

DRAFT Annual Governance Statement 2019/20





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DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

1. Scope of Responsibility

Royal Berkshire Fire Authority (the Authority) is responsible for ensuring that its business is conducted in accordance with relevant legislation and standards and that public money is both safeguarded and properly accounted for. It 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 and facilitating the effective exercise of its functions including arrangements for the management of risk.

The Authority has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition). This statement explains how the Authority has complied with the Framework and meets the requirements of [Regulation 6\(1\) of the Accounts and Audit Regulations 2015](#), which requires all relevant bodies to prepare an Annual Governance Statement.

Local authorities are required to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is consistent with the good governance principles in the Framework. This includes how they have monitored and evaluated the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the effectiveness of the governance and internal control framework. The Annual Governance Statement is intended as a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

The overall aim is to ensure that:

- Resources are directed in accordance with agreed policy and according to priorities;
- There is sound and inclusive decision-making; and
- There is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

2. Purpose of the Governance Framework

The Governance Framework comprises the systems, processes, culture and values by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its Annual 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 and can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks in relation to the achievement of the Authority's aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised.

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

3. The Governance Framework

The governance measures in place reflect the seven principles of good governance set out in the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' (2016 edition) as set out below.

Core Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

The Constitution of the Authority establishes the roles and responsibilities of Members of the Authority and its Committees, together with officer functions. It includes details of delegation arrangements. The Constitution is kept under review to ensure that it is fit for purpose. Proposed changes are overseen by the Audit and Governance Committee. The Audit and Governance Committee's views on the

suitability of any changes are reported when they are presented to the full Fire Authority for approval.

The Constitution also contains procedure rules, standing orders and financial regulations that define how decisions are taken and where authority lies for decisions. The statutory roles of the Chief Fire Officer/Chief Executive, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight of these posts is supported by the post-holders' membership of the Senior Leadership Team.

A local Members' Code of Conduct for all Members has been agreed by the Authority and a Register of disclosable pecuniary interests for each Member is reviewed annually and published on the Authority's website. This is further supported by [Protocol on Member and Officer Relations](#) which sets out respective obligations and expectations. To ensure legal compliance and to avoid a conflict arising, there are two appointed "Independent Persons" in the event of an allegation being made that a Member has breached the Authority's Code of Conduct. The [Complaints Procedure](#) related to members of the Fire Authority is available on the RBFRS website.

The role of Monitoring Officer is fulfilled as part of a collaborative arrangement with Buckinghamshire and Milton Keynes Fire and Rescue Authority. This arrangement has been in place since 2017/18 and has proved to be effective in ensuring suitable discharge of this responsibility.

All employees are bound by the Employee Code of Conduct which includes standards of conduct. The Employee Code of Conduct also sets out the requirement for the declarations of interests and for employees to register of offers or acceptance of gifts and hospitality. The [Officer Register of Gifts and Hospitality](#) is publicly available on the RBFRS website.

A Grievance, Bullying and Harassment Policy, Complaints Procedure, Whistle Blowing Policy and Anti-Fraud, Bribery and Corruption Policy are maintained and kept under review, providing the opportunity for members of the public and staff to raise issues when they believe that appropriate standards have not been met.

Regular updates on complaints received and their resolution is presented to the Audit and Governance Committee via the quarterly performance report.

The Local Pension Board is set up under the auspices of [The Public Service Pensions Act 2013](#). The Board exists to assist the Fire Authority in its role as Scheme Manager to secure compliance with the various firefighter pension scheme regulations and other legislation relating to governance and administration of the scheme and secure compliance with requirements imposed by the Pensions Regulator. A six monthly report is provided to the Audit and Governance Committee.

Core Principle B: Ensuring openness and comprehensive stakeholder engagement

The [Corporate Plan and Integrated Risk Management Plan \(IRMP\) 2019-23](#), sets out the contribution the Authority will make to its mission; serving the people of Royal Berkshire. It is linked to the Budget, ensuring that the aspirations in the plan are realistic in the context of funding constraints placed upon the Authority.

The Corporate Plan and Integrated Risk Management Plan is agreed following consultation with the public, staff and stakeholders. The Authority has consulted on and agreed its IRMP Consultation Principles, which are published within the Corporate Plan and Integrated Risk Management Plan. A Consultation Strategy is in place which underpins all consultation activity and we work with the Consultation Institute to ensure best practice is followed. Details of our [previous public consultation](#) are available on our website. In 2019/20, we undertook a [Budget and Council Tax Consultation](#) prior to setting the 2020/21 budget. Our [Equality, Diversity and Inclusivity Objectives](#) underpin our consultation activity.

Whilst the Corporate Plan spans a four-year period, it is reviewed annually. An [Annual Plan](#) is produced and published on the website for each of those four years, setting out Annual Objectives together with Corporate Measures. Each Unitary Authority area also has a dedicated annual [Local Safety Plan](#), which sets out localised risk and how resources will be targeted to meet that risk.

An [Annual Report](#) is published on our website taking account of matters that have arisen during the last 12 months and reporting on performance for that period.

Corporate Measures that are set annually via the Annual Plan are internally

monitored through the Strategic Performance Board prior to reporting via the Audit and Governance Committee. Any strategic projects are managed through the Programme Board, with our Priority Programmes being reported to the Audit and Governance Committee via the [Quarterly Performance Reports](#). In addition to publishing the Quarterly Performance Reports, we publish key performance information on our website on a monthly basis. Our website also contains a [‘Transparency and Governance’](#) section publishing financial and staff information which includes the Council Tax Leaflet, procurement card transactions and payments over £500.

The Authority is fully committed to working in partnership and has a record of partnership working that predates the statutory duty to collaborate, as set out in the [Policing and Crime Act 2017](#), with examples including a joint Control Room and fleet maintenance arrangements. The three Thames Valley Fire Services, Thames Valley Police, Police and Crime Commissioner and South Central Ambulance Service have put in place governance arrangements to manage and ensure the effectiveness of collaboration in the Thames Valley. The governance arrangements, which are set out in the [Thames Valley Emergency Services Collaboration Report](#), together with a [Thames Valley Collaboration Register](#), are publicly available on our website.

Meetings of [the Fire Authority and its committee meetings](#) are accessible to the public and dates are published on the website, including the minutes and decisions taken at those meetings. The Authority appoints two members to the Thames Valley Fire Control Service Joint Committee and papers are published on the website for these meetings.

Core Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

The Corporate Plan and IRMP provides a clear vision and formal statement on the organisation’s purpose and intended outcomes, including how we will manage our resources to achieve those outcomes. Our Integrated Risk Management Plan sets out how we will safely and effectively manage risk across our Prevention, Protection and Response activities. We have consulted on and published [strategies](#) for our Prevention, Protection and Response activities, which set how we will target local risk to achieve economic, social and environmental benefits, making best use of our

available resources.

Our Consultation Principles set out that we will consult with a wide range of stakeholders, including the public, on any changes that will have a material impact on the performance of the services we provide.

The [15-year Strategic Asset Investment Framework](#), sets out our intent for the management and investment in our capital assets which include our buildings, fleet and ICT, underpinning the Corporate Plan and Integrated Risk Management Plan.

The Organisational Risk Management Policy sets out our approach to the identification and management of risk which may impact on our ability to provide our services. The Corporate Risk Register is reviewed on a fortnightly basis by the Strategy Leadership Team, and is reported to the Audit and Governance Committee.

Core Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Medium to long-term planning is informed by the [Medium Term Financial Plan](#) which sets out the financial strategy for the Authority. This enables the Authority to understand likely future challenges, and ensure its strategic planning is realistic. Where necessary, appropriate action is identified to mitigate potential financial risk. This is further supported by the Authority's [Efficiency Plan](#).

Our Performance Management Framework sets out how we will manage performance to ensure organisational aims and objectives are achieved. This Framework sets out how we will measure and monitor performance and where and when the organisation will manage performance. This is further supported by the Organisational Risk Management Policy as set out above.

Core Principle E: Developing the Authority's capacity, including the capability of its leadership and the individuals within it

A key theme of the Corporate Plan and Integrated Risk Management Plan is Capacity, Capability and Resilience. Our [People Strategy 2018-21](#), sets out how we will support our staff to be the best public servants they can be, creating a workforce that can deliver an efficient and effective service.

The Authority has agreed a Member Development Strategy 2020-23, which is further

supported by a Member Development Action Plan.

The training needs of Members and officers are identified through appraisal and review processes. Appropriate training is made available to ensure that individuals are able to undertake their current roles effectively and that they have the chance to develop to meet their, and the Authority's, needs.

There is a Leadership Development Programme in place for supervisory and middle managers, with the Senior Leadership Team developed through coaching and external leadership development courses.

Our Behavioural Competency Framework is directly linked to our People Strategy, Equality and Diversity and Inclusion Objectives and our Behavioural Charter, and has leadership at its core.

Our Workforce Planning Group allows us to monitor our workforce profile, as well as anticipate future workforce needs and plan accordingly.

We have a Health, Safety and Wellbeing Strategy and Action Plan, to support our staff, with a particular focus on Mental Health.

Independent assurance is provided by [Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services](#) across the three pillars of 'effectiveness', 'efficiency' and 'people'. In June 2019, the first inspection report for Royal Berkshire Fire and Rescue Services was issued in which it said the Service was performing to a high standard in these areas and was graded as 'good' in all three pillars.

Core Principle F: Managing risks and performance through robust internal control and strong public financial management

The Authority ensures that the Service has appropriate governance arrangements in place and that risk and performance are being effectively managed. As set out above, there is a Performance Management Framework and Organisational Risk Management Policy which sets out how this is achieved.

The Authority has ownership of the strategic risks of the Service and is responsible for monitoring and challenging risks and actions appearing on the Corporate Risk Register. This responsibility for risk and performance management is delegated by the Authority to the Audit and Governance Committee.

The Head of Finance and Procurement is appointed as the Chief Finance Officer and ensures the sound administration of the financial affairs of the Authority, as required by the statutory duties associated with section 112 of the Local Government Finance Act 1988 and the Accounts and Audit Regulations 2015. The Chief Financial Officer is required to adhere to professional standards set by CIPFA.

Until October 2015, the Authority's insurance was arranged through a consortium of nine fire and rescue authorities. These fire and rescue authorities are now members of the [Fire and Rescue Indemnity Company Ltd \(FRIC\)](#). The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. The aims of the Company are twofold: to reduce risk to the Authority by driving up standards, for example, by adopting best practice in relation to driving standards and also to reduce the cost to the Authority of its risk protection arrangements over the longer-term.

Core Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

Data is published on the website in accordance with the Local Government Transparency Code to promote openness and accountability through reporting on local decision-making, public spending and democratic processes.

The Authority has a designated statutory Data Protection Officer (DPO) that reports through the Authority's Senior Information Risk Owner (SIRO) which is the Director of Support Services. Both the DPO and SIRO ensure legal compliance with data protection requirements.

The [Pay Policy](#) has been approved by the Authority and is subject to review annually. It is produced in accordance with new or proposed legislation to ensure that it remains relevant and effective. The Pay Policy Statement for 2020-21 was approved by the Authority in February 2020.

In addition to publishing the [Gender Pay Gap Report for 2019](#), on our website. The Authority, also published an [Equal Pay Audit](#) which goes further than the statutory Gender Pay Gap report and gives clearer and more extensive information regarding how individuals are paid at RBFPS and how individual pay elements are distributed across the various protected groups.

An annual [Statement of Assurance](#) is produced to formally confirm to Government, stakeholders and the communities we serve, the adequacy of arrangements for the effective management of financial, governance and operational matters in RBFRS. The Statement confirms the extent to which the requirement of the Fire and Rescue National Framework for England have been met.

The Audit and Governance Committee undertakes the scrutiny function within the Authority and provides a robust challenge to the Authority. The Committee reviews performance and risk within the Authority, initiating reviews where it considers performance could be improved.

The Authority's Internal Audit Service is carried out by external contractors appointed under contract. The appointed Internal Auditors (RSM) is required to provide an annual independent and objective opinion to the Authority on risk management, governance and the control environment. The annual Audit Plan is agreed by the Audit and Governance Committee and in 2019/20 RSM undertook the following audits:

Audit	Assurance Level
Risk Management and Governance	Substantial Assurance
Key Financial Controls	Substantial Assurance
Business Continuity and Emergency Planning	Substantial Assurance
Financial Planning and Long Term Budgeting	Substantial Assurance
Payroll Provider – Dataplan	Substantial Assurance
Firefighter Pension Administration	Substantial Assurance
IT – Cyber Essentials	Advisory

Our auditors found substantial assurance on all six of these audits (a seventh audit was completed which was an advisory audit with no assurance level assessment required). All audit actions are monitored through the Strategic Performance Board and Audit and Governance Committee.

RSM's Annual Report provides the following overall audit opinion for 2019/20 as follows: *“The organisation has an adequate and effective framework for risk management, governance and internal control.”*

4. 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. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Auditors' (RSM) annual report, and by the findings and reports issued by the external auditors and other review agencies and inspectorates.

5. Significant Governance Issues Addressed in 2019/20

The following provides a progress report against the significant governance issues identified in the last Annual Governance Statement for 2019/20.

5.1 HMICFRS

Upon writing the Annual Governance Statement 2018/19, we were awaiting the outcome of the first inspection of RBFRS. In June 2019, the inspection results were published and Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services considered that RBFRS was performing to a "high standard" and was graded as good across the three pillars of efficiency, effectiveness and people.

Importantly, the report did identify areas for improvement and an action plan was formed to capture those areas of learning. The action plan forms part of our quarterly performance reporting to the Strategic Performance Board, Senior Leadership Team and the Audit and Governance Committee.

5.2 Volatility of Funding

Over the last year, there has been continued volatility not only in relation to the Authority's own budgetary position, but also in the wider economy. Volatility in the economy has also fed through to the Authority's funding streams. On top of the volatility from economic factors, the Authority has also incurred, and will continue to incur, significant additional costs in relation to fire safety activities post-Grenfell.

Late in 2019/20, additional budgetary pressures emerged. For example, growth in the council tax base for 2020/21 is lower than predicted and for the second year running, there is still an aggregate deficit on the Berkshire council tax collection funds.

The Authority's [Efficiency Plan](#) sets out how savings of £2.4 million are to be achieved. Excellent progress has been made in delivering these savings in 2019/20. Although an additional £140,000 of efficiencies have been identified for 2020/21, reduced flexibility around our ability to increase the precept (down from 2.99% to 1.99%) means that there will be a budget shortfall of £284,000 in 2020/21.

From 2019/20, the Authority has faced a very steep increase in employer contributions to the Firefighter pension schemes. This is because the Government has made two changes to the discount rate used to estimate pension liabilities, but also because there has been a breach in the cost cap in relation to the 2015 Scheme. The first change to the discount rate, costing £400,000, had already been built into the Medium Term Financial Plan and is now part of the base budget. The second change in the discount rate and the cost cap breach is cost the Authority over £1.5 million annually. For 2019/20 and 2020/21, the Government has said it will reimburse the additional cost of the second change, but from 2021/22, any funding for increased pension costs will be considered as part of the Government's new multi-year Comprehensive Spending Review.

5.3 Strategic Asset Investment Framework

A key issue identified for 2019/20 for the Authority was the need for ongoing investment in its assets. Important progress has been made in 2019/20 to deliver the proposals set out in the SAIF including rebuild of Crownthorne Fire Station due to complete in May 2020, and the final approval in December 2019, for the new fire station at Theale.

The overall funding envelope of the SAIF has not changed since last year, in that only Phase One of the SAIF can be financed. Previous capital receipts as well as the future disposals of Dee Road Fire Station and Pangbourne Fire Station along with reserves from the Development Fund will be used as part of the financing of Phase One. However, these resources are not sufficient to fund all of Phase One, so the Authority will have to increase its borrowing. The revenue financing costs of servicing these additional loans have been built into the Medium Term Financial Plan.

The SAIF is kept under regular review to take account of volatility of funding, and as plans are developed further. The current SAIF was approved by the Authority in February 2020.

5.4 Senior Leadership Team

At the end of 2018/19, recruitment was underway for three roles within the Senior Leadership Team, which included the Assistant Chief Fire Officer and two Area Managers. At the point of compiling the last statement, recruitment had been completed and all posts were successfully appointed to with the new members of the Senior Leadership Team due to take up their roles in early 2019/20. The new appointments did come into post which enabled a smooth transition of roles and responsibilities. Towards the end of 2019/20, the retirement of the Area Manager responsible for Prevention and Protection resulted in an additional recruitment exercise with the successful appointment of a successor to enable a smooth transition by the end of 2019/20.

5.5 Member Development

Member Development was highlighted as a significant governance issue in the last Annual Governance Statement as it was anticipated that there would be a number of new Councillors joining in the Fire Authority. In 2019/20, the Authority welcomed a total of nine new Fire Authority Members. Each of the new Members was offered one-to-one induction sessions with the Chief Fire Officer, Head of Finance and Procurement and Head of Corporate Services. This was then followed by a range of Member Development opportunities in line with the Member Development Strategy and Action Plan.

In October 2019, the Authority approved a Member Development Strategy for the 2020-23 period and an action plan to support this strategy has been subsequently developed. All Fire Authority Members are offered one-to-one sessions with their respective Group Leaders to discuss their Member Development requirements.

An annual report on Member Development is presented to the Audit and Governance Committee.

5.6 Fire Safety

Following the Grenfell Tower fire on 14 June 2017, the public Inquiry [Phase One report](#) was formally published on the Inquiry website on Wednesday, 30 October 2019. Following the tragic event, the Authority proactively put in place a four phased plan, which enabled our immediate response to the tragedy, whilst also allowing us to learn from and respond to the emergent picture of risk associated with high rise

buildings, Aluminium Composite Material (ACM) cladding and other non-compliant cladding systems.

In 2019/20, we were in Phase three of that plan, learning from the Inquiry and working hard to ensure that we have in place the most up to date, policy, practice and procedures to reduce risks associated with ACM cladding and high rise buildings. In responding to the 46 recommendations, a Built Environment Programme was established to co-ordinate and develop the required programme of work.

5.7 Brexit

In preparing for the United Kingdom's departure from the European Union, the Authority monitored the implications of Brexit through the Local Resilience Forum, working with partners to mitigate any local risk and considering any specific risks for the Service through the Corporate Risk Register.

5.8 Income Generation

A new focus for the Authority in 2019/20 and into the future was the decision to focus on the more commercial use of its property and other assets, where it is in its interest and the opportunity arises.

In 2019/20, examples include the re-introduction of cross-border charging within the Thames Valley which delivered an additional £105,000 in income. The commercial utilisation of the Authority's buildings continues to generate revenue income whilst also helping the Authority meet its statutory duty to collaborate with other blue light services, in the interest of effectiveness and efficiency. We currently share our service headquarters with teams from the Office of the Police and Crime Commissioner and Thames Valley Police. This partnership has created a revenue stream of rental income amounting to around £56,000 in 2019/20.

The redevelopment of Hungerford Community Fire Station with co-location with Thames Valley Police (TVP) has seen a contribution to revenue of about £11,000 p.a. which includes rental income and a fair and reasonable contribution to running costs based on usage. SCAS currently has a 'Licence to Occupy' at four of our fire stations where they have dedicated space, bringing in an income of £14,000 p.a. and a project is in place to widen the scope of this partnership to our other stations.

The re-negotiation of leases, which allows for the placing of telecommunication masts on our premises generates on-going mast income of around £90,000 p.a.. Rental income is also being generated from the commercial use of a house at the Caversham Road Fire Station site by a third party occupational health provider. Ongoing income of £8,500 p.a. is being received.

6. COVID-19

In March 2020, COVID-19 emerged in the UK as a public health emergency. As a governance issue that has spanned 2019/20 and 2020/21, the Authority's consideration of COVID-19 has been summarised separately for the purposes of the Annual Governance Statement and provides a summary of the impact of governance beyond 31 March 2020, and into 2020/21.

Internally, a number of important steps were taken to ensure robust governance arrangements were put in place to respond to the risk posed by COVID-19 in accordance with the Business Continuity Management and Critical Event Management Policy. A COVID-19 Critical Event Management Team (CEMT) was established and chaired at a Director level. Sub-groups were established to lead on Response and Recovery activities.

Action and decision logs were put in place to support the COVID-19 governance structure to ensure all decisions were captured, together with an information log to ensure a record was kept of related information coming into the organisation and required action.

The Authority's priority was to ensure continued delivery of critical emergency services response during this time. Whilst non-essential activity was initially stopped, service delivery activity was risk assessed to understand where the risk of fire was greater than the risk of COVID-19.

Both prior to and after March 2020, RBFRS has been an active participant in the Local Resilience Forum working to ensure effective planning at a local level to respond to the crisis. Whilst the maintenance of our core services has remained the priority throughout, a range of additional activities have been undertaken since March 2020, in support of both the Thames Valley Local Resilience Forum and the tri-partite agreements established between the National Fire Chiefs Council, Fire

Brigades Union and the Fire and Rescue Service National Employers. These activities were reported to the Management Committee in July 2020.

As the Country moved through the crisis, RBFRS established recovery plans for its Prevention, Protection and Response service delivery as well as support functions. These recovery plans were aligned to the national COVID Alert Levels, and have been reviewed as new guidance has been issued.

During this time, business activities have been maintained with homeworking successfully supported where appropriate to the role, in line with Government guidance. The health, safety and wellbeing of staff has been of the utmost importance with advice, guidance and support offered in response to COVID-19. The organisation has adapted to new ways of working and aspects of normal business activity have started to resume. For example, our audit programme is continuing and being carried out virtually.

Immediate action was taken to ensure the workplace was COVID secure and mitigate the risk to our staff. RBFRS has published a [COVID-19 Risk Assessment](#) on its website and all of its workplaces have been declared COVID Secure.

The internal governance structure ensures that the latest guidance and advice from Government and the Fire and Rescue Sector is considered in a timely manner with appropriate action taken and recorded.

Initially, the Fire Authority meetings in March and April were cancelled whilst legislation was put in place to enable remote Fire 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, came into force on 4 April 2020. This enabled remote Fire Authority meetings to take place and the normal Fire Authority calendar resumed in June 2020, with the annual Fire Authority meeting.

Resources allocated to the COVID-19 response have been captured for accounting purposes.

Our [2020/21 Annual Plan](#) has been reviewed to take account of the impact of COVID-19. Whilst the Annual Plan sets out our intent, we recognise that the

circumstances related to COVID-19 may pose challenges to some areas of delivery and we may need to further adapt throughout the year.

The Critical Event Management Team commissioned a review of the COVID-19 decision-making to ensure any areas for improvement are identified and learning implemented.

In August 2020, HMICFRS wrote to Fire and Rescue Services, to provide notice that it had sought approval from the Home Secretary to carry out a COVID-19 Inspection. It has been confirmed that the COVID-19 inspection for Royal Berkshire Fire and Rescue Service will take place week commencing 12 October 2020.

To date, the internal governance arrangements have proved adequate in supporting a swift response to COVID-19. However, it is important not to pre-empt the findings of the internal review and potential areas for improvement and learning that may be identified. COVID-19 will continue to be a significant governance issue in 2020/21, with our internal governance structure to respond to the pandemic continuing to be in place at the time of writing (August 2020).

7. Significant Governance Issues in 2020/21

In addition to COVID-19, as outlined above, the following significant governance issues have been identified for 2020/21:

7.1 Volatility of Funding

Volatility of funding will continue to be a significant and ongoing pressure for the Authority in 2020/21. In addition to the pressures which emerged in 2019/20, the authority continues to monitor a number of possible budgetary pressures which may create significant challenges in future.

Our Medium Term Financial plan assumes that future pay will increase by 2%. However, there are ongoing national discussions with the Fire Brigades Union in relation to pay. Any such pay increase beyond 2%, without significantly increased funding, would be unaffordable for the Authority.

The Authority will await the outcome of the Government's three-year Comprehensive Spending Review (CSR) and consideration of funding the additional pension cost

pressure. Further potential funding volatility may result from the CSR and the likely resetting of the business rates funding baseline.

In addition to the departmental savings of £140,000 being built into the base budget for 2020/21, work is ongoing to deliver a further £200,000 in 2021/22.

These shortfalls highlight why the Chairman of the Fire Authority has been lobbying MPs and the Government to provide the Fire Authority with increased flexibility around the setting of the precept. Our current IRMP model is required to deliver an effective and efficient service for the people of Berkshire. However, should additional funding not be secured in the upcoming CSR, the Authority will have to consider revisiting its IRMP model to balance the budget.

7.2 HMICFRS

HMICFRS had been due to undertake its second inspection of RBFRS in 2020/21. However, with the outbreak of COVID-19, it took the decision to suspend its inspection activity. In July 2020, HMICFRS confirmed it plans to recommence the round two inspection programme in early 2021. As a Service in tranche two, this means the next inspection of RBFRS is now likely to take place in 2021/22. However, this will remain an area of focus in 2020/21 to ensure we are suitably prepared for the next inspection. In addition to which the COVID-19 Inspection, will take place in October 2020.

7.3 Built Environment

The Built Environment Programme will remain an area of focus in 2020/21, with the ongoing additional financial pressures this creates for the Authority. Following a gap analysis to identify areas of improvement, work will continue to be delivered to ensure the Authority appropriately responds and learns from the finding of the Grenfell Tower Inquiry. Alongside this, the risk posed by High Risk Residential Buildings remains a significant national challenge and forms part of the National Fire Chiefs Council Building Risk Review Programme. The Authority will continue to contribute towards this national programme as well as build on the work already undertaken locally to address the challenges posed by High Risk Residential Buildings with the Service, where appropriate making full use of its statutory powers to drive remediation of those buildings.

7.4 Pensions

2020/21 will see significant changes to firefighter pension schemes, in particular, recent outcomes of the Sargeant case will result in wide ranging impacts for administration of firefighter pension schemes for many years to come. Changes to the pension provision is likely to impact retirement planning and see staff exit the service earlier than planned, leading to loss of organisational knowledge and expertise. Evaluating the impact and responding to the changes in pension regulations and ensuring the workforce is resourced appropriately through effective workforce planning, will therefore be a priority area of focus.

7.5 Strategic Asset Investment Framework

The need for ongoing investment in its assets will remain an issue for the Fire Authority in 2020/21. In achieving the objectives set out in the Strategic Asset Investment Framework, the lack of available capital funding beyond Phase One of the programme will remain a significant challenge.

7.6 Leadership Succession

2021 is likely to be a year of significant change for the senior leadership of RBFRS as both the Chief Fire Officer and Deputy Chief Fire Officer will be eligible to retire in July 2021 and May 2021, respectively. To ensure the continuity of leadership and that the Service does not lose momentum in delivering on the Authority's plans and commitments, the transition will need to be well planned. As a result, Leadership Succession Planning will be a significant governance issue in 2020/21.

7.7 Delivery of Prevention, Protection and Response Strategies

In March 2020, the Authority undertook a consultation on draft Prevention, Protection and Response strategies and underpinning risk analysis. These strategies built on the Evidence Bases previously developed in 2016/17, and set out the direction of travel across the core areas of service provision. The consultation concluded in 2020/21 with the Fire Authority giving conscientious consideration to the results in June 2020. Following this consideration, the three strategy documents were approved for delivery by officers commencing in 2020/21.

8. Conclusion

The Authority will monitor the governance issues identified in this Statement through its performance and risk management arrangements. This ensures regular review and

scrutiny of the issues identified by the Senior Leadership Team and the Authority. The Annual Governance Statement for 2021/22, will include an updated position against the governance issues identified in the 2020/21 Statement.

Signed:

Date

Chairman of Audit and Governance Committee for Royal Berkshire Fire Authority

Signed:

Date

Chief Fire Officer and Chief Executive

