

Standards and Governance Committee

Annual Governance Statement 2013-14

1 Scope of responsibility

- 1.1. Hampshire Fire and Rescue Authority (the Authority) is responsible for ensuring that:
- its business is conducted in accordance with the law and proper standards; and
 - public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 1.2. The Authority has a duty¹ to make arrangements to secure continuous improvement in the way its functions are exercised through a combination of economy, efficiency, and effectiveness.
- 1.3. The Authority must ensure that there is a robust framework of corporate governance and a sound system of internal control that supports the effective exercise of the Authority's statutory functions – including its arrangements for the management of risk.
- 1.4. The Authority has approved and adopted a code of corporate governance, which is consistent with nationally accepted principles².
- 1.5. This Annual Governance Statement explains how the Authority has complied with the code and meets the legal requirements³ for the publication of a statement on internal control.
- 1.6. This statement has also been prepared to satisfy guidance⁴ on the role of the chief financial officer.
- 1.7. Good governance arrangements are the foundations on which the Authority establishes its policies and delivers its services to the community. The arrangements must be reviewed regularly and adapted in the light of changing circumstances. This Annual Governance Statement is the opportunity to ensure that the fundamentals of good governance remain in place and that they are responding to internal and external changes.

¹ Local Government Act 1999

² *Delivering Good Governance in Local Government'* - a framework and set of guidance notes jointly produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

³ Regulation 4(3) of the Accounts and Audit Regulations 2011

⁴ CIPFA – the role of the Chief Financial Officer

2 The purpose of the governance framework

2.1 The governance framework comprises:

- the systems, processes, culture and values by which the Authority is directed and controlled, and
- the activities through which it is accountable, to and engages with, the communities it serves.

It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.2 The system of internal control is a significant part of that framework and designed to manage risk to a reasonable level. It cannot eliminate all risk. It can only provide a reasonable, not an absolute, assurance of effectiveness. It is a continuous process that helps to assess the likelihood of risks occurring, their potential impact, and how they should be best controlled and mitigated.

2.3 The governance framework has been in place for the year ended 31 March 2014 and up to the date of approval of the Statement of Accounts.

3 Assessment against the six core principles of good corporate governance

3.1 This statement is based in part on the outcomes of a detailed self-assessment⁵ of the Authority's governance arrangements, the full detail of which was first presented to the Governance Committee in June 2008. This has been reviewed in the light of the additional requirements on the role of the 'chief financial officer'⁶. The outcomes of the updated assessment are summarised in the following paragraphs using 'six core principles'⁷.

3.2 We have reviewed our self-assessment, and in addition to this, all members of our Senior Management Team have completed a certificate of assurance on the operation of some key controls within their remit. We can confirm that we have found nothing that would reduce confidence in our governance arrangements. Where improvements have been made, or are planned, they are outlined in this statement.

5 Using the CIPFA/SOLACE 'Good governance' framework and guidance.

6 CIPFA – the role of the Chief Financial Officer

7 Set out in the CIPFA/SOLACE 'Good governance' framework

4 Principle 1:

Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area

- 4.1 The delivery of fire and rescue services and the associated community safety activity remains the Authority's core activity.
- 4.2 The Authority refreshed its approach to service planning following the introduction of the Fire and Rescue National Framework for England⁸ and our own Strategic Assessment. This "identifies and assesses all foreseeable fire and rescue related risks that could affect its community including those of a cross border, multi authority, and/or national nature". This has led to the Service Plan moving from a three-year rolling plan to a five year fixed plan (2013-18). Our priorities and aims are clear and arranged under the themes of 'Making life safer' and 'Making our Service stronger' – our 'Safer Stronger' aims. These focus our resources to the relevant community risks, and our organisational improvements to support our service delivery. The plan sets out – for the benefit of all our stakeholders – how the Authority:
- assesses the risks,
 - responds to changes and challenges, and
 - sets priorities and targets for improvement.
- 4.3 The strategic priorities, identified from our Strategic Assessment, were presented to the Authority on 19 September 2012. These were approved for consultation with stakeholders. Following consultation, the Plan was approved by the Authority in February 2013 when, importantly, the three-year revenue budget and capital programme were also determined and approved. This ensures that the Authority can, in a timely way, take account of overall financial pressures and the specific resource implications of the content of our priorities.
- 4.4 Our Plan takes into account the outcomes of:
- our Strategic Assessment, which includes a review of the external environment in which we operate and identifies any new and emerging issues. To understand and assess our risks, we look at the profile of the county, our own incident statistics, and professional knowledge. We combine this with information from our partners and other external sources.
 - a comprehensive programme of consultation with stakeholders;
 - Our vision 2020.
 - our performance results; and
 - the findings and recommendations of various reviews, audits and assessments.

⁸ Fire and rescue national framework for England – published by CLG in July 2012

- 4.5 It is essential that we continue to review feedback from our stakeholders, including staff, and use information and scan the environment to ensure our plan is dynamic and responsive to changing needs.
- 4.6 The Authority continues to improve the way we gather and use community risk intelligence to ensure that our priorities and aims focus on the diverse nature of risks in the communities we serve. We are currently bringing the teams that deal with information together as a Knowledge Management function to provide improved management information. This will help us better understand the impact of what we do and what models, plans, or interventions should be considered to help us achieve our 'Safer Stronger' aims.
- 4.7 The planning process we undertook during 2012-13 culminated in a new look to the printed version of the Plan which is also published on the Authority's website. It includes a refreshed vision for 2020. The Plan is supported by promotional activities to ensure that the Authority's corporate priorities, aims, and targets provide a cornerstone for all internal and external communication activities.
- 4.8 Effective performance management is in place to measure progress against objectives and to prompt remedial action where appropriate. Each performance indicator has an 'owner' at Service Management Team level to ensure that performance is regularly assessed against target. The Authority has a sound framework for monitoring its performance, with a dedicated performance management system that provides timely information. Both the Service Management Team and the Performance Review and Scrutiny Committee review our key performance indicators on a regular basis.
- 4.9 An activity report is presented to the Fire Authority at each meeting to provide an up to date overview of service delivery. We publish an annual report of our performance for the previous financial year which provides easy to understand information and charts summarising our performance.
- 4.10 We compare our performance to that of other fire and rescue services; for example, we make use of national benchmark information. This continues to show that we are performing well when compared with other fire and rescue services.
- 4.11 The Authority has developed a medium term financial plan to inform its corporate planning. This identifies the likely levels of funding available to the Authority, the cost of its current spending plans and the shortfall we are anticipating in future years. We have established a clear Financial Plan for 2014-18 with the specific purpose of closing our estimated funding gap of £12.2m. We are on target to meet the efficiency savings target of £6.1m that we set in 2010. We have made

important changes in a measured and methodical way. The Financial Plan is being overseen and monitored by our Safer Stronger Board and will be regularly reported to the Finance and General Purposes Committee.

- 4.12 Financial planning and management is 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 completion of final accounts.
- 4.13 The Authority is implementing a number of changes, including a new information system to support mobilising and monitoring the availability of firefighters, a control room networked with three other fire and rescue services and other efficiency programmes. We continue to strengthen our project and programme, and portfolio management arrangements to ensure they are successfully delivered and the associated risks and costs are appropriately managed.
- 4.14 The Authority enjoys a constructive relationship with the Unions representing the staff groups within the Service, through which meaningful consultation and negotiation on service issues takes place.
- 4.15 The Authority has in place business continuity plans for dealing with major community incidents and disruptions to its own activities. The business continuity framework is updated annually to reflect changing needs. The plans are regularly rehearsed to ensure that they operate effectively, and where necessary, updated to reflect issues identified. They have been tested during the recent industrial action.
- 4.16 The environmental impact of the Authority's activities features prominently in planning and service delivery and the Authority is implementing an agreed carbon management programme aimed at reducing our carbon footprint by investing to save in key projects.
- 4.17 Since January 2011, Hampshire Constabulary (HC), Hampshire Fire and Rescue Service (HFRS) and Hampshire County Council (HCC) have been working together to identify services that we could potentially deliver in partnership. Between April and June 2012, the governing bodies of HC, HFRS and HCC approved the business cases for the Joint Working in Hampshire programme.
- 4.18 A key part of this programme was the development of an Integrated Business Centre, which is a new, integrated and efficient service to deliver a range of key support services. The design of the IBC began in July 2012 and was completed in March 2013. The aim was to create a single joint working 'entity' to provide services across the three organisations, with joint direction, governance, control and senior management. Each organisation remains distinct and focused on the delivery of its core services, retaining its own corporate identity and

brand. The vision for Joint Working in Hampshire is “to drive efficiencies and tangible service improvement through joint working in a number of key service areas”.

- 4.19 On 1 February 2014 the joint service partnership between Hampshire Constabulary (HC), Hampshire County Council (HCC) and Hampshire Fire and Rescue Service (HFRS) legally came into being. The partnership, known as H3, is currently delivering the following services to HFRS:
- HR
 - Occupational Health and Wellbeing
 - Finance
 - Procurement
- 4.20 In setting up the partnership, 25 members of staff from HFRS TUPE transferred to H3 (under the host employment of HCC) on 1 February 2014. HFRS will go live in the Integrated Business Centre in August 2014. Encouragingly, the model we’ve developed has attracted interest from other public sector organisations, which has led us to explore other potential partnerships.
- 4.21 Pursuing this strategy will enable the Service to prioritise spending on our frontline services and will also improve career opportunities for our staff in areas that are currently restricted in terms of promotion and development. We will ensure that an appropriate control framework continues to be in place during and after joint working has been implemented.
- 4.22 The Networked Fire Control Services project is a partnership with Devon and Somerset, Wiltshire and Dorset Fire and Rescue Services to replace the existing HFRS control system and to link it with other FRS control rooms for resilience. It will enable us to secure efficiency gains through joint procurement as well as operational benefits. The Authority is due to implement the new control system by September 2014.
- 4.23 On 20 February 2013 the Authority established a wholly owned company, 3SFire Limited, to sell services into the fire market. Profits earned will be used to protect frontline services. The company continues to grow and evolve its services and is now fully set up with governance and policies in place. Regular updates on the company are provided to the Finance and General Purposes Committee, and Governance arrangements were reported to the Standards and Governance Committee in December 2013. The main areas of focus of the company are specialist training, fire management consultancy, operational services and business fire safety solutions. 3SFire is working to develop links with local industrial fire services in the south-east to help them with their training needs, particularly in the areas of confined space and technical rescue.

4.24 In January 2014 the Authority initiated the Risk Review project. This Review will support the priorities of the Service Plan and Pathway 2020 and identify options and future operating models that address risk whilst finding savings of £5 million from Service Delivery budgets. A more fundamental review of how firefighting services are delivered is needed and will encompass areas such as staffing, existing building provision and the vehicle replacement programme.

**5 Principle 2:
Members and officers working together to achieve a common purpose with clearly defined functions and roles**

5.1 The Authority has an established set of committees with clear terms of reference to support its work, which regularly report through their minutes to the full Authority. These are:

- Finance and General Purposes Committee;
- Standards and Governance Committee;
- Performance Review and Scrutiny Committee; and
- Human Resources Committee;

5.2 The Authority reviewed the terms of reference of all committees in 2013 to ensure that they remain fit for purpose.

5.3 A Members Allowance scheme is in place, and was reviewed in 2013 in line with changes made by the Localism Act 2011.

5.4 The Corporate Management Team (CMT) – a regular joint meeting of leading Members of the Authority and the Directors – provides a valuable ‘sounding board’ to exchange ideas and discuss current issues although it is not a decision-making body. It also plays an important role in reviewing the Corporate Risk Register.

5.5 The Safer Stronger Board, as well as overseeing our Financial Plan:

- oversee the delivery of the Service Plan (incorporating financial planning and performance improvement), and the pathway to our Vision 2020
- provide Member input into the Vision, Service Plan and Service Improvement Plan
- identify and secure the required behavioural, cultural and systems changes
- have oversight of the Authority’s commercial strategies including the trading arm 3SFire.

5.6 The Service maintains a comprehensive set of ‘Service Orders’ setting out policies and procedures across a wide range of front-line services

and support functions. These are regularly updated and we are currently involved in collaboration with 22 fire and rescue services to standardise the operational procedures.

- 5.7 The Chief Officer is responsible for the effective operational management of the Service.
- 5.8 The Authority has appointed an external person to the combined role of Monitoring Officer and Clerk.
- 5.9 The financial management of the Authority is overseen by the Treasurer in conjunction with the Director of Professional Services and the Chief Officer. The Treasurer, who holds the legal responsibilities⁹, is also an external appointment. There are advantages in having the roles performed by the Clerk and Treasurer who are not employed directly by the Service. It is a cost effective approach to procuring very specialist services and provides a degree of impartiality derived from being independent of the Service's management.
- 5.10 The Authority, its committees and the Chief Officer have available to them a full range of professional advisers to enable them to carry out their functions effectively and in compliance with statutory requirements. Some legal, ICT, internal audit, property, and committee services are provided through contracts for services (service level agreements) with Hampshire County Council.
- 5.11 There are a number of Member "champions" who are involved in a range of areas such as the financial challenge, health and safety, and the environment.
- 5.12 The organisation has reviewed its arrangements for the day to day management and strategic leadership. This has led to an enhanced role for the Heads of Service (i.e. the senior managers reporting to Directors) and the formation of the Heads of Service Team (HoST). This group co-ordinates management activity across the Service including oversight of new activities and projects, as well as in-year financial management. In addition to enhancing the strategic leadership capacity of the Service, it is designed to develop future leaders in the Fire Service. HoST meet monthly.

⁹ Including the designated Section 151 responsibilities – Local Government Act

**6 Principle 3:
Promoting values for the Authority and demonstrating the values
of good governance through upholding high standards of conduct
and behaviour**

6.1 There are a well-established set of core values and ethical standards which Members and staff are expected to observe and promote. These values are underpinned by policies and procedures covering:

- Standing Orders governing the conduct of Authority business;
- Scheme of Delegation, which we are reviewing to ensure that it remains fit for purpose;
- Financial Regulations;
- Standing Orders relating to contracts;
- Corporate procurement strategy;
- Register of interests;
- Members and Officers Codes of Conduct;
- Registers of gifts and hospitality (separate ones for staff and Members);
- Member/Officer relationship protocol; and
- Information security policies

6.2 The Standards and Governance Committee is responsible for monitoring, reviewing, and reporting to the Authority on the governance arrangements. It has responsibility for maintaining high standards of probity amongst Members through the provision of advice and training and by carrying out investigations into allegations of failure to comply with the Members' code of conduct, which has been refreshed to comply with the Localism Act 2011.

6.3 The Committee takes responsibility for the initial filtering of any complaints made against Members of the Authority. In 2013/14, no complaints against Members required investigation by the Committee.

6.4 Procedures are in place for Members and Officers to register conflicts of interest. Advice is available to Members from the Clerk on any aspects of the Members Code of Conduct or conflicts of interest that may arise either before or, in most cases, at the point where the decision is to be made.

6.5 The Authority has put in place effective policies and reporting arrangements to encourage openness in the organisation:

- Complaints procedure;
- Freedom of information and data protection policies;
- Whistle-blowing policy; and
- Anti-fraud and corruption policy, which takes account of the Bribery Act 2010.

- 6.6 A survey has been undertaken on the Authority's Whistleblowing arrangements, the results of which will be used to review the existing policy, ensuring that it reflects the Authority's values and vision.
- 6.7 The Authority has detected very few instances of fraud. During the year it conformed to the National Fraud Initiative (NFI) timetable to submit datasets relevant for the period. No material issues were identified. The annual Audit Commission's Fraud & Corruption Survey, was completed, and submitted within the required timeframe.
- 6.8 The Service continues to promote its wide range of policies and guidance which support effective management. These include:
- Service Orders;
 - Equality and diversity strategy and action plan;
 - Personal Development Review (appraisal) system;
 - Learning and development plans; and
 - Business continuity plans.
- 6.9 The Authority operates in an open and transparent way. The Authority's meetings are open to the public and its papers and decisions are available through our website (save for individual items of a sensitive nature properly considered in confidential session). It provides information for interested stakeholders and is committed to developing this in line with the transparency agenda. Examples include:
- Authority agendas, reports and minutes;
 - Published pay policy;
 - Members' allowances scheme, and
 - Details of items of expenditure over £250.
- 6.10 We aim to write a policy and implement a strategy in line with the Local Government Transparency Code which was released in May 2014.
- 6.11 We are planning to publish more easily-accessible incident-related information for the public via the internet.

7 Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- 7.1 All decisions made by the Authority and its committees are recorded and made available on the internet (save for individual items of a sensitive nature properly considered in confidential session). There is a standard template for committee reports and an internal gateway process to ensure they meet the required standard and accuracy. A timetable exists to ensure that committee deadlines are met.

- 7.2 The Authority has a comprehensive risk management policy, which was refreshed and approved in November 2012, and maintains a dynamic corporate risk register. The register is regularly reviewed, every four months by the Service Management Team and every six months by the Corporate Management Team. Internal Audit reviewed the Authority's risk management arrangements in 2012/13 and found them to be 'substantial'. The Standards and Governance Committee has the additional responsibility for reviewing the policy and register. The register is presented annually to the Authority with any major changes highlighted. Reviews of the register are regarded as a valuable part of our corporate planning process. They help us to prioritise actions in our corporate plan and embed risk management in the organisation.
- 7.3 The Performance Review and Scrutiny Committee oversees improvement planning and reporting on performance. It monitors progress on implementing the outcome of improvement plans and reviews. The Committee has responsibility for the scrutiny function and, with its wider terms of reference, has the authority to request post-implementation and evaluation reviews of major projects and decisions. It also receives formal evaluation reports following the implementation of corporate aims and objectives.
- 7.4 The Authority has well established internal audit arrangements. There is an agreed strategic audit plan and an annual programme of internal audits, which are prioritised according to risk. In May 2013 the Internal Audit Manager concluded:
- "In my opinion, Hampshire Fire and Rescue Authority's framework of governance, risk management, and management control is 'adequate' and audit testing has demonstrated controls to be working in practice. Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement".
- 7.5 The Standards and Governance Committee has responsibility for monitoring progress on the implementation of all agreed actions resulting from internal audit reviews. It receives both internal and external audit plans and annual reports/management letters. We pride ourselves on the thorough way in which we monitor implementation of audit recommendations and consider it an example of best practice in our governance arrangements.
- 7.6 External audit provides a further source of assurance by reviewing and reporting upon the Authority's internal control processes and any other matters relevant to their statutory functions and codes of practice. The Audit Commission's Annual Audit and Inspection Letter dated 25 October 2013 stated:

“In our view, the quality of the process for producing the accounts, including the supporting working papers was good. There were no significant issues to report...

“The organisation has proper arrangements in place for securing financial resilience; and

“The organisation has proper arrangements for challenging how it secures economy, efficiency, and effectiveness.

“We issued an unqualified value for money conclusion.

“The Authority has established a robust Medium Term Financial Plan to support a sustainable budget. There are effective monitoring arrangements and budgets are being delivered. Looking forward the level of financial challenge is increasing and the Authority has identified that significant additional savings will be required in the medium term.

“There are arrangements in place to develop sustainable solutions to savings required and the Authority has a sound level of reserves to enable the structural changes necessary to secure further savings to be implemented.....

“...The Fire Authority continues to be able to demonstrate that it is low cost and performing well against its own corporate priorities as well as comparatively against other fire authorities. Corporate planning is supported by a robust system of risk management. Resources and savings targets are linked to corporate priorities. Performance monitoring is effective and there is appropriate challenge and investigation where objectives are not on track. The Fire Authority has achieved significant savings through challenging how services are provided and joint working arrangements (such as the joint control room and vehicle maintenance contract) have been established to deliver further efficiencies.”

- 7.7 The Authority has provided an annual assurance statement on financial, governance and operational matters and show how it has had due regard to the expectations set out in our integrated risk management plan and the requirements included in the National Framework for Fire and Rescue Authorities.
- 7.8 Effective, efficient, and responsive systems of financial management are in place. The Authority’s three-year financial management strategy is reviewed annually and incorporated in the budget book. The budget is monitored during the year at meetings of the Finance and General Purposes Committee and the final accounts report is reported to its

July meeting. The Standards and Governance Committee consider the Annual Governance Statement (this document) at its June meeting.

- 7.9 The Treasury Management Strategy statement and Investment Strategy are approved by the Fire Authority annually with the budget.
- 7.10 Our property management strategy and property register have been enhanced by the implementation of a dynamic management information system. This tracks buildings maintenance risks and needs identified in our five-year rolling programme of condition surveys. Joint working in Hampshire is enhancing resilience. Maintenance is now carried out under the Hampshire County Council arrangements, and a new asset management system is currently being implemented.
- 7.11 The Authority has a well-established Health and Safety Policy¹⁰, which is communicated widely to its staff. Full information and advice is available on our website. Our internal health and safety governance arrangements were reviewed in February 2013, resulting in a refreshed Health and Safety Committee. The Standards and Governance Committee receives annual reports on health and safety and the chairman is the Member champion for health and safety. We achieved RoSPA gold accreditation in 2014.
- 7.12 Impact assessments are completed for major projects and policy changes where appropriate. These include assessments of equality, environmental and financial impacts.

8 Principle 5: Developing the capacity and capability of Members and officers to be effective

- 8.1 Members receive good induction training and attend a number of 'awareness' sessions on current topics which are delivered during the year. These ensure that decision-making is based on good knowledge and understanding of the issues involved. Regular bulletins (Members' Updates) are issued and Members receive copies of key internal staff communications (e.g. our 'Extra' publications). The 25 Members are appointed to the various standing committees with the aim of spreading workloads and matching individual interests/expertise to the functions of the committees wherever possible.
- 8.2 Significant investment continues to be made in delivering staff training and development reaccreditation of a Silver Award under the new, higher standard, Investors in People accreditation.
- 8.3 The Authority's personal development review system¹¹ continues to ensure that all personnel are fully aware and engaged in helping to

¹⁰ Service Order 8/1/1

¹¹ Personal Development Review System

achieve the Authority's corporate aims. The development needs of individuals are summarised to inform our learning and development plans. We are reviewing and revising the Personal Development Review process and the way we produce our training needs assessment in 2014.

- 8.4 We have a suite of online training tools for staff. We are continuing to develop e-learning, social and mobile solutions opportunities so that learning is accessible with 'on-the job' options to minimise the disruption to the day-to-day job.
- 8.5 There is a project in place to develop the current online learning tool, 'Moodle'. This project will deliver effective tools to manage and promote learning.
- 8.6 The current system for succession planning was developed and implemented in 2010 and was used effectively to manage the significant changes to the makeup of Service Management Team that were anticipated. The process is now under review with a view to extending this to other levels of the organisation, whilst linking it to our how we identify talent and develop our future leaders
- 8.7 Diversity Champion roles were adopted by Service Management Team to progress our equality and diversity agenda. They also provide the opportunity for people to explore and lead in a different environment, quite often outside of their immediate 'comfort zone'. We will further develop this role as we move away from considerations of equality and diversity and move towards being an ¹²'Inclusive Employer'.

9 Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability

- 9.1 Details given in section 4 above demonstrate that the Authority is committed to engaging with the public and other stakeholders. We are actively working to develop a range of partnership working arrangements including joint procurement, sharing support services, a networked fire control, and sharing premises. The success of our partnership working continues to pay dividends. For example our successful and expanded 'co-responder scheme' with South Central Ambulance Service at 19 fire stations is saving lives and providing value for money for both partners.
- 9.2 Consultation is undertaken according to plans and related consultation strategies, (as part of our corporate planning process) to gather feedback on new policies and proposals.

¹² An inclusive employer is one committed to developing an inclusive workplace, avoiding the pitfalls of discrimination and getting more from their workforce

- 9.3 We will continue to embed our engagement principles (Time, space, conditions to think, talk, listen, include, and do) into the work that we do to include, involve, and consult with our stakeholders. The Service Plan and the Pathway to 2020 priority projects will continue to focus our efforts. Responsibility to meaningfully engage with key groups of people will be integrated into our programme and project management process. As we further develop employee engagement indicators, we will use the same principles to build similar community engagement indicators. Initially this will provide us with a range of benchmarks from which we will manage and monitor future performance. Engagement is now recognised as a strategic priority within, and aligned across, the Service Plan, Marketing and Communications Strategy and emerging Organisational Development Strategy. Engagement will feature as regular monitoring theme as new surveys and pulse checks are developed for all internal and external stakeholders.
- 9.4 In addition to a printed version of the Service plan, we will have a more dynamic approach on our website, which will detail our aims and the actions we will be undertaking to address each of the priorities.

10 Ensuring the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the chief financial officer in local government

- 10.1 The statement¹³ sets out five principles that define the core activities and behaviours that belong to the role of the chief financial officer and the governance arrangements needed to support them.

The chief financial officer should:

- Be a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
- Be actively involved in and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered and alignment with the organisation's financial strategy;
- Lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively;
- Lead and direct a finance function that is resourced and fit for purpose; and
- Be professionally qualified and suitably experienced.

¹³ 'The role of the chief financial officer in public services organisations' CIPFA 2010

10.2 The Authority has the following financial arrangements which demonstrate compliance with these key principles:

- Under the order¹⁴, which established the Authority, there is a requirement to appoint a Treasurer who is also the Section 151 Officer. Since 1997, this appointment has been made under a service level agreement with Hampshire County Council. The Treasurer is also responsible for maintaining an effective internal audit service for the Authority.
- This arrangement provides the Authority with financial advisers who are directly involved in the day-to-day governance and financial management processes that operate within the Service. The Treasurer is involved at a strategic management level and attends meetings of the Authority, its Committees and senior management meetings within the Service. The Treasurer is involved in developing the medium-term financial strategy and plan.
- The Service employs a Director of Professional Services, who is responsible for leading the part of the finance function which was within the Service, and works closely with the Clerk and Treasurer to deliver sound financial management. The Director of Professional Services is a member of the Service Management Team.
- All three officers are responsible for monitoring the effectiveness of governance arrangements and the preparation of the Annual Governance Statement.
- Finance staff within the Service and those within Hampshire County Council who are engaged under a service level agreement are suitably qualified and experienced. They have regular training as required to ensure continuing professional development.

11 Actions we have taken to improve our governance arrangements

- 11.1 We have strengthened our project and programme management arrangements to ensure they are successfully delivered and the associated risks and costs are appropriately managed (para.4.13).
- 11.2 The governance, policies, and approach of the company, 3SFire have been established and reported to the Finance and General Purposes Committee (para.4.23).
- 11.3 We have reviewed the terms of reference of all committees of the Authority to ensure that they remain fit for purpose (para.5.2).

¹⁴ Hampshire Fire Services (Combination Scheme) Order 1996

11.4 The organisation has reviewed its arrangements for the day to day management and strategic leadership. This has led to an enhanced role for the Heads of Service (para.5.12).

12 Actions we will take to further improve our governance arrangements

12.1 We will complete the implementation of a Knowledge Management function to provide improved management information to help us better understand the impact of what we do and what models, plans or interventions should be considered to help us achieve our 'Safer Stronger' aims (para.4.6). We will continue to implement a new document management system.

12.2 We will ensure that an appropriate control framework continues to be in place during and after joint working has been implemented (para.4.17)

12.3 We will to review the scheme of delegation to officers to ensure that it remains effective. This action was included in last year's statement and is nearing completion (para.6.1).

12.4 We will refresh the Authority's Whistleblowing policy (para 6.6).

12.5 We aim to write a policy and implement a strategy in line with the Local Government Transparency Code which was released in May 2014. This further develops an action we had in last year's action now that the Code has been published (para.6.10).

12.6 We will continue to publish more easily accessible incident-related information for the public via the internet (para.6.11).

12.7 We aim to review the Personal Development Review process and the way we produce our training needs assessment in 2014 (para.8.3). This item is carried forward from last year's action plan.

12.8 We are continuing to develop e-learning, social and mobile solutions opportunities so that learning is accessible with 'on-the job' options to minimise the disruption to day-to-day job (para.8.4).

12.9 The succession planning process will be reviewed with a view to expanding this to other levels of the organisation (para.8.6).

12.10 We will further develop the role of the Diversity Champion as we move away from considerations of equality and diversity and move towards being an 'Inclusive Employer' (para.8.7).

12.11 We will continue to embed our engagement principles (Time, space, conditions to think, talk, listen, include, and do) into the work that we do to include, involve, and consult with our stakeholders. The Service Plan and the Pathway to 2020 priority projects will continue to focus our

efforts. Responsibility to meaningfully engage with key groups of people will be integrated into our programme and project management process (para.9.3).

12.12 In addition to a printed version of the Service plan, we will continue to have a more dynamic approach on our website, which will detail our aims, and the actions we will be undertaking to address each of the priorities (para.9.4).

We propose over the coming year to take steps to address the above matters 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:

Signed:

Chairman

Chief Officer

Date:

Date:

DRAFT