

Standards and Governance Committee

14 June 2016

Annual Governance Statement 2015-16

---

**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 Finance 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, that they are

---

<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 Finance Officer

responsive to internal and external changes and being continuously reviewed for improvements.

## **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 2016 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 finance 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 Service Management Team have completed an electronic certificate of assurance on the operation of 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 Finance 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 reviewed the Service Plan in September 2015 which resulted in a refreshed plan for the period 2015 – 2020, reflecting changes in the strategic operating environment. The five year fixed plan remains broadly the same as before, retaining the 'Safer and Stronger' themes. However the Priorities within have been adjusted slightly as follows:
- Making Life Safer
- Responding to incidents  
Creating Safer Communities  
Building Resilient Communities
- Making our Service Stronger (supports Safer)
- Our People and Leadership  
Working with Partners  
Communications and Engagement  
Assets and Money  
Knowledge  
Technology
- 4.3 A performance management regime is in place to monitor and measure progress against Service Plan objectives. In 2015 work was undertaken to ensure that the aims of the Priorities are clear and measurable against key performance indicators (KPIs). Each Priority has a designated senior manager sponsor to ensure that performance is routinely assessed and progress is made. The Authority has a balanced framework for monitoring its performance, with a number of different features to ensure that performance can be reviewed from a variety of perspectives including:-
- Scorecard - a dedicated performance management system that provides timely information on operational performance.
  - Review of KPIs and other performance data through the quarterly Service Management Team meetings, annual business stocktake, annual staff appraisals and quarterly follow ups, regular manager 1:1 meeting and team meeting..
  - Review of KPIs through the quarterly Performance Review and Scrutiny Committee and Finance and General Purposes Committee.

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;
- Our Risk Review Project, which created a revised Integrated Risk Management Plan (IRMP) 2015 developed through a two year project of analysing and modelling of current and historical data within our county and over its border;
- A comprehensive formal public consultation on how we make Hampshire Safer through our operational activities from September to December 2015 as well as ongoing consultation with internal and external stakeholders;
- Our Cultural Vision;
- Our performance results;
- The findings and recommendations of various reviews, audits and assessments including the LGA Peer Review in November 2015; and
- 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 enable intelligence to be placed at the heart of all decision making and planning within the Service. This has helped 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 2015 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 format and includes detail regarding our intention towards partnership working and commercial

trading. 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 An activity report is presented to the Authority at each quarterly 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.
- 4.9 We compare our performance to that of other fire and rescue services; for example, we make use of national benchmark information, actively participating in and leading benchmarking activities with Fire and Rescue Services in Family Group 4<sup>8</sup>. This continues to show that we are performing well when compared with other similar fire and rescue services and affords us the opportunity to learn from best practice.
- 4.10 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 based on our financial planning assumptions. We have established a clear Financial Plan for 2019-20 with the specific purpose of closing our predicted and estimated funding gap of £16.0m 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. The medium term financial plan was presented to the Fire Authority in September 2015, alongside the important changes proposed as part of the Risk Review, which form an inherent part of the future plan.
- 4.11 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.

---

<sup>8</sup> Family Group 4 is formed of fire and rescue services (FRS) from England, Wales and Northern Ireland. Membership was decided by grouping 'similar' fire services based upon factors such as population, deprivation, risk profiles and incident volumes.

The overall aim of the group is to encourage and share performance improvement through effective benchmarking of performance and other information. The CIPFA publication 'Better Benchmarking for High Performance' suggests that 'benchmarking is an invaluable tool for achieving the best performance possible with the resources available' as it 'creates pressure for improvement'.

- 4.12 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. This aims to ensure that these changes are fully integrated with Service Planning arrangements to ensure they are successfully delivered and the associated risks and costs are appropriately managed.
- 4.13 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.
- 4.14 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 operational response business continuity plans have been fully tested during the period of industrial action by the Fire Brigades Union.
- 4.15 The environmental impact of the Authority's activities features prominently in planning and service delivery. The Authority is implementing an agreed carbon management programme aimed at reducing our carbon footprint by investing to save in key projects.
- 4.16 Since the Shared Services Partnership between Hampshire Constabulary (HC), Hampshire County Council (HCC) and Hampshire Fire and Rescue Service (HFRS) legally came into being in 2014, improvement activities have been undertaken to ensure that the Authority has assurance that it consistently delivers in the areas detailed below and that financial savings resulting from the efficiencies are being realised by the Authority. During this year remedial work has taken place to solve the issues around prompt supplier payment. Work has also been executed to address the remaining risks around the interaction between the FireWatch and Payroll software systems. This now falls under formal project governance. Both of these areas have been focussed on by the Reassessment Workgroup made up of senior officers across the Shared Services Partnership. The Shared Services being delivered to HFRS are as follows:
- HR
  - Finance
  - Internal Audit
  - Procurement
  - Property Services
  - Central Services and Facilities Management
  - Courier Services

- Integrated Business Centre
- 4.17 Pursuance of the financial strategy of sharing services locally and with other Fire and Rescue Services where practicable for the organisation will support the Service in its aim to prioritise spending on our frontline services. Further examples of this being the formal arrangements with Royal Berkshire Fire and Rescue for Fleet and Vehicle Maintenance and Support and the Network Fire Control Services project sharing Fire Control rooms across five counties.
- 4.18 3SFire (the Authority's commercial trading organisation) continues to grow and evolve its services and is now fully set up with governance and policies in place. The Finance and General Purposes Committee receive updates on any impacts 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.
- 4.19 Proposals put forward by the Risk Review Project were approved by the Authority on the 24 February 2016. The subsequent formation of the Service Delivery ReDesign Programme will implement these proposals. The programme is broken down into four projects: Workforce Plan, Community Safety, Response and Vehicles and Equipment. The programme will deliver the agreed savings target of £4.1m over the next four years.

**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 will review the governance arrangements of these committees in 2016 and its overall efficiency and effectiveness to ensure that the governance mechanisms that support the Fire Authority remain fit for current purposes and allow room for improvements.
- 5.3 The Corporate Management Team (CMT) (a regular joint meeting of leading Members of the Authority and the Directors) provides a

valuable round table forum to exchange ideas and discuss current issues, although it is not a formal decision-making body.

- 5.4 The Safer Stronger Board (SSB), as well as overseeing our Medium Term Financial Plan, is in place to oversee the delivery of the Service Plan and the change activities delivering the Service Plan.
- 5.5 The Service maintains a comprehensive set of Service Orders and associated formal guidance, setting out policies and procedures across a wide range of front-line services and support functions. A recently formed Policy Group will establish a new Policy Framework by July 2016 to ensure that existing Service policies are regularly reviewed and that new policies follow a robust gateway process prior to publication. All current policies will be reviewed by 31 December 2016.
- 5.6 The Chief Officer is responsible for the effective operational management of the Service.
- 5.7 The Authority has appointed an external person to the combined role of Monitoring Officer and Clerk.
- 5.8 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.
- 5.9 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.
- 5.10 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.
- 5.11 The Heads of Service Team (HoST) continues to effectively manage 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.

---

<sup>9</sup> 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;
- Information security policies; and
- Anti Fraud and Corruption Strategy

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.

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;
- 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 The Authority has completed the CIPFA Counter Fraud Assessment tool, which has been designed to help organisations assess their counter fraud arrangements against the standards set out in the CIPFA Counter Fraud code. Results of the assessment indicate that the Authority has reached a good level of performance against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This means that the organisation has put in place effective arrangements across many aspects of the counter fraud code and is taking positive action to manage its risks. The organisation is performing well against the counter fraud code and is actively working to improve its resilience to fraud and to manage its fraud risks.
- 6.7 The Service continues to promote its wide range of policies and guidance which support effective management and leadership throughout. These include:
- Service Orders;
  - Business continuity plans;
  - The Workforce Development plan known as the ‘People Plan’
  - The activities of the Member Development Group
- 6.8 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.
- 6.9 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

committee planner and Annual Governance Planner exist to ensure that committee deadlines are met.

- 7.2 The Authority has a comprehensive risk management policy. The Risk Register was revised in late 2015 both in content and approach. Both the Professional Services and Service Delivery Directorates now maintain a Corporate Risk Register which lists all risks that are relevant for each directorate and are collectively owned by the Service. The Strategic Risk Register includes risks that may impact on the effective delivery of the Authority's objectives. The Strategic Risk Register is regularly reviewed and endorsed every three months at the Service Management Team meetings, every three months by Directors and annually by the Standards and Governance Committee.

Internal Audit completed an audit of the Authority's risk management arrangements in 2015/16 and will shortly be submitting findings and recommendations. 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, is reported to SMT on a quarterly basis and there is an SMT sponsor for every audit that is conducted.
- 7.6 In November 2015 the Authority underwent the Local Government Association's (LGA) Fire Peer Challenge, as part of sector led improvement. In the last four years, all 46 fire and rescue services (FRSs) nationally have undertaken a peer challenge. Following this, the process has been revised to reflect developments within the sector and ensure it continues to meet the needs of FRSs and other key stakeholders. FRSs are now able to commission another peer challenge, to take place at a time of their choosing over the next four years.
- 7.7 It was stated in the findings report that HFRS deserve great credit for being one of the first FRSs to commission a peer challenge using the revised approach, reflecting the Service's willingness to undertake external challenge and learn from others. Fire peer challenges are managed and delivered by the sector for the sector through the Local Government Association (LGA) and peers are at the heart of the process. They help FRSs and FRAs with their improvement and learning by providing a 'practitioner perspective' and 'critical friend' challenge.

At the request of the Authority the following themes were considered

- Understanding of local context and priority setting
- Delivering outcomes for local communities
- Financial planning and viability
- Political and managerial leadership
- Governance and decision-making
- Organisational capacity

Key Assessment Areas covering operational matters did not form part of this peer challenge. These areas will be addressed by the Service Delivery ReDesign programme.

- 7.8 The HFRS Fire Peer Challenge took place from 24 to 27 November 2015. During the 2015 peer challenge it was noted that the Service's good operational performance has been maintained and HFRS continues to be a well-run service with a deservedly high reputation for keeping its community safe. The findings and implementation of recommendations from the Peer Review of 2015 will be owned

collectively by SMT and themes will be overseen by individual Member champions. The progress of the delivery plan will be reported through the Authority to assure Members that the improvement activities for the Service on behalf of the Authority are taking place in a timely manner. The Peer Review report has been published by the Service on its website and is therefore freely available to members of the public. A copy has also been lodged with the Home Office via the Chief Fire and Rescue Advisors Unit.

- 7.9 The Authority has provided an annual assurance statement on financial, governance and operational matters and shows 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.
- 7.10 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. The Medium Term Financial plan is monitored internally via the Safer Stronger Board and by the Authority via the Finance and General Purposes Committee.
- 7.11 The Treasury Management Strategy statement and Investment Strategy are approved by the Fire Authority annually with the budget.
- 7.12 The Strategic Asset Management Plan is specifically focussed on our strategy for property and land assets. This new Plan for the period 2016-2020 seeks to establish the principles and an approach for the management of property assets which supports the Service Plan aim to improve the return on our physical assets and use medium-term financial planning to ensure we effectively prioritise our resources.
- Joint working in Hampshire is enhancing resilience. Maintenance is now provided under the Shared Services arrangements and a new asset management system is currently being implemented.
- 7.13 The Authority has a well-established Health and Safety Policy<sup>10</sup>, which is communicated widely to the Service. Full information and advice is available on our website. An audit of our Health and Safety Department was carried out in 2015. All 'high' recommendations have been actioned. Our Road Risk Management Group and Health and Safety Committee continue to provide effective governance of all health and

---

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

safety matters. The Standards and Governance Committee receives annual reports on health and safety and the chairman is the Member champion for health and safety.

- 7.14 Impact assessments are completed for major projects and policy changes where appropriate. These include assessments of equality, health and safety, environmental and financial impacts. Plans to introduce an 'Impact Assessment Committee' are underway for 2016.

## **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. The Members Development Group is a member led group designed to enable them in their role, improve leadership and scrutiny and increase knowledge to help them make informed decisions to the benefit of communities.  
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. 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 relevant 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. We have a specific policy of encouraging and enabling staff to be involved in regional and national work to improve the sector, and through CFOA in particular
- 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.
- 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

---

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

learning is accessible with 'on-the job' options to minimise the disruption to the day-to-day job.

- 8.5 Our online learning platform called 'Moodle' provides 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 Diversity Champion roles, adopted by individual members of the Service Management Team, 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**

- 9.1 Details given in section 4 above demonstrate that the Authority is committed to engaging with the public and other stakeholders. We continue to explore opportunities to develop a range of partnership working arrangements, the success of which continues to pay dividends. For example our successful and expanded 'co-responder scheme' has opened the door to continue to explore further opportunities to collaborate with the South Central Ambulance Service. The new Shared Fire and Police Headquarters (which went live in late 2015) will enable us to work closely with our colleagues from Hampshire Constabulary and identify opportunities to collaborate and support each other, as do the operational stations where we have shared facilities with police and ambulance colleagues.
- 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 Service Delivery Redesign and Professional Services Redesign. Engagement will feature as a

---

<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

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 finance 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 finance officer and the governance arrangements needed to support them.

The chief finance 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 aligned 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 Hampshire Constabulary initially under the title of H3. The Chief Finance

---

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

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

Officer is also responsible for maintaining an effective internal audit service for the Authority.

- This arrangement with our Shared Service 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.
- There are regular meetings and communication between finance staff and budget holders at the various levels within the organisation.

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

- 11.1 The Service has reviewed its internal governance arrangements for the day to day management and strategic leadership. This included a holistic review of terms of reference of each officer-led decision making body and the creation of a new set of sub-groups/committee to SMT to streamline decision making within SMT.
- 11.2 We have undertaken an LGA Fire Peer Challenge Review which has led to both positive reassurance and areas identified for continuous improvement.
- 11.3 We have reviewed our Medium Term Financial Plan in light of changing assumptions.

- 11.4 We have undertaken work to improve shared services, specifically with key suppliers and HFRS staff to rectify the issues that prevent prompt and accurate payment to suppliers.
- 11.5 Having completed the implementation of the Knowledge Management function we will mature the department to provide improved intelligence and information by benchmarking against similar functions in other organisations within the Sector. This will bring us closer to our aim of being a knowledge-led organisation.

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

- 12.1 The Authority will conclude the review of all its governance arrangements, including a review of the terms of reference of all committees of the Authority to ensure that they remain fit for purpose, and implement improvement activities over the period 2016-17. These will be championed by Members to further improve Authority governance arrangements.
- 12.2 The Authority is continuing to review the scheme of delegation to officers to ensure that it remains effective.
- 12.3 We are reviewing the maturity of our Project Management Office function using external expertise, throughout 2016-17, and benchmarking across our Shared Services Partnership to ensure that the form and structure of project and programme management best serves the Service.
- 12.4 Having reviewed our internal governance arrangements for the Service, we are establishing through the early part of 2016-17 a number of sub-groups and committees to SMT to further improve how we make decisions and plan within the Service.
- 12.5 We will continue to ensure our people are equipped with the appropriate knowledge, skills and equipment to have a culture that is focussed on high performance. This will be enabled through the Performance Assurance project taking place from 2016-2018.
- 12.6 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 our cultural vision 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.
- 12.7 We will commission work to extend the Medium Term Financial Plan beyond 2020 with plans for a budget that contributes to existing

reserves to support capital investment, transformation and service improvement for years to come.

- 12.8 We will address the technical relationship between FireWatch and Payroll software systems to ensure that there is a seamless automated connection for all pay issues from HFRS making best use of the Firewatch system.
- 12.9 We will implement the applicable recommendations from the 2015 Peer Review to ensure that the Authority and the Service and the people who make it up are able to deliver our strategic objectives.
- 12.10 We will fully develop the new Performance Board to improve the performance of any and all Service activity

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:

Chairman

Date:

Signed:



Chief Officer

Date: