The Corporate Governance Framework has been updated as a result of restructures at Director level and the Corporate Governance Framework and associated documents are available for all staff.

- 7.2.2 As a result of the Combined Fire Authority, an Authority Member Allowances review has been carried out and approved by the Authority in February 2022.
- 7.2.3 The Authority's new governance arrangements for the Combined Fire Authority are working effectively and efficiently.
- 7.2.3.1 The Constitution has been kept up to date with the addition of substitute members to the Authority's standing committees to help ensure attendance and representation issues are addressed.
- 7.2.3.2 The new CFA existed in "shadow form" from 1 April 2020 to 31 March 2021 and then moved into full operation with effect from 1 April 2021. During the "shadow period", elected members were successfully appointed by the Constituent Authorities in accordance with the Combination Scheme. Those appointments continued when the Authority went into full operation on 1 April 2021, ensuring continuity. Members were (and continue to be) required to complete required declarations of interests on appointment, which are published in accordance with transparency requirements. The Constituent Authorities re-appoint their members to the CFA at their Annual General Meetings each year in May. Therefore, each constituent authority reappointed their allotted members in May 2021 and again most recently in May 2022.
- 7.2.3.3 During the shadow period, robust arrangements were put in place to ensure appropriate governance of the "shadow authority", but in a way that anticipated the Authority coming into full operation on 1 April 2021. This included:
- adoption of a Constitution containing key governance documents, including Standing Orders, Scheme of Delegation, Member Code of Conduct, Financial Regulations and Contract Standing Orders.
  - the appointment of statutory officers (Clerk/Head of Paid Service, Chief Financial Officer, and Monitoring Officer).
  - the appointment of "Independent Persons" to assist the Authority in dealing with complaints against elected members, as required by legislation.
  - the approval of arrangements to ensure statutory democratic processes are complied with (ie., publication of agendas and papers for formal meetings, retention of minutes etc).
- 7.2.3.4 As a result of the planning and preparation that took place during the shadow period, the new CFA moved seamlessly into full operation on 1 April 2021 and successfully held its first formal public meeting in April 2021, and its first full Annual General Meeting in June 2021. At the Annual General Meeting

in June 2021, the usual governance requirements comprising election of Chair and Vice Chair, approval of the proportionality table, appointment to standing committees and approval of constitutional documents were successfully completed. The Authority also approved dispensations to avoid any conflict issues in relation to setting the Council Tax precept and approving the Member Allowance Scheme.

7.2.3.5 The new Authority now has well developed governance arrangements, built on past experience of HFRA's governance arrangements and also the preparatory work done during HIWFRA's shadow period. The governance arrangements include dedicated governance staff within HIWFRA, who work closely with HIWFRA's Monitoring Officer and Democratic Services staff in Hampshire County Council to ensure compliance with statutory governance requirements. There is a well-established, detailed forward plan of business for the Authority, which ensures annual decisions in respect of governance matters are taken by the Authority at appropriate times during the Municipal Year. In addition, HIWFRA's governance staff and the Monitoring Officer are involved in assisting and advising officers to finalise reports for all items of business that go to Authority and Committee meetings. Well established "lead in times" are published within the Service, along with a checklist for officers at the front of the report template. This enables items of business to be developed with appropriate legal, financial and governance advice, for such items to be considered by senior officers at Exec Group, and then at Chairman's Briefing, before inclusion in the agenda for meetings. This ensures that decisions taken by the Authority are robust and lawful and comply with good governance requirements. The first year of operation of the full Authority has been a success with high attendance by members at meetings and no challenges to decision making".

7.2.4 The values and behaviours have been embedded into the organisation and incorporated into many of our processes for recruiting, developing and managing our people. To encourage behaviours that demonstrate the Values positively, we have introduced the Peer to Peer Recognition scheme whereby employees can nominate one another for positively role modelling the Service values.

7.2.5 The new Risk Management System is being embedded into the organisation to encourage good practices in risk management and reporting. Implementation of a risk management framework which has also included the use of a risk management system to monitor risk and mitigation at a corporate level.

7.2.6 A gap analysis of each of the Fire Standards as they are released, has been carried out to ensure the organisation is in a strong place and can give assurances to HMICFRS.

## 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: