

Standards and Governance Committee

22 September 2015

Annual Governance Statement 2014-15

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**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 duty<sup>1</sup> 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 principles<sup>2</sup>.
- 1.5. This Annual Governance Statement explains how the Authority has complied with the code and meets the legal requirements<sup>3</sup> for the publication of a statement on internal control.
- 1.6. This statement has also been prepared to satisfy guidance<sup>4</sup> 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

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<sup>1</sup> Local Government Act 1999

<sup>2</sup> *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).

<sup>3</sup> Regulation 4(3) of the Accounts and Audit Regulations 2011

<sup>4</sup> CIPFA – the role of the Chief Financial Officer

fundamentals of good governance remain in place and that they are responding to internal and external changes.

## **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 an acceptable 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 2015 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-assessment<sup>5</sup> 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'<sup>6</sup>. The outcomes of the updated assessment are summarised in the following paragraphs using 'six core principles'<sup>7</sup>.

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.

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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 England<sup>8</sup> 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 Cultural Vision 2020.
  - our performance results; and
  - the findings and recommendations of various reviews, audits and assessments.

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<sup>8</sup> Fire and rescue national framework for England – published by CLG in July 2012

- The learning captured by the Project Management Office as the Service transforms.
- 4.5 It is essential that we continue to review feedback from our stakeholders, including our 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 have brought together the various teams that deal with information together as a single 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 Service Plan which is published on the Authority's website. It includes a refreshed cultural 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 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

predicted and estimated funding gap of £12.2m and major programmes of work are currently in train to deliver the required savings. We are also 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 medium term financial plan is overseen and monitored by our Safer Stronger Board and is 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, and other efficiency programmes. We continue to strengthen our project, programme and portfolio management capability and ensure that they are fully integrated with Service Planning 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 Trade Unions and Associations 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, are updated to reflect issues identified. The business continuity plans have been fully tested during the period of industrial action by the Fire Brigades Union.
- 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 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 single joint working arrangements 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
  - Finance
  - Internal Audit
  - Procurement
  - Property Services
  - Facilities Management
  - Courier Services
  - Integrated Business Centre
  - Learning and Development
- 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 went live in the Integrated Business Centre on 28 August 2014. Learning and Development transferred to H3 in September 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 support the Service in its aim to prioritise spending on our frontline services.
- 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 implemented the new control system on 31 March 2015.
- 4.23 On 20 February 2013 the Authority established a wholly owned company called 3SFire Limited, to sell services into the fire market. It is legally separated from the Authority and Hampshire Fire and Rescue Service. Profits earned will be used to help protect frontline services as part of our medium term financial plan. The company continues to grow and evolve its services and is now fully set up with governance and policies in place. Governance arrangements were reported to the

Standards and Governance Committee in December 2013. The Finance and General Purposes Committee receive updates on financial aspects relating to the Company's impact on our medium term financial plan. 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. It will 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. The Risk Review and Service Delivery Transformation programme will be implemented from 2016.

## **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 (SSB), as well as overseeing our Financial Plan, is in place to:

- oversee the delivery of the Service Plan or the change activities delivering the Service Plan – incorporating financial planning and performance improvement, the mission and key areas of the Service Improvement Plan.
  - identify and monitor the required behavioural, cultural and systems changes.
  - Monitor project income, costs and savings.
  - equip the Project Management Office with the authority to monitor project progress and work with Senior Responsible Owners to resolve issues before escalating to the SSB.
- 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 Chief Finance Officer in conjunction with the Director of Professional Services and the Chief Officer. The Chief Finance Officer, who holds the legal responsibilities<sup>9</sup>, is also an external appointment. There are advantages in having the roles performed by the Clerk and Chief Finance Officer 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 and democratic 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, equality and diversity 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

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<sup>9</sup> Including the designated Section 151 responsibilities – Local Government Act

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 and Rescue Service.

## **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. Using its Standards Assessment Sub-Committee 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 2014/15, a single complaint was made against a member and investigation commenced in February 2015, which was concluded in July 2015.

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 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.
  - Meetings are held in public and recorded then made available for public viewing and/or listening
- 6.6 A survey has been undertaken on the Authority's Whistleblowing arrangements, the results of which will be used to review the existing approach, 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), in addition it is recorded. 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 have implemented a strategy in line with the Local Government Transparency Code which was released in May 2014.
- 6.11 We have completed a refresh of our new look website which publishes more easily-accessible incident-related information for the public.

**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 three months by the Service Management Team, every three months by Directors and annually by the Standards and Governance Committee. Internal Audit reviewed the Authority's risk management arrangements in 2012/13 and found them to be 'substantial' and will be reviewing them again in 2015/16. 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 August 2015 the Internal Audit Manager concluded:

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

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 as well as progress on other activities within our assurance framework. Performance reporting in respect of all aspects of audit planning, scoping, delivery and correction plans are reported to SMT on a quarterly basis and there is an SMT sponsor for every audit that is conducted.

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 31 October 2014 stated:

"The organisation has proper arrangements in place for securing financial resilience.

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

We issued an unqualified value for money conclusion.

We concluded that the Authority is aware of its financial risks and is addressing them; it has planned a high level of reserves to fund future capital programmes; and has developed a sustainable budget and medium term plan.

We concluded that where the Authority was an outlier when compared to the Audit Commission's profiling tool, this was because of the Authority's conscious policy decisions and demographics; and that the Authority is responding positively to the findings from the Local Government Association's peer review."

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 Service Plan which

delivers 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 forecasts are reviewed annually and the Medium Term Financial Plan has been developed to balance the budget over an extended period in order to allow sufficient time and capacity to properly develop, review and implement savings. 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 Policy<sup>10</sup>, 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 re-accreditation in 2014.
- 7.12 Impact assessments are completed for major projects and policy changes where appropriate. These include assessments of equality, health and safety, 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

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<sup>10</sup> Service Order 8/1/1

communications (e.g. Firewire and Routine Notices). 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. We also have arrangements in place for Members to sit on sounding boards and project boards for specific strategic issues.

- 8.2 Significant investment continues to be made in delivering staff training and development. We have received reaccreditation of a Silver Award under the new, higher standard, Investors in People accreditation.
- 8.3 The Authority's personal development review system<sup>11</sup> continues to ensure that all personnel are fully aware and engaged in helping to 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 2015.
- 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 has delivered effective tools to manage and promote learning and has been implemented across the service, as the tool of choice when it comes to delivering learning to staff.
- 8.6 A system for succession planning was developed and implemented in 2010 and was previously used to effectively manage the significant changes to the makeup of Service Management Team that were anticipated. The process is now under review.
- 8.7 Diversity Champion roles were adopted by individual members of the 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 area of responsibility. We continue to develop this role as we embed our approaches as an <sup>12</sup>'Inclusive Employer'.

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

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<sup>11</sup> Personal Development Review System

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

- 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.
- 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 priorities 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. Engagement is now recognised as a strategic priority within, and aligned across, the Service Plan, Marketing and Communications Strategy and change programmes such as Risk Review and Professional Services Redesign. Engagement will feature as a regular monitoring theme as new surveys and processes are developed to check our staff feel engaged and included.
- 9.4 In addition to a printed version of the Service Plan on request, 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 statement<sup>13</sup> 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

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<sup>13</sup> 'The role of the chief financial officer in public services organisations' CIPFA 2010

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.

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

- Under the order<sup>14</sup>, which established the Authority, there is a requirement to appoint a Chief Finance Officer who is also the Section 151 Officer. Since 1997, this appointment has been made under a service level agreement with Hampshire County Council and has more recently been superseded by the Joint Working arrangements with the County Council and Constabulary under the banner of H3. The Chief Finance Officer is also responsible for maintaining an effective internal audit service for the Authority.
- This arrangement with H3 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 Chief Finance Officer is involved at a strategic management level and attends meetings of the Authority, its Committees and senior management meetings within the Service. The Chief Finance Officer is responsible for developing the medium-term financial strategy and plan.
- The Service employs a Director of Professional Services, who works closely with the Clerk and Chief Finance Officer 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 supporting HFRS are suitably qualified and experienced and have the benefit of working across more than one organisation, together with the enhanced capacity and resilience that the Joint Working arrangement brings. They have regular training as required to ensure continuing professional development.

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<sup>14</sup> Hampshire Fire Services (Combination Scheme) Order 1996

## **11 Actions we have taken to improve our governance arrangements**

- 11.1 We have matured our project and programme management capability to ensure that change and transformation 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).
- 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).
- 11.5 We have implemented a strategy in line with the Local Government Transparency Code which was released in May 2014. (para.6.10).
- 11.6 The Authority has reviewed the scheme of delegation to officers to ensure that it remains effective.
- 11.7 We continue to publish easily accessible incident-related information for the public via the internet (para.6.11).
- 11.8 We have continued to develop e-learning, social and mobile solutions opportunities so that learning is accessible with 'on-the job' options to minimise the disruption to people's day-to-day activities (para.8.4).
- 11.9 We have continued to develop the role of the Diversity Champion as we embed our approach as an 'Inclusive Employer', specifically prioritising the protected characteristics (para.8.7).
- 11.10 We have reviewed our Medium Term Financial Plan in light of changing assumptions.

## **12 Actions we will take to further improve our governance arrangements**

- 12.1 Having completed the implementation of the Knowledge Management function we will mature the department to provide improved intelligence and 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). This function will bring us closer to our aim of being a knowledge-led organisation.

- 12.2 We will continue to ensure that an appropriate control and performance framework is in place during and after joint working was implemented in 2014 (para.4.21)
- 12.3 We will refresh the Authority's approach to whistleblowing and publish an updated Whistleblowing Policy (para 6.6).
- 12.4 The succession planning process will be reviewed with a view to expanding this to other levels of the organisation (para.8.6).
- 12.5 We remain committed to embedding 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).
- 12.6 In addition to a printed version of the current Service plan, we will continue to have a more dynamic approach on our website which will be redesigned and launched in 2015. Our Service plan details our aims, and the actions we will be undertaking to address each of the priorities (para.9.4).

We will commission work to extend the Medium Term Financial Plan to 2020 with plans for a budget that contributes to existing reserves to support capital investment, transformation and service improvement for years to come (para 11.10)

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: