

# DERBYSHIRE FIRE AND RESCUE AUTHORITY ANNUAL GOVERNANCE STATEMENT 2019/20

## Scope of Responsibility

Derbyshire Fire and Rescue Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted an updated Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework.

## ***“Delivering Good Governance in Local Government.”***

Included within the Code are the following core principles:-

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity’s capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

A copy of the code, setting out the core and supporting principles, what the Authority commits itself to do and how it will do this can be found on our website at:

[Local Code of Corporate Governance](#)

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 6(2) of the Accounts and Audit Regulations 2015 in relation to the publication of a statement on internal control.

## **The Purpose of the Governance Framework**

The Governance Framework primarily includes systems and processes and culture and values by which the Authority directs and controls its activities and engages with the

community. 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.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Governance Framework has been in place at the Authority for the year ended 31 March 2020 and up to the date of approval of the 2019/20 Statement of Accounts.

## **The Governance Framework**

The key elements of the Authority's governance framework include:

- a) The Members Handbook which includes key documents such as the Standing Orders, Scheme of Delegation, Code of Corporate Governance and the Members' Code of Conduct sets out the Authority's powers, services and forms part of the Authorities Constitution which sets out the Authority's powers, services and the procedures to be followed to ensure that decisions made by the Authority are transparent and properly accounted for.
- b) The Authority operates a Committee Structure aligned to strategic objectives, with agreed Terms of Reference:
  - The Governance, Performance and Working Group (GPWG) Audit Committee - to advise on the adequacy and effectiveness of the Authority's internal and external audit service and risk management arrangements, which operates in line with the core functions identified in CIPFAs Audit Committees – Practical Guidance for Local Authorities.
  - Members Standards Committee – to provide advice and training for Members and Co-opted members regarding matters relating to the Members Code of Conduct and ethics.
  - Inclusion and Equality Forum Committee - to monitor and constructively challenge evidence of performance progress against objectives in the Diversity & Inclusion Strategy and associated Fire and Rescue Service Equality Framework.
  - Pensions Board - to assist Derbyshire Fire and Rescue Authority (the Authority) in its role as the Scheme Manager of the Firefighters Pension Scheme 1992, 2006 and 2014 (Scheme) A Pension Board, as required under The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, was formed in 2015 to oversee compliance in the operation of the Firefighters' Pension Scheme (FPS). The Pension Board met twice during 2018/19 and also had at least four training input sessions.
- c) The Governance and Performance Working Group (GPWG), as well as the Authority itself, received regular reports on the Service's performance arrangements. Annual Performance and engaging easy to read Quarterly Performance Reports are published on our website and shared through social media channels.
- d) An approved Corporate Risk Register reported to GPWG, who will monitor and make

recommendations to the Fire Authority when necessary.

- e) An approved 'Local Code of Corporate Governance' in accordance with the CIPFA/SOLACE Framework for Corporate Governance.
- f) The designation of the Chief Fire Officer as Chief Executive responsible to the Authority for all Fire and Rescue matters.
- g) The designation of the Deputy Chief Fire Officer (DCFO) responsible on behalf of the Chief Fire Officer/Chief Executive for ensuring that Health and Safety is adopted within the strategic management and decision making processes of the Service.
- h) The designation of the Solicitor as Monitoring Officer with the requirement to report to the full Authority if it is considered that any proposal, decision or omission would give rise to unlawfulness or maladministration.
- i) The designation of the Joint Director of Finance and Business Services responsible for ensuring lawfulness and financial prudence of decision making. The Joint role and financial management arrangements align with requirements set out in CIPFAs Statement on the Role of the Chief Financial Officer in Local Government.
- j) Following a review of the Strategic Leadership Team (SLT) and a consultation process, a revised SLT structure was approved by the Authority to provide resilience, balance workloads and also realign line management across the wider Support Services. The new structure removed the Area Manager, People and Organisation Development (Green/Grey Book) role and replaced this with a Director of Corporate Services (Green/Grey Book) role. This post is to ensure future resilience of decision making and day to day running of the Service in the event of a major incident. The post will also place greater focus on providing assurance to the Service.
- k) Clear management structure within the Service. The SLT is responsible for determining policy, monitoring performance and developing service plans in line with the Authority's overall strategic objectives and is assisted in this process by the Service Management Team (SMT).
- l) Finance Planning process which includes the Medium Term Financial Strategy and Plan. Compliance with data transparency requirements, including publication of all key documents, committee agenda and minutes, pay policy and publication scheme on the internet.
- m) In accordance with the Service Planning Cycle "Our Plan" (IRMP) for 2020/23 is a three year plan linked to financial planning.
- n) "Our Plan" (IRMP) 2020/23 takes account of the requirements of the 2018 Fire and Rescue National Framework for England, providing an assessment of the risks facing our communities and personnel and the measures taken to mitigate those risks. Our Plan (IRMP) describes our aims, priorities, equality objectives and values, setting out our ambitions and how we will deliver them in the medium term. The current plan covering 2020-2023 can be found on our website at:  
[derbys-fire.gov.uk/about-us/corporate-plans](https://derbys-fire.gov.uk/about-us/corporate-plans)
- o) Annual Action Plan details the activities we will undertake to deliver the strategy set out in "Our Plan". The current plan covering 2020/21 was approved this year and can be found on our website at:  
[derbys-fire.gov.uk/about-us/corporate-plans](https://derbys-fire.gov.uk/about-us/corporate-plans)
- p) Staff are informed of the Whistleblowing Policy which is available on the internal intranet and also published on the external website together with well publicised arrangements for dealing with complaints. The service recorded 12 complaints from members of the public for this reporting period. The majority of complaints resulted in corrective action and information sharing between departments for service

improvement.

- q) A Fire / Police Strategic Collaboration Board and Fire / Fire Strategic Collaboration Board are in place to develop a number of collaborative workstreams.
- r) Staff at all levels within the Service have been actively engaged and consulted with during 2019/20 in the form of a cultural survey and Engagement Forums. The outcomes have been considered and areas included in portfolio action plans to ensure areas raised by staff are included in the future development of the Service.
- s) SLT and SMT undertook 360 degree appraisal and feedback via an external coach to support personal and leadership development. The Monitoring Officer and a member of SLT were all successful in securing a place on the Executive Leadership Programme 2019. Member development days during 2019/20 included input from Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services inspection, Operational Learning from Toddbrook, Grenfell and EU Exit preparations. There is a Member 'Buddy' system in place whereby a member of SLT is partnered with Members and also the Police and Crime Commissioner (PCC) to provide coaching and support.
- t) The DCFO chairs the Health and Safety Committee and ensures the Service has robust internal controls including appropriate targets to measure its performance and systems for review and learning which in turn sets a positive safety culture.
- u) Four scheduled Members Planning Days.
- v) An approved Treasury Management Strategy and Prudential Indicators.
- w) An approved Derbyshire Fire and Rescue Authority Performance and Risk Framework supported by the Performance and Risk Framework Policy.
- x) A Protective Marking Scheme (based upon the Her Majesty's Government Security Policy Framework 2018).
- y) Awards received by DFRS:
  - Emergency Service of the Year 2019 – Excellence in Fire and Emergency Awards 2019
  - Leader of the Year – APD Control Room Awards 2020
  - Stonewall Top 100 Employer 2020
  - East Midlands Regional LGBT Champion 2020
  - East Midlands Regional LGBT Role Model of the Year 2020
- z) The Authority and the Police Fire Strategic Collaboration Board approved a move to form a joint Property department for Derbyshire Police (DP) and DFRS subject to appropriate consultation using Transfer of Undertakings Protection of Employment Regulations (TUPE). This was identified as part of a second phase of collaboration between DP and DFRS and came as a recommendation from an evaluation of the Head of Joint Strategic Assets (Police and Fire) role carried out by an external company (RealWorldHR Limited). The joint Property department for DP and DFRS was completed in December 2019.
- aa) Consultation took place on our Council Tax Precept for 2019/20 and a number of responses were received from our community. This allowed Fire Authority Members to make decisions on this matter.
- bb) In line with legislative requirements DFRS published its Gender Pay Gap Report by the end of March 2020.
- cc) Comprehensive suite of strategies and policies in place and regularly reviewed.

- dd) DFRS Programme Board provides oversight across service wide projects and corporate programmes of work chaired by the DCFO.
- ee) A Communication Strategy and Consultation Strategy for employees and stakeholders.
- ff) A Statement of Assurance and Annual Report (Our Year) setting out the Authority's priorities, how the Authority spent money on achieving these during the last financial year.

## Review of Effectiveness

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. Each year the Monitoring Officer produces an annual report to the DFRS assurance on legal and ethical issues. The review of effectiveness is informed by the work of the GPWG within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors annual report, and also comments made by the External Auditors and other review agencies and inspectorates.

In maintaining and reviewing the effectiveness of the Authority's governance arrangements the following have been considered:-

- A new Integrated Risk Management Plan named 'Our Plan 2020-2023' was approved as a draft by the Authority in February 2020 and as a final version in March 2020 under delegated powers by the CFO. An update to 'Our Plan' will be added to advise the public of the impact of the coronavirus pandemic on year one projects.
- A revised Annual Service Plan has been agreed for 2020/21, providing clarity, both internally and externally, on our priorities set out in the IRMP, as well as setting out the projects and actions that will be delivered, developed or reviewed during the coming year against each of our priorities. This is supported by Portfolio Delivery Plans and area and local performance groups to ensure performance targets are met.
- A Fire and Police Strategic Collaboration Board and Fire / Fire Collaboration Board meet regularly, reporting through to Members.
- Comprehensive service review process in place, comprising external views in the form of HMICFRS Inspection/Peer Assessment/Operational Assurance review, External Audit reviews, Internal Audit reviews and internal reviews undertaken by our own staff.
- The first independent review by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) has seen Derbyshire Fire & Rescue Service (DFRS) awarded a 'good' rating in all three assessment areas and acknowledged as 'outstanding' for promoting the right values and culture across the Service.
- GPWG has continued its scrutiny reviews for the period 2019-20 as follows:
  - Joint Control Project
  - Human Resources System Replacement
  - HMICFRS and Home Office Response Statistics
- Under the Regulatory Reform (Fire Safety) Order 2005, the Authority has the power to prosecute for failures in fire safety in non-domestic premises. In 2019/20 four matters were successfully prosecuted with costs awarded. As a result of fire investigations and routine Fire Safety Audits there are currently four cases being prosecuted and other cases are being considered for prosecution.

- A Risk Management Strategy and framework which ensures that risks to the Service’s objectives are identified and appropriately managed.
- Comprehensive Business Continuity arrangements are in place and tested on a regular basis.
- An Operational Assurance Team undertake a programme of service wide station assurance visits to identify areas for improvement and track these through to completion, publicising any improvements through a regular newsletter, thus enhancing operational preparedness, operational response and operational learning.
- Central Midlands Audit Partnership, our Internal Auditor, have reached the overall opinion that there is a ‘Satisfactory System of Governance, Risk and Internal Control’. Findings indicate that on a whole, controls are satisfactory, although some enhancements may have been recommended. The audit plan for the period 2019/20 covered:
  - Financial Management 2019-20
  - Joint Assets
  - Financial Assurance
  - Data Quality & Performance Management
  - Corporate Credit Cards
  - FireView
  - Cyber Security
  - Business Continuity
  - Main Accounting System\*
  - Payroll/Officers Expenses & Allowances\*

\*Note: Carried forward jobs from 2018/19
- Ernst & Young LLP, are the appointed External Auditor. We await an audit opinion for the period 2019/20. Ernst & Young LLP’s external audit plan summarises their initial assessment of the key risks driving the development of an effective audit for the Authority, and outlines their planned audit strategy in response to those risks.
- The effectiveness of the governance framework is considered throughout the year by SLT, GPWG and the Authority. Much of this is discharged through internal reports such as the quarterly financial accounts and the quarterly Performance Reports as well as the work of Internal and External Audit. Any significant issues are captured via the risk management system and considered by the Fire Authority where appropriate.

### **Coronavirus impact on Governance Arrangements**

In the [Coronavirus Act](#) provision has been made for regulations to be issued to amend the legislation around local authority meetings. The local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 are available and provide a guide to the provision of online meetings and allow decisions to be made. As a result, approval of the AGS and statement of accounts, can proceed even if a physical meeting cannot be held.

The ability of the service to ensure provision to carry out its core duties has and continues to be affected by the current pandemic however our emergency response has not been affected to date. An organisational Business Continuity plan has been produced which is

being continuously monitored by the SLT. Leads have been nominated to carry out the requirements of the plan to ensure the service is able to respond to emergency incidents. All non-essential services are continually under review and in some cases have been withdrawn/suspended.

In view of the coronavirus pandemic, a strategic decision was made to mitigate against a potential spread of the virus by creating smaller “self-contained” Districts across the county. This was done to ensure the ability to maintain an effective operational response and minimise sickness levels. This strategy has proved successful and will feed into the current review of our Service Delivery model, which is intended to realign our ways of working to the evolving needs of our communities.

As part of the national response to Coronavirus a national tri-partite agreement was reached between the National Fire Chiefs Council, National Joint Council and the Fire Brigades Union detailing areas of work which could be undertaken by Fire and Rescue Service personnel.

Derbyshire Fire & Rescue Service (DFRS) have undertaken additional activities outside of its normal business in line with the national agreement.

DFRS carried out work in the following areas:

- Delivery of pharmaceuticals to vulnerable people
- Driving acute care ambulances
- Delivery of Personal Protective Equipment to ambulance stations
- Distribution of food parcels
- Telephone befriending service
- Face fit testing for hospital staff

The quarterly Health and Safety Committee has been rescheduled to a weekly to review rapid changes during the response to the Covid pandemic. Comprehensive risk assessments were carried out for each work stream in agreement with representative bodies. All employees carried out work under their current terms and conditions of employment. Where required full training and inductions were given to employees to allow them to carry out additional activities safely. Service level agreements were put in place and signed off by all relevant parties.

## **Significant Governance Issues and Risks**

The Corporate Risk Register is reported to GPWG by the Director of Corporate Services, who will monitor and make recommendations to the Fire Authority where necessary.

The service as part of the wider public sector faces significant uncertainty in relation to the impact of coronavirus. Whilst the direct impact of the pandemic has not been felt as acutely as some other NHS and local authority partners, the medium term financial affect will be undeniable.

The Medium Term Financial Plan (MTFP) outlines the assumptions, including pay and inflation increases, growth and savings, contained within budget estimates. The most significant financial impact of the virus will be on future income and government funding. At present the effect on future NNDR and Council Tax income is unknown.

In addition, the government has provided significant funding to combat the virus and support

individuals, businesses and front-line services. However, the level of ongoing government support and the effect of any potential measures introduced to help fund the national Covid 19 bill are currently unknown. Further uncertainty has been introduced by the understandable delay of the fair funding review and the retained business rate review. Both of these areas have the potential to significantly affect the future financial position of the service. The service remains in on going contact with the billing authorities to understand the pandemics effect on the local economy and taxpayers and awaits further guidance from the government.

The emerging changes will be reflected in the MTFP as soon as further information is available. The service continues to work to the published 'Our Plan 2020-2023 (IRMP) and MTFP.

Following the first inspection of Effectiveness, Efficiency and People, by HMICFRS in June 2019, steps have been taken to react to inspection outcomes and prepare the Service for the next inspection in 2021. This includes development of an action plan to address areas for improvement identified, monitored through the SMT and Programme Board.

Reviews of policies and procedures and action plans in place to address the outcomes from the Grenfell phase one report.

### **Improvement Areas**

Whilst no significant governance issues were identified, the following new areas for improvement, are listed below.

Conduct a lessons learned review of the arrangements put in place for the coronavirus pandemic.

We continue to proactively identify collaborative opportunities with the Police, Fire and other bodies. Collaboration opportunities realised during this financial year include:

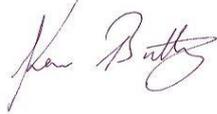
- Procurement of a joint IT Fleet Management system and co-location with DP.
- Joint Prevention and Inclusion Strategy with DP.
- Body Worn Videos
- Method of Entry to assist EMAS in medical emergencies
- Joint Control live since July 2019.
- Joint project to audit and inspect tall, multi-occupied, residential buildings launched with Derby City Council (Housing Standards)

Organisational learning from the emergency incident involving the dam at Toddbrook reservoir, Whaley Bridge.

## Conclusion

On the basis of the review of the sources of assurance set out in this statement, we are satisfied that Derbyshire Fire and Rescue Authority and Derbyshire Fire and Rescue Service has in place a satisfactory system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Annual Governance Statement is therefore recommended to the Authority for approval.



Signed:

**Councillor Kevin Buttery - Chair of Derbyshire Fire & Rescue Authority**



Signed:

**Gavin Tomlinson – Chief Fire Officer/Chief Executive of Derbyshire Fire & Rescue Service**

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