

# Public Document Pack



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

## NOTICE OF MEETING

<i>Meeting</i>	<b>Hampshire and Isle of Wight Fire and Rescue Authority</b>	<i>Clerk to the Hampshire &amp; Isle of Wight Fire and Rescue Authority</i> <b>CFO Neil Odin</b>
<i>Date and Time</i>	<b>Tuesday 4th October, 2022 10.30 am</b>	<i>Fire &amp; Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i>
<i>Place</i>	<b>Room X - Hampshire Fire &amp; Police SHQ, Eastleigh</b>	
<i>Enquiries to</i>	<b><u><a href="mailto:members.services@hants.gov.uk">members.services@hants.gov.uk</a></u></b>	

The Openness of Local Government Bodies Regulations are in force, giving a legal right to members of the public to record (film, photograph and audio-record) and report on proceedings at meetings of the Authority, and its committees and/or its sub-committees. The Authority has a protocol on filming, photographing and audio-recording, and reporting at public meetings of the Authority which is available on our website. At the start of the meeting the Chairman will make an announcement that the meeting may be recorded and reported. Anyone who remains at the meeting after the Chairman's announcement will be deemed to have consented to the broadcast of their image and anything they say.

## Agenda

### 1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

### 2 **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

### 3 **MINUTES OF PREVIOUS MEETING - 26 JULY 2022 (Pages 5 - 10)**

To confirm the minutes of the previous meeting

### 4 **DEPUTATIONS**

Pursuant to Standing Order 19, to receive any deputations to this meeting

5 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

6 **MEMBER DEVELOPMENTS**

To receive any updates from Members of the Combined Fire Authority.

7 **BUDGET UPDATE** (Pages 11 - 20)

To consider a report from the Chief Financial Officer, which provides an update on the 2022/23 financial monitoring position at quarter 1.

8 **MINUTES FROM THE STANDARDS & GOVERNANCE COMMITTEE MEETING - 29 JULY 2022** (Pages 21 - 26)

To receive the open minutes from the HIWFRA S&G Committee meeting that took place on 29 July 2022.

9 **EXCLUSION OF PRESS AND PUBLIC**

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

10 **EXEMPT MINUTE FROM THE STANDARDS & GOVERNANCE COMMITTEE MEETING - 29 JULY 2022** (Pages 27 - 28)

To receive the open minutes from the HIWFRA S&G Committee meeting that took place on 29 July 2022.

**ABOUT THIS AGENDA:**

This agenda is available through the Hampshire & Isle of Wight Fire and Rescue Service website ([www.hantsfire.gov.uk](http://www.hantsfire.gov.uk)) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

# Agenda Item 3

AT A MEETING of the Hampshire and Isle of Wight Fire and Rescue Authority  
held at Fire & Police HQ, Eastleigh, on Tuesday 26th July, 2022

Chairman:

\* Councillor Rhydian Vaughan MBE

- |                                 |                            |
|---------------------------------|----------------------------|
| * Councillor Gary Hughes        | * Councillor Zoe Huggins   |
| * Councillor Tony Bunday        | * Councillor Karen Lucioni |
| * Councillor Cal Corkery        | * Councillor Keith Mans    |
| * Councillor Debbie Curnow-Ford | * Councillor Derek Mellor  |
| * Councillor David Harrison     | Councillor Roger Price     |

## 103. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Roger Price. Donna Jones, the Police & Crime Commissioner, also sent apologies for the meeting.

The Chairman welcomed Councillor Karen Lucioni to the meeting as the new Member from the Isle of Wight Council and thanked Councillor Ian Stephens for his work on the Combined Fire Authority.

## 104. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

## 105. **MINUTES OF PREVIOUS MEETING - 14 JUNE 2022**

The minutes of the last meeting were reviewed and agreed.

## 106. **DEPUTATIONS**

The Authority received a deputation from Jenna Shergold, who addressed the Committee about Queens Platinum Jubilee medals not being awarded to the Fire Control Room at Hampshire Fire and Rescue Service.

## 107. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman confirmed the passing away of Crew Manager Adrian Johnson after a short illness. The Chief Fire Officer shared how the funeral was well attended and thoughts were with the friends, family and colleagues.

In further announcements, it was confirmed that on Thursday 30 June, the newest group of 17 recruits completed their training to become Hampshire and Isle of Wight Fire and Rescue Service Firefighters. The HMICFRS Inspection field work had also been completed, which was a great opportunity to understand what more could be done to improve the Service for communities and staff and also a means to share what had been proudly achieved.

The Fire Authority was also updated on recent incidents attended to by the Service and the Oregon exchange programme.

## 108. **MEMBER DEVELOPMENTS**

Members shared the following updates:

- Councillor Zoe Huggins had attended the Southsea Passing Out Parade and would be attending the Redbridge Passing Out Parade;
- Councillor Gary Hughes also attended the Eastleigh Parade and welcomed the diversity of graduates;
- Councillor Tony Bunday had attended the Hightown Fire Station on the 13 July and sought views on the White Paper as well as attending the Passing Out Parade;
- Councillor Cal Corkery reflected on the deputation that had been made and welcomed further investigation by the Fire Authority. He also anticipated getting involved in mitigating climate change in his champion role at the Authority.

## 109. **APPOINTMENTS REPORT**

The Authority received a report from the Monitoring Officer (item 7 in the minute book) regarding minor changes to appointments at the Fire Authority.

Following the change in Member representing the Isle of Wight Council, it was necessary to confirm the appointment of Councillor Karen Lucioni on sub-committees.

### RESOLVED

- a. The Authority noted the updated political composition of the Authority as attached in Appendix 1 and that the proportional allocation of seats on the Authority's committees remained as agreed at the Authority's Annual Meeting on 14 June 2022.
- b. Councillor Karen Lucioni was appointed in place of Councillor Ian Stephens as the Liberal Democrat and Independent deputy on Standards & Governance Committee.

c. Councillor Karen Lucioni was appointed in place of Councillor Ian Stephens as the Liberal Democrat and Independent deputy on the 3SFire CIC Stakeholder Committee.

d. All other appointments remain as agreed at the Authority's Annual General Meeting on 14 June 2022.

**110. ASSET MANAGEMENT POLICY**

The Authority considered a report from the Chief Fire Officer (item 8 in the minute book), which asked the Authority to approve the Asset Management Policy.

The policy was structured around the principles and practices and was continuously assessed to ensure assets were managed correctly to enable longevity of usage, safe operation and efficient financial management.

During questions, it was confirmed that PPE replacement was included as part of the asset management and social-economic policies such as the Modern Slavery Statement were also encompassed.

RESOLVED

The Asset Management Policy was approved by the HIWFRA Full Authority.

**111. PROPERTY MATTERS REPORT**

The Authority considered a report from the Chief Fire Officer (item 9 in the minute book) regarding property related matters where action has already been taken under delegated authority.

It was confirmed that additional space at Hardley Fire Station had been allocated to Hampshire Constabulary. Work on Cosham Fire Station continued as part of a separate investment although there had been some delays due to discussions continuing regarding the disposal of associated sites.

RESOLVED

The items set out in the report were noted by the HIWFRA Full Authority.

**112. OUTTURN REPORT**

The Authority considered a report from the Chief Fire Officer (item 10 in the minute book), which provided a summary of the 2021/22 revenue outturn position for the Hampshire and Isle of Wight Fire and Rescue Service for the 2021/22 financial year.

Members were pleased to learn of the Authorities strong performance in a very challenging economic environment. Despite inflation and supply chain concerns, officers remained optimistic that projects could be delivered. Vacancies had also

been managed to ensure resilience and were being looked at more holistically. It was also confirmed that as the Service continued to recruit a more diverse workforce, the need for change and modernisation of facilities was crucial for staff wellbeing.

## RESOLVED

- a. The outturn position for 2021/22 (including Appendix A) and the use of reserves set out in paragraph 39 and appendix C of the report were approved by the HIWFRA Full Authority;
- b. The carry forward requests totalling £616,000 as set out in paragraph 16 of the report were approved by the HIWFRA Full Authority;
- c. The contribution of £550,000 from the Operations Directorate budget to the Transformation Reserve, was agreed to be ringfenced for improvements as set out in paragraphs 12 – 15;
- d. The transfer of budgets from non-pay to pay to cover the post of Director of People and Organisational Development and two additional posts within the ICT team were approved by the HIWFRA Full Authority;
- e. The capital outturn position in 2021/22 and the capital spend profile going forwards including the additional funding for the sprinkler project set out in appendix B were approved by the HIWFRA Full Authority;
- f. The increase in funding of £1m for the Live Fire project was approved by the HIWFRA Full Authority;
- g. The financing for capital payments set out in paragraph 24 was approved by the HIWFRA Full Authority;
- h. The revised cost cap envelope for temporary promotions set out in paragraph 55 was approved by the HIWFRA Full Authority;
- i. The annual Treasury outturn report set out in appendix D of the report was approved by the HIWFRA Full Authority.

### 113. **EXCLUSION OF PRESS AND PUBLIC**

There was no requirement to go into exempt session and so the press and public were not excluded from the meeting.

### 114. **OUTTURN REPORT - EXEMPT APPENDIX**

The exempt appendix was considered as part of item 10 on the agenda without being directly referenced, and therefore there was no requirement to go into exempt session.

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Chairman,



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

## **HIWFRA Full Authority**

Purpose: Approval

Date: **4 OCTOBER 2022**

Title: **BUDGET UPDATE**

Report of Chief Financial Officer

### SUMMARY

1. This report provides an update on the 2022/23 financial monitoring position at quarter 1. In addition, it provides an update on the challenges relating to inflation that are affecting the service. Finally, it provides a brief update on the progress on delivering efficiency savings.

### BACKGROUND

2. The 2022/23 budget including an updated Medium Term Financial Plan was approved by the Fire Authority in February 2022. A two-year funding settlement is expected this year, but no further information about funding for future years is currently available.
3. However, in light of the significant inflationary pressures facing the service and the wider economy it is now a good time to consider the impacts of inflation on this year and on the budget for 2023/24.
4. Due to the lack of information about future funding and the challenges of accurately forecasting both pay and non-pay inflation the figures contained within this report are built on a series of assumptions. These assumptions will be refined as more information becomes available.
5. The Authority is not asked to take any action at this stage, the report instead provides a timely update on assumptions, risks, and potential mitigations

related to the Authority’s financial position, as would be expected as part of robust financial management arrangements in periods of significant uncertainty.

## 2022/23 BUDGET MONITORING

### IMPACT OF INFLATION

6. Inflation is the driver of significant pressures on the 2022/23 budget. This section of the report considers only the impact of inflation, the wider monitoring position is considered in the next section.
7. The forecast impact of inflation on the 2022/23 budget position can be summarised as follows:

Table 1	£'000
Excess non pay inflation	1,158
Offset by:	
Inflation contingency	(300)
General contingency	(500)
<b>Net impact – non pay</b>	<b>358</b>
Forecast pay inflation	
Firefighter	1,716
Staff	793
Offset by:	
Pay inflation contingency	(1,526)
<b>Net impact – pay</b>	<b>983</b>
<b>Total inflationary pressure</b>	<b>1,341</b>

8. During the budget setting period, it became increasingly clear that inflation was rising to levels not seen in the recent past. For this reason, when the original budget was set, additional funding was allocated to inflation. As well as a pay inflation contingency of 3.3%, a non-pay inflation contingency of £0.3m was added. This was in addition to a general contingency of £0.5m.
9. At quarter one, the forecast impact of excess non-pay inflation is £1.158m. The drivers of this inflation are energy costs (£1.018m) and fuel costs (£0.140m). The non-pay inflation contingency and the general contingency, together totalling £0.8m, have been used to offset against this pressure, leaving excess unfunded non-pay inflation of £0.358m.
10. At present neither Firefighter or Staff pay awards have been agreed. The staff pay offer was a pay increase of £1,950 from April 2022 which equates

to between 10% and 4% depending on pay grade. The position in Table 1 assumes that this pay award is agreed, resulting in forecast staff pay inflation of £0.793m.

11. The firefighter pay offer was 2% from July 2022. This is below the budgeted amount of 3.3%. However, the position in table 1 assumes that a pay award of 5% is agreed, resulting in total forecast firefighter pay inflation of £1.716m. An assumption about the firefighter pay award has been included to provide the Authority with a prudent forecast, rather than as a comment on the likely outcome of any pay negotiation.
12. The impact of these forecast pay awards is offset by pay inflation contingencies, resulting in a net pay inflation pressure of £0.983m. The net impact of both pay and non-pay inflation on the 2022/23 budget is a pressure of £1.341m.

#### OVERALL MONITORING POSITION

13. This section covers the overall monitoring position, including the impact of inflation set out in the previous section. The forecast position for the Authority in 2022/23 is an underspend of £0.630m. A breakdown of the position is set out below:

Table 2	Budget	Forecast	Over / (under) spend
	£'000	£'000	£'000
Wholetime Firefighters	36,933	37,052	119
On-call Firefighters	8,318	7,731	(588)
Staff	14,624	14,974	350
Other Employee Costs	2,146	2,146	-
Premises	9,988	11,159	1,171
Transport	1,829	2,310	481
Supplies and Services	7,576	7,642	66
Third Party Payments	2,651	2,775	124
Income	(2,964)	(3,750)	(786)
<b>Net Service Expenditure</b>	<b>81,101</b>	<b>82,039</b>	<b>937</b>
Contingency	800	-	(800)
Capital financing	1,529	730	(799)
<b>Net Expenditure</b>	<b>83,430</b>		<b>(662)</b>
Funding	(83,430)	(83,398)	32
<b>Net Position</b>	<b>-</b>	<b>(630)</b>	<b>(630)</b>

14. In summary, there are significant ongoing pressures mainly relating to inflation, offset by additional income, the use of contingencies and lower costs of capital financing.
15. There is a forecast overspend on wholetime firefighters of £119,000. This pressure is due to the impact of the assumed pay award offset partially by vacancies. The forecast position on on-call firefighters is an underspend of £588,000. However, this was the position before the period of exceptional activity relating to the heat wave so it is likely that this underspend will reduce significantly by quarter two.
16. The forecast overspend on staff of £350,000 relates to the assumed pay award, based on the employers' pay offer of £1,950 across all grades.
17. The forecast overspend on premises relates to inflationary pressures discussed in the previous section. The transport overspend of £481,000 relates to inflationary pressures on fuel (£140,000), increased repairs and maintenance costs due to increases in the number and complexity of repairs on the fleet (£260,000) and additional staff travel costs (£81,000). The additional staff travel costs are more than offset by vacancies in wholetime firefighters.
18. Income is expected to be higher than budgeted due to higher investment income than budgeted and increased fleet income. There is also some additional income from work on projects that is offset by higher costs. As reserves are spent the additional income from investments will no longer be available so this is one-off underspend.
19. The underspend on the contingency budget is because the contingency has now been fully committed to non-pay inflation. The budget continues to be held here to illustrate the full impact of excess inflation.
20. There is a significant one-off underspend on capital financing. This is because external borrowing to fund the Cosham and Redbridge Station Investment Programme schemes has not yet been taken out. This is a one-off underspend that will not be available to support pressures in the next financial year.

#### FORWARD IMPACT OF INFLATION

21. The inflationary pressures impacting on 2022/23 will inevitably have a significant impact on the budget for 2023/24 and subsequent years.
22. The Medium Term Financial Plan produced in February 2022 suggested that there would be a deficit of £189,000 during financial year 2023/24,

which would be covered by a draw from the Grant Equalisation Reserve. Appendix 1 compares the position outlined in February 2022 (column 1, original) against a revised forecast (column 2, revised) taking into account higher inflation assumptions. Changes are highlighted in red.

23. If this were to be the position for 2023/24 it would be necessary to fully spend the Grant Equalisation Reserve balance and reduce planned contributions to reserves.
24. However, as stated previously this forecast position is based on a significant number of assumptions and these assumptions will need to be revised in light of inflation rates and the Local Government Finance Settlement, expected in December.
25. In particular it is important to note that this forecast position for 2023/24 assumes that:
  - (a) 2022/23 pay and non-pay inflation is in line with the forecasts set out previously in this report
  - (b) Inflation is at 5% for non-pay and 4% for pay during 2023/24
  - (c) No additional support for inflation is provided by government
  - (d) The Council Tax referendum limit remains at 1.99% for Fire Authorities and that the Authority proposes and agrees a rise to the maximum level.
26. The issues facing HIWFRA are not unique to the Authority or the fire sector. Officers continue to monitor the situation closely. Should the current forecast deficit position for 2023/24 materialise it will be necessary to reduce contributions to reserves to balance this budget in the short term while medium term plans to address the deficit are developed. This would be undesirable as borrowing would be needed in future to plug the gap in the capital programme where future expenditure would previously have been funded from the amounts put aside in reserves, further increasing pressures on the revenue budget through interest costs and Minimum Revenue Provision (MRP) charges. However, it would allow the Authority to set a balanced budget for 2023/24.
27. The financial forecasts continue to be prepared using prudent but realistic assumptions, however this is a period of significant uncertainty for the UK economy, and indeed for the global economy, and the situation will continue to evolve over the coming months. This will continue to be monitored closely

by officers and a further update will be brought to the December Fire Authority.

### EFFICIENCIES

28. As part of the 2022/23 budget setting process, efficiencies of £800,000 were included. The development and delivery of an Efficiency Plan is a Safety Plan Year 3 Objective. To date efficiencies of £159,000 have been secured, leaving a remaining target of £641,000. Plans for delivering these efficiencies are well developed. The majority will come from efficiencies within the Operations Directorate.
29. Further detail will be provided in the December budget update, however delivery of the savings is on track and the forecast position within this report assumes that the savings will be delivered by March 2023.

### SUPPORTING OUR SAFETY PLAN AND PRIORITIES

30. Strong financial management and a stable medium term financial position are key enablers of our safety plan and priorities.

### RESOURCE IMPLICATIONS

31. There are no specific resource implications of this report.

### IMPACT ASSESSMENTS

32. This report is for information and does not contain any proposed changes to policies.

### LEGAL IMPLICATIONS

33. The proposals in this report meet the Authority's legal requirement to plan and prepare a balanced budget for the next financial year.

### RISK ANALYSIS

34. This report focuses on the risk presented by inflation to the in-year and medium term financial position of the Authority. This risk is mitigated in-year by the use of one-off underspends and in the medium term by reductions in reserve draws. This risk is recorded in the organisational risk register and is being monitored closely.

### CONCLUSION

35. This report has provided an update on the financial position of the Authority during 2022/23 and provides a forecast position for 2023/24. It also provides a brief update on the delivery of efficiencies.

RECOMMENDATION

36. That the forecast outturn position for financial year 2022/23 be noted by the HIWFRA Full Authority
37. That the forecast impact of current high levels of inflation on the forecast 2023/24 budget be noted by the HIWFRA Full Authority
38. That the proposal to closely monitor the in-year and medium term position and use reserve contributions to close any budget gaps in the short term be approved by the HIWFRA Full Authority

APPENDICES ATTACHED

39. Appendix 1 – Forecast impact of Inflation on the 2023/24 budget

Contact: Catherine Edgecombe, Chief Financial Officer,  
catherine.edgecombe@hants.gov.uk, 03707 796214.

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	<b>Original 2023/24 £'000</b>	<b>Revised 2023/24 £'000</b>
<b>Starting deficit / (surplus)</b>	<b>0</b>	<b>1,341</b>
Funding (increase) / decrease:		
Council tax	(1,604)	(1,604)
Other	1,261	1,261
<b>Inflation:</b>		
Pay inflation	1,240	2,610
Non-pay inflation	377	963
Contingency	0	500
Pressures	250	250
SIP borrowing	1,000	1,000
Isle of Wight Year 2 Estate	(1,700)	(1,700)
Contribution to CPR	(73)	(73)
New borrowing	0	0
Savings	(562)	(562)
<b>Budget deficit</b>	<b>189</b>	<b>3,985</b>
<b>GER balance</b>	<b>1,722</b>	<b>1,722</b>
<b>Budget deficit after GER use</b>	<b>0</b>	<b>2,263</b>

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# Agenda Item 8

AT A MEETING of the HIWFRA Standards and Governance Committee of Hampshire and Isle of Wight Fire and Rescue Authority, held at Fire & Police HQ, Eastleigh on Friday 29th July, 2022

Chairman:

\* Councillor Derek Mellor

\* Councillor David Harrison

\* Councillor Gary Hughes

\* Councillor Cal Corkery

\* Councillor Zoe Huggins

## 38. **APOLOGIES FOR ABSENCE**

The Chairman welcomed new Members to the Committee. All Members were present and no apologies were noted.

## 39. **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

## 40. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

## 41. **DEPUTATIONS**

There were no deputations for the meeting.

## 42. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman confirmed that there would be a separate Teams briefing session scheduled for members of the Committee on the accounts prior to the September meeting, where the annual statement of accounts will be considered.

## 43. **ANNUAL ASSURANCE STATEMENT 2021/22**

The Committee considered a report from the Chief Fire Officer (item 6 in the minute book). It was the first combined Annual Assurance Statement since Hampshire and Isle of Wight Fire & Rescue Service launched on 1st April 2021 and a summary of our compliance with statutory obligations through the delivery of a wide range of assurance mechanisms in place to identify risks, areas for improvement, and good practice to disseminate.

After a summary of the report being presented, the following questions were answered:

- The document was shared both internally and externally, with the relevant activity being disseminated to service areas for action and awareness. Externally, and Home Officer queries were received via and through the published document
- The combined document enabled more activity to be recorded with the Isle of Wight and strengthened working practices that had already been in place.

Members thanked officers for the work on the document, which was agreed to be very beneficial and an effective way of seeing everything in context as an overall picture.

RESOLVED

The Hampshire and Isle of Wight Fire and Rescue Service Annual Statement of Assurance was approved by the HIWFRA Standards and Governance Committee

44. **ANNUAL GOVERNANCE STATEMENT 2021/22**

The Committee considered a report from the Chief Fire Officer (item 7 in the minute book), which sought approval for the publication of the Annual Governance Statement (AGS).

In summarising the report, the Chief Internal Auditor confirmed that updates around Covid and the new Risk Register had also been included.

During questions from Members, the following points were clarified:

- Reporting and performance were forefront in measuring outcomes and teams were in place to focus on different areas of the Service
- Social values and policies like Modern Slavery were included as part of the AGS
- Communication was a crucial element in implementing and learning from the AGS and done through internal communications team as well as through staff and team leaders.

RESOLVED

- a. the Annual Governance Statement (AGS) 2021/22 as set out in Appendix A be approved by the HIWFRA Standards and Governance Committee
- b. Members acknowledged that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016.
- c. It was agreed that the approved AGS be included into the Annual Statement of Accounts, to meet the Authority's statutory requirement.

**45. INTERNAL AUDIT PROGRESS REPORT 2021/22 AND 2022/23**

The Committee considered a report from the Chief Internal Auditor (item 8 in the minute book), which provided an overview of internal audit work completed in accordance with the approved audit plans, and an overview of the status of 'live' reports.

Members were updated on issues arising as well as findings and the following points were clarified:

- On average, 185 days were allocated to Internal Auditing at HIWFRS, targeting areas of risk and concern. The plan was flexed depending on what was required and any fraud concerns were generally discovered through whistle blowing
- Members on the Committee could be whistle blowers and encouraged to contact the Internal Auditor any time with concerns. The Internal Audit Charter set out roles and responsibilities and there was direct access between the Chairman of the Fire Authority, Chief Fire Officer and Internal Audit team at all times.
- The plan remained a working document and could be changed if necessary to accommodate anything reactive that arose.
- The assurance levels within the progress report were adopted from CIPFA for consistency.

RESOLVED

The progress in delivering the internal audit plan for 2021/22 and 2022/23 and the outcomes to date were noted by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

**46. INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT**

The Committee considered a report from the Chief Internal Auditor (item 9 in the minute book), which provided the latest update on the management actions that had not been completed within their target date and their status.

The officer summarised the actions overdue and those still open. It was confirmed that safeguarding areas being expanded to include sexual harassment would be investigated and reported back to a future meeting.

Overall there had been significant improvement over the previous five years.

RESOLVED

The HIWFRA Standards and Governance Committee noted the progress made towards the implementation of the internal audit management actions and the delivery of the audit plan.

**47. EXTERNAL AUDIT PLANNING 2021/22 ACCOUNTS**

The Committee considered a report from the Chief Financial Officer (item 10 in the minute book), which presented an Audit Planning report from Ernst & Young.

The report was generally backwards looking, with an Opinion on financial statements and value for money. A new risk had been established around the merging of the Hampshire and Isle of Wight and onboarding effects, and this was highlighted on page 115 of the pack.

It was confirmed that the audit plan is determined by the external auditor and their assessment of key risks and therefore what is included in the audit plan is the decision of the external auditor. It was confirmed that historic complications around pension payments had not been a failure of audit.

RESOLVED

The Audit Planning Report from EY was noted by the HIWFRA Standards and Governance Committee

#### 48. **ORGANISATIONAL RISK REGISTER UPDATE**

The Committee considered a report from the Chief Fire Officer (item 11 in the minute book), which provided a revised status of the Organisational Risk Register in line with the Risk Management policy and procedure.

Two new risks had been added; the rising cost of living internally for the Service as well as impacts externally with the public under consideration of the prevention teams. Risks were reviewed regularly by the Executive Group.

It was agreed that Members would be provided with more information relating to their champion roles and this would be looked at over the coming few months.

RESOLVED

The HIWFRS Organisational Risk Register status under the delegated management of the Chief Fire Officer was noted by the HIWFRA Standards and Governance Committee.

#### 49. **IMMEDIATE DETRIMENT**

The Committee received a report from the Chief Financial Officer (item 12 in the minute book) regarding the continued suspension of the framework due to unacceptable risks to the Authority and Members that would be the result of processing Immediate Detriment claims at the current time.

Members were given a summary of the issues and guidance that was withdrawn, along with the risks to individual scheme members and the Service of processing claims at the current time.

During questions, the following points were clarified by officers:

- The Hampshire and Isle of Wight Fire and Rescue Authority Pension Board had also looked at the immediate detriment and unanimously agreed that the Service was taking the right approach

- The legislation was not expected until October 2023, but a retrospective decision could be made at that point.

RESOLVED

- a) The continued suspension of the Immediate Detriment Framework was approved by the HIWFRA Standards and Governance Committee
- b) The recommendation not to recover underpaid pension contributions relating to the specific historical pension contribution rate issue was approved by the HIWFRA Standards and Governance Committee

50. **FIRE PENSION BOARD ANNUAL REPORT 2021/22**

The Committee received a report from the Chief Financial Officer (item 13 in the minute book), which summarised the work of the Board for the 2021/22 financial year in the exercise of its functions.

It was confirmed that the McCloud risks had been reported to the Full Authority and were being closely monitored.

RESOLVED

- a) The concerns of the HIWFRA Firefighter's Pension Board over the continued suspension of Immediate Detriment and their support of the work of the Local Government Association (LGA) to apply continued pressure on the Government to provide a solution were noted by the HIWFRA Standards and Governance Committee
- b) The content of the report was noted by the HIWFRA Standards and Governance Committee

51. **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021-22 (LESS EXEMPT APPENDIX B)**

The Committee considered a report from the Chief Internal Auditor (item 14 in the minute book) detailing the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2022.

Overall the Chief Internal Auditor concluded that the frameworks of governance, risk management and management controls in place were reasonable and audit testing has demonstrated controls to be working in practice.

The planning process was summarised along with the work across shared services and the detailed findings were discussed. In particular it was noted that a large amount of work had been carried out by the Service to ensure the quality of Disclosure and Barring Service (DBS) checks, and whilst a 'Limited' opinion had been given for the internal audit review carried out during the year, the findings affected a very small percentage of the workforce and could be easily rectified using the compliance reports that are already available.

RESOLVED

The Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee accepted the Chief Internal Auditor's annual report & opinion statement for 2021-22.

52. **EXCLUSION OF PRESS AND PUBLIC**

It was resolved that the public be excluded from the meeting during the following items of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, for the reasons set out in the reports.

53. **EXEMPT APPENDIX B - INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021/22**

The Committee received an exempt appendix to item 14 on the agenda [SEE SUMMARY OF EXEMPT MINUTE]

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Chairman,



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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