



ANNUAL GOVERNANCE STATEMENT 2020/21

SCOPE OF RESPONSIBILITY

1. County Durham and Darlington Fire 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. It must also ensure that public money is used economically, efficiently, and effectively.
2. The Accounts and Audit Regulations 2015 require the Authority to prepare an annual governance statement, which must accompany the statement of accounts. 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.
3. 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, which includes arrangements for the management of risk.
4. The Authority has approved a code of corporate governance, which is consistent with the seven principles of good governance as identified in the CIPFA/SOLACE 2016 Framework – “Delivering Good Governance in Local Government”. This statement explains how the Authority has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

5. The governance framework comprises the systems processes, culture, and values by which the Authority is directed and the activities through which it accounts to and engages with the community. It enables the Authority to monitor the achievement of its strategic priorities and to consider whether those priorities have led to the delivery of appropriate, cost effective services.
6. The system of internal control is a significant part of the governance 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.
7. The system of internal control is based on an ongoing 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.

8. The governance framework has continued to be in place at the Authority for the year ended 31 March 2021 and up to the date of approval of the statement of accounts.

COVID-19 PANDEMIC

9. The review of effectiveness for 2020/21 was conducted in the midst of the Authority's response to the Covid-19 pandemic, which persisted throughout the whole of the period covered by the review. An assessment of the ways in which the Authority's governance systems have been deployed and adapted in response to the COVID-19 pandemic, aligned to the principles of good governance is attached at Appendix B.

THE GOVERNANCE FRAMEWORK

10. The Annual Governance Statement (AGS) provides a summary of the extent to which the Authority meets the seven principles of good governance as identified in the Delivering Good Governance in Local Government Framework 2016.

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

The Authority fosters a culture based on shared values, high ethical principles, and good conduct. The Authority does this by establishing and keeping under review:

- The Authority's own values on Leadership as enshrined in the Three-Year Strategic Plan and evidenced in Codes of Conduct that set standards for behaviour;
- A Member Code of Conduct;
- An Officer Code of Conduct;
- A Register of Interests and declarations of Gifts and Hospitality accepted;
- Equality and Diversity arrangements;
- A Confidential Reporting policy;
- The roles of Members and Officers in decision-making;
- Appropriate and timely advice, guidance, and training for both Members and Officers;
- Systems for reporting and dealing with any incidents of fraud and corruption.

The Authority ensures that appropriate legal, financial, and other professional advice is always considered as part of the decision-making process and observes both specific requirements of legislation and general responsibility by Law.

The Authority is transparent about how decisions are taken and recorded. The Authority does this by:

- Ensuring that decisions are made in public and recording those decisions and relevant information and making them available publicly (except where that information is exempt under the provisions of the Freedom of Information Act or determined as being confidential by Government or otherwise exempt by the Authority);

- Having rules and procedures which govern how decisions are made.

The Authority has adopted a confidential reporting policy, details of which have been communicated to staff and are available electronically.

The Authority ensures that effective, transparent, and accessible arrangements are in place for dealing with complaints. The website includes facilities for complaints to be made against the Authority by the public and processes are in place to progress any complaints that are made.

Principle B - Ensuring openness and comprehensive stakeholder engagement

The Authority responds to the views of stakeholders and the community. The Authority does this by:

- Forming and maintaining relationships with the leaders of other organisations;
- Ensuring partnership arrangements demonstrate clear and appropriate governance accountabilities;
- Producing plans for service delivery within the community;
- Providing access to a range of consultation methods, particularly to those groups which are harder to reach;
- Using an approach that recognises that people are different and gives everyone the same or an equal opportunity to information, advice and support in ways that are suited to the needs or circumstances of the individual;
- Encouraging and supporting the public in submitting requests for aspects of the Authority's Service to be scrutinised;
- Providing and supporting ways for Citizens to present community concerns to the Authority;
- Providing for the public the opportunity to ask questions or make representations to the Authority;
- Publishing a Three-Year Strategic Plan and Community Risk Management Plan (CRMP) providing information in relation to the Authority;
- Continually developing clear channels of communication;
- Providing a modernised Information Communication and Technology Service that meets the needs and aspirations of the organisation and the communities we serve.

The Authority recognises the key role it has to play in supporting partnership working within County Durham and Darlington and also the role partners have to play in assisting the Authority to deliver on its objectives.

The Authority ensures good governance in respect of partnerships by:

- Reviewing and evaluating partnerships on a regular basis;
- Auditing partnership strategies and policies through the internal audit function;
- Ensuring partnerships offer value and contribute to the Authority's strategic objectives.
- Maintaining a partnership register.

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

The Authority published its Strategic Vision and corporate priorities for County Durham and Darlington as part of its Three-Year Strategic Plan. The vision and priorities are focused on community needs and aspirations.

In delivering its vision and corporate priorities, the Authority explains and reports regularly on activities, performance and the Authority's financial position. Timely, objective and understandable information relating to the Authority's activities, achievements, performance and financial position is provided through the publishing of:

- A Three-Year Strategic Plan incorporating the Community Risk Management Plan;
- A Medium-Term Financial Plan;
- An Efficiency Plan;
- Externally audited accounts;
- Detailed performance information.

The Authority considers the governance implications of its actions and has established its Code of Corporate Governance to be consistent with the principles of the CIPFA/SOLACE Framework – “Delivering Good Governance in Local Government”.

The Authority is committed to delivering quality services to the public in an efficient and effective way. The Authority does this by:

- Delivering services to meet local needs through the Three-Year Strategic Plan and the Integrated Risk Management Plan, and putting in place policies and processes to ensure that they operate effectively in practice;
- Developing effective relationships and partnerships with other public sector agencies and the private and voluntary sectors;
- Actively pursuing collaboration opportunities with the Police, Ambulance and other Fire Services;
- Responding positively to the findings and recommendations of external auditors and statutory inspectors and putting in place arrangements for the implementation of agreed actions;
- Comparing information about services with those provided by similar organisations, assessing why levels of efficiency, effectiveness and quality are different and considering other alternative means of service provision and procurement to maximise opportunities and improve value for money where appropriate.

Principle D - Determining the interventions necessary to optimize the achievement of the intended outcomes

To achieve this, the Authority:

- Has a detailed medium-term financial plan which includes actions to ensure financial sustainability;
- Has a performance management framework, to ensure plans are met and remedial action taken;

- Has processes in place to ensure data quality is high, to enable objective and rigorous decision making;
- Has regular monthly Service Leadership Team (SLT) meetings together with weekly SLT catch up meetings where issues are raised and actions agreed upon;
- Has a risk management process to identify where interventions may be required;
- Has a sound understanding of demand (current and future) which informs resource allocation decisions;
- Maintains a collaboration register to record individual collaboration initiatives.

Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

The Authority ensures that the necessary roles and responsibilities for effective Governance are identified and allocated through its Constitution so that it is clear who is accountable for decisions that are made. The Authority does this by:

- Electing a Chair, establishing Committees and nominating Member Champions with defined responsibilities;
- Agreeing a scheme of delegated responsibilities to the Senior Management;
- Undertaking a regular review of the operation of the Constitution;
- Having in place effective and comprehensive arrangements for the scrutiny of services;
- Making the Chief Fire Officer responsible and accountable for all aspects of operational management;
- Ensuring at all times arrangements are in place for the proper administration of its financial affairs (S151 Officer);
- Ensuring at all times arrangements are in place for ensuring actions are taken in accordance with Statute and Regulation (Monitoring Officer);
- Developing protocols that ensure effective communications between Members and Officers;
- has robust performance management arrangements which enables each officer's needs, training, and development requirements to be identified.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The Authority ensures that those charged with governance have the skills, knowledge and experience they need to perform well. The Authority does this by:

- Consistent application of the People Strategy
- Operating robust and transparent recruitment and selection processes;
- Implementing Member Development strategies;
- Cascading regular information to Members and staff;
- Investing in Member and Officer Leadership training;
- Providing resources that support Member and Officer development;
- Promoting schemes supporting ongoing professional development;

- Undertaking the annual appraisal of the Chief Fire Officer and setting objectives that contribute to the Authority's vision, strategy and plans and that incorporate key development needs.

The Authority is fully compliant with the principles outlined in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The Treasurer to the Authority is professionally qualified and suitably experienced. He plays a key role in providing a strategic insight to the direction and control of Authority business decisions affecting financial resources. He ensures compliance with financial standards and gives due consideration to the economic, efficient, and effective use of resources. He works closely with the Chief Fire Officer in ensuring the finance function provided is fit for purpose and that the management of the Authority's resources is robust.

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

The Constitution sets out how the Authority operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people. Areas of potential change are identified throughout the year and the Constitution is amended on an annual basis.

The Authority operates a risk management approach that aids the achievement of its strategic priorities, supports its decision-making processes, protects the Authority's reputation and other assets and is compliant with statutory and regulatory obligations. The Authority ensures that the risk management approach:

- Enables a culture of risk awareness;
- Formally identifies and manages risks;
- Involves elected members in the risk management process;
- Maps risks to financial and other key internal controls;
- Documents and records details of risks in a risk management information system;
- Monitors the progress in mitigating significant risks, and reports this to appropriate Members;
- Reviews and, if necessary, updates its risk management processes at least annually;
- Considers risk within major projects.

The Audit and Finance Committee has responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure Internal Control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance. This includes considering the work of External Audit, Internal Audit and Risk Management and making recommendations concerning relevant governance aspects of the Constitution.

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

To achieve this, the Authority:

- Publishes relevant information relating to salaries, business interests and performance data on its website;
- Has a Procurement Officer who provides advice and issues clear guidelines for procuring goods and services;
- Has an Audit and Finance Committee that operates in accordance with guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA);
- Publishes information to the Authority and its Committees as part of established accountability mechanisms;
- Acts upon the findings/recommendations of Internal Audit and External Audit Reports;
- Prepares an Annual Governance Statement;
- Prepares an annual Statement of Assurance.

The Authority is committed to the publication of transparent performance information. This includes but is not limited to:

- Budget reports;
- Operational performance reports;
- Medium-Term Financial Plan;
- Statement of Accounts;
- Annual Governance Statement;
- Statement of Assurance;
- Information required under the Local Government Transparency Code.

REVIEW OF EFFECTIVENESS

11. 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 Service Leadership Team who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the Treasurer, external auditors and other review agencies and inspectorates.
12. The Authority has an Audit and Finance Committee with responsibility for monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance. This includes considering the work of External Audit, Internal Audit and Risk Management and making recommendations concerning relevant governance aspects of Standing Orders.

SIGNIFICANT GOVERNANCE ISSUES

13. The Authority is fully committed to the principles of corporate governance. The Service Leadership Team and Audit and Finance Committee review, by way of an

action plan, the governance issues contained within the Annual Governance Statement (AGS) on a quarterly basis. The position in relation to the action plan for 2020/21 is set out in Appendix A. Issues which were ongoing at 31st March 2021 will be included in the 2021/22 action plan. The progress made in implementing recommendations in relation to governance issues is confirmed by Internal Audit and forms the starting point of the work carried out in producing the AGS for 2020/21.

14. In addition, based on assurance work undertaken by Internal Audit during 2020/21, the Head of Internal Audit has issued a Moderate overall assurance opinion on the adequacy and effectiveness of internal control operating across the Authority in 2020/21.
15. The moderate opinion provides assurance that there is a sound system of control in place however there are some weaknesses and evidence of ineffective controls. Given the unprecedented impact of the coronavirus pandemic which was evident throughout the whole of the financial year 2020/21 and which required the Authority to adapt and deliver its services in new and innovative ways which when taken within a context of change the Authority continues to face, the reduction in resources and the increasing diverse nature of the Internal Audit Plan, the sustainment of this assurance opinion should be regarded as positive.
16. The issues detailed below have been agreed with the Service Leadership Team for inclusion in the 2021/22 action plan:

(i) Public Sector Spending

The impact of spending reductions in the public sector is a key governance issue for the Fire Authority. 2019/20 was the final year of the four-year government funding settlement and single year settlements were issued for 2020/21 and 2021/22. As there is a great deal of uncertainty surrounding the level of government funding (both settlement funding and funding for pensions) from 2022/23 onwards, three medium-term financial plan scenarios have been modelled based on differing levels of funding. The Authority has set a balanced budget for the forthcoming financial year (2021/22) and needs to identify further savings during the period 2021/22 to 2023/24 ranging from £0.9M (best case scenario) to £2.8M (worst case scenario) depending on the funding position. Alternative delivery options for services continue to be considered and implementation plans are being progressed. Implementation will be closely monitored to ensure that planned service changes and associated savings are realised.

(ii) Assumptions Underpinning the Medium-Term Financial Plan

The assumptions made in the medium-term financial plan, particularly around savings, inflation, pay awards, employer pension contributions and potential liabilities, future Government grants and income from council tax and business rates whilst based on the best information available are subject to change from economic circumstances and public finances in general. This represents a potential risk to the Authority's medium-term financial plan which will be monitored closely in order to enable corrective action to be taken where necessary.

(iii) *Changes to the Governance of public services in light of stated Government policy direction*

The Policing and Crime Act requires fire, police and ambulance services to collaborate, where the proposed collaboration would be in the interests of their own efficiency and effectiveness and one or more of the other services take the same view. The legislation also makes provision for a Police and Crime Commissioner to take responsibility for the fire and rescue service in their area, as well as to take the additional step to create a single employer for police and fire. The government has also announced that a White Paper on Fire Reform will be published later in the year which will focus on three key areas: people, professionalism, and governance.

The Service will continue to monitor, at local, sub national and national level, the development and potential impact, of differing governance arrangements, the relevant underpinning statutory frameworks and current national negotiating machinery.

(iv) *Impact of Changes to the Firefighters Pension Scheme*

The service will closely monitor the impact of changes to the Firefighters Pension Scheme in terms of cost, business continuity, resilience, and local industrial relations.

(v) *Collaboration*

Collaboration will continue to be addressed pro-actively in terms of collaborating with other Fire and Rescue Services, the Police, North East Ambulance Service, and other organisations. The government have placed an increased emphasis on collaboration with Blue Light Services and this is reflected in the Authority's governance structure in relation to collaboration.

(vi) *Fire Service Inspectorate (HMICFRS)*

The Service will continue to closely monitor developments in relation to the Fire Service Inspectorate. Following the last inspection an action plan has been developed to address the areas identified for improvement in the inspection report. Progress in completing the actions will be monitored by the Service Leadership Team and the Authority going forward.

(vii) *Independent Review of Building Regulations and Fire Safety*

The service will closely monitor developments following the publication of Dame Judith Hackitt's independent review into building regulations and fire safety following the Grenfell Tower fire. Changes to the regulatory requirements will have significant resource implications for the service as the government is committed to doing more to set and enforce high standards.

(viii) *COVID-19 Pandemic*

The Service has been impacted by COVID-19 since March 2020 and this is expected to continue into 2021/22. Its direct impact includes increased sickness

absence as firefighters and staff self-isolate, reduced demand in certain areas e.g. road traffic collisions, increased demand in other areas e.g. false alarms resulting from controlled burning and also an increase in unexpected expenditure including the purchase of PPE, additional homeworking costs, cleaning and overtime. Whilst the Service has received government funding towards the additional costs in the last financial year, no announcement has been made on any further funding going forward. There will also be a need to consider the lessons learnt from managing service delivery in a crisis as a way to improve both the efficiency and effectiveness of the Service going forward.

17. We propose to take steps to address the above matters to further enhance our governance arrangements during the coming year. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: 

Chair

Signed: 

Chief Fire Officer

Signed: 

Treasurer

Corporate Governance Action Plan 2020/21

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
01	<p>Public Sector Spending</p> <p>The impact of spending reductions in the public sector is a key governance issue for the Fire Authority. 2019/20 was the final year of the four-year government funding settlement and a single year settlement has been issued for 2020/21 which includes an inflationary increase. As there is a great deal of uncertainty surrounding the level of government funding (both settlement funding and funding for pensions) from 2021/22 onwards, three medium-term financial plan scenarios have been modelled based on differing levels of funding. The Authority has set a balanced budget for the forthcoming financial year (2020/21) and needs to identify a further savings during the period 2021/22 to 2023/24 ranging from £0.19M (best case scenario) to £2.3M (worst case scenario) depending on the funding position. Alternative delivery options for services continue to be considered and implementation plans are being progressed. Implementation will be closely monitored to ensure that planned service changes and associated savings are realised.</p>	<p>The Authority fails to balance its budget and service provision deteriorates as a result.</p>	High	<p>The Authority should look to further progress its implementation plans and monitor them in order to ensure that it's in year budget is balanced and service delivery maintained.</p>	<p>Covid-19 is likely to have a significant impact on the Authority's finances going forward. Significant deficits are forecast in council tax collection funds and the council tax base for 2021/22 has remained flat. In addition, business rates collection is significantly down. The position regarding government funding beyond 2021/22 is also currently unknown.</p> <p>The medium-term financial plan for 2021/22 onwards sets out 3 scenarios based on differing levels of government funding. Although the budget is balanced for 2021/22, the forecast deficit over the MTFP period ranges from £0.964m (best case) to £2.836m (worst case).</p> <p>Further work has been undertaken to develop savings options to deal with a significant reduction in funding should the need arise. These options were discussed with members at the Strategic Planning Day held on 07 October 2020.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	<p>Deputy Chief Executive</p> <p>ONGOING</p>
02	<p>Assumptions Underpinning the Medium-Term Financial Plan</p> <p>The assumptions made in the medium term financial plan, particularly around savings, inflation, pay awards, employer pension contributions and potential</p>	<p>The Authority fails to balance its budget over the medium to longer term and service provision deteriorates as a result.</p>	High	<p>The Authority should monitor, as intended, the assumptions made within its medium-term financial plan to ensure they accurately reflect the most up to date</p>	<p>The MTFP assumptions are monitored on an on-going basis and have been updated during the preparation of the 2021/22 budget and MTFP.</p>	<p>Deputy Chief Executive</p> <p>ONGOING</p>

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
	liabilities, future Government grants and income from council tax and business rates whilst based on the best information available are subject to change from economic circumstances and public finances in general. This represents a potential risk to the Authority's medium-term financial plan which will be monitored closely in order to enable corrective action to be taken where necessary.			position known and enable corrective action to be taken where required at the earliest opportunity.	<p>We currently have no visibility on the level of government funding beyond 2021/22 and whilst the government have previously committed to providing certainty via a multi-year settlement, this may change as a result of the current COVID-19 pandemic. This together with shortfalls in council tax and business rates receipts as outlined in 1 above are by far the biggest risks in our planning assumptions going forward.</p> <p>The 3 current MTFP models are all based upon a zero pay award in 2021/22 and increases of 2% in each year from 2022/23 onwards. An offer of a 1.5% pay award has been made to all staff groups which will cost an additional £345K in a full year. This is not included in the 2021/22 budget and MTFP and will have a significant impact on the forecast deficit position unless further savings are identified to offset the additional cost.</p> <p>The current increase in the FPS employer contribution rate is funded by government grant and this funding is expected to continue going forward.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	
03	Changes to the Governance of public services in light of stated Government policy direction The Policing and Crime Act requires fire, police and ambulance services to collaborate, where the proposed	The Authority fails to comply with the requirements and wider implications of the Policing and Crime Act.	High	The Service should monitor as intended the impact of any changes that arise as a result of the Policing	<p>The Government recently launched a review of the Police and Crime commissioner model. The review comprises of two parts - part one focused on strengthening the PCC model and will also consider ways to</p>	Chief Fire Officer ONGOING

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
	collaboration would be in the interests of their own efficiency and effectiveness and one or more of the other services take the same view. The legislation also makes provision for a Police and Crime Commissioner to take responsibility for the fire and rescue service in their area where a local business case is made, as well as to take the additional step to create a single employer for police and fire. The Service will continue to monitor, at local, sub national and national level, the development and potential impact, of differing governance arrangements, the relevant underpinning statutory frameworks and current national negotiating machinery.			and Crime Act and act accordingly.	strengthen the accountability of FRS's in line with the Governments fire governance reform agenda. The findings of part one have been published and a White Paper on Fire Reform will be published later in the year. The review has the potential to significantly impact on FRA's with the potential that fire governance could be mandated to transfer to PCC's. The Authority has approved a Collaboration Strategy and a Collaboration Register is in place to record details of individual collaboration initiatives. This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.	
04	Impact of Changes to the Firefighters Pension Scheme The service will closely monitor the impact of changes to the Firefighters Pension Scheme in terms of cost, business continuity, resilience and local industrial relations.	The Authority fails to balance its budget and service provision deteriorates as a result.	High	The Service should monitor as intended the impact of changes to the Firefighters Pension Scheme both in terms of cost and service delivery.	The potential impact of the changes to the Firefighters Pension Scheme (FPS) is closely monitored and reports are provided to members as necessary. The financial impact of the revaluation of the FPS from 2019/20 onwards is £1.6M and the government has provided grant funding each year to meet the additional cost. From 2022/23 onwards we expect this funding to be mainstreamed into the settlement funding assessment although this is unconfirmed at this stage. McCleod/Sergeant case - In December 2018, the Court of Appeal ruled that the 'transitional protection'	Deputy Chief Executive ONGOING

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
					<p>offered to some members as part of the reforms amounts to unlawful discrimination. The Government appealed this decision however the appeal was unsuccessful and the Court required steps to be taken to compensate employees who were transferred to the new schemes. The remedy proposed by Government will result in all affected members transferring back to their original pension scheme.</p> <p>Whilst the industrial dispute remains unresolved, the Service has proven resilience arrangements in place to deal with any further industrial action.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	
05	<p>Collaboration</p> <p>Collaboration will continue to be addressed pro-actively in terms of collaborating with other Fire and Rescue Services, the Police, North East Ambulance Service and other organisations. The government have placed an increased emphasis on collaboration with Blue Light Services and this is reflected in the Authority's governance structure in relation to collaboration.</p>	<p>The Authority's collaboration aspirations are not achieved.</p>	High	<p>Opportunities for further collaboration should be investigated. Progress made across all Collaborative practices should be reported, for monitoring, to the Authority.</p>	<p>Members are supportive of further collaboration where this is in the interests of the Authority and provides value for money. The Authority has signed a Statement of Intent with Durham Constabulary setting out our intention to work more closely together to enhance co-operation and collaboration. Progress is monitored through the Collaboration Delivery Group and overseen by the Joint Strategy Group.</p> <p>Work is continuing on the development of further collaboration opportunities and a Statement of Intent has been signed to enable closer working with neighbouring FRS's.</p>	<p>Chief Fire Officer</p> <p>ONGOING</p>

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
					<p>The Authority has approved a Collaboration Strategy and a Collaboration Register is in place to record details of individual collaboration initiatives. A formal process to review the outcomes of individual collaboration initiatives is currently being developed.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	
06	<p>Fire Service Inspectorate (HMICFRS)</p> <p>The Service will continue to closely monitor developments in relation to the Fire Service Inspectorate. The Service received the outcome of the HMICFRS inspection on 17 December 2019 and an action plan has been developed to address the areas identified for improvement in the inspection report. Progress in completing the actions will be monitored by the Service Leadership Team and the Authority going forward.</p>	<p>The Authority suffers reputational damage as a result of an adverse judgement from the new Fire Service Inspectorate.</p>	High	<p>The Service should look to increase its learning capacity further to receiving the outcomes of its inspection and through engagement with Durham Constabulary and the National Fire Chief's Council.</p> <p>The Service has also developed a revised Operational Readiness Audit regime incorporating the HMICFRS key lines of enquiry which is being rolled out across all watches on stations.</p> <p>HMICFRS carried out a thematic COVID-19 inspection on a virtual basis to ascertain the sector's response to the pandemic. The Service's inspection report was complimentary stating that the Service adapted and responded to the pandemic effectively.</p> <p>The service continues to engage with Durham Constabulary and the National Fire Chief's Council to share learning capacity.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	<p>Assistant Chief Fire Officer</p> <p>ONGOING</p>	

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
07	<p>Independent Review of Building Regulations and Fire Safety</p> <p>The service will closely monitor developments following the publication of Dame Judith Hackitt's independent review into building regulations and fire safety following the Grenfell Tower fire. Changes to the regulatory requirements will have significant resource implications for the service as the government is committed to doing more to set and enforce high standards.</p>	<p>Staffing resources are stretched, service provision deteriorates and the Authority's suffers reputational damage as a result.</p>	High	<p>The Service should monitor as intended developments following the publication of Dame Judith Hackitt's independent review.</p>	<p>The Competency Framework for Fire Safety Regulators was published during February 2020 and Business Fire Safety (BFS) staff are working towards compliance with the training requirements of the framework. This includes:</p> <ul style="list-style-type: none"> • 1 SMB qualified to level 5. • 1 SM qualified to level 4 diploma and currently awaiting registration for a level 5 course. • 1 SM qualified to level 4 certificate and will be completed level 4 diploma during the spring. • 1 fire safety officer awaiting results for their level 4 diploma. • 1 senior fire safety officer qualified to level 4 diploma awaiting level 5 fire engineering technician course to begin in April. • 1 WM qualified to level 4 certificate currently on level 4 diploma course. • An additional 34 operational staff qualified as fire safety auditors. • A further 33 Level 3 certificate candidates will complete shortly. <p>The additional contents of the Competency Framework for Fire Safety Regulators is included within the new BFS strategy.</p> <p>A new staff structure for BFS has been approved by the Service which will increase capacity in the BFS team.</p>	<p>Deputy Chief Fire Officer</p> <p>ONGOING</p>

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
08	<p>COVID-19 Pandemic</p> <p>The Service has been impacted by COVID-19 since March 2020 and this is expected to continue into 2020/21. Its direct impact includes: increased sickness absence as firefighters and staff self-isolate, reduced demand in certain areas e.g. road traffic collisions, increased demand in other areas e.g. false alarms resulting from controlled burning and also an increase in unexpected expenditure including the purchase of PPE, additional homeworking costs, cleaning and overtime. Whilst the Service has received government funding towards the additional costs, at this stage it is uncertain whether or not the funding received will be sufficient. There will also be a need to consider the lessons learnt from managing service delivery in a crisis as a way to improve both the efficiency and effectiveness of the Service going forward.</p>	Deterioration of Authority efficiency and effectiveness	High	The Authority should review the impact of COVID and changes this has presented in demand to realign service delivery and through an application of lessons learnt to improve its efficiency and effectiveness.	<p>Government grant funding totalling £174,916 has received during 2020/21 to support fire safety which will enable the Service to enhance its BFS capability to meet the expectations outlined by Government.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21</p> <p>As part of business continuity planning the Service had an existing Pandemic Influenza Business Continuity Plan and through the Local Resilience Forum (LRF) formed part of the North East Pandemic Influenza Framework. These plans formed the basis of the specific plans and actions implemented during COVID-19.</p> <p>The Service response is overseen by the Strategic Pandemic Team (SPT) formed from members of the SLT and to give early consideration to the longer-term impacts of the pandemic a Recovery Group was established.</p> <p>The Covid-19 crisis is likely to impact on the Service for some considerable time. The Service response is informed via the various debriefs that are taking place locally, regionally and nationally both in the sector and via the LRF.</p> <p>HMI/FRS carried out a thematic COVID-19 inspection on a virtual basis to ascertain the sector's response to the pandemic. The Service's inspection report was complimentary stating that the</p>	Chief Fire Officer ONGOING

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
					<p>Service adapted and responded to the pandemic effectively.</p> <p>A bid was submitted for further funding from the Fire COVID-19 Contingency Fund to cover the cost of additional activities undertaken and expenditure already incurred. The bid was successful and the Service received an additional £476K of grant funding.</p> <p>This issue is considered to be of such significance as to warrant further inclusion in the AGS 2020/21.</p>	

APPENDIX B: COVID-19 Implications for Governance

The ways in which the Authority's governance systems have been deployed and adapted in response to the COVID 19 pandemic are set out below, aligned to the seven principles of good governance. These revised arrangements continued to be in place either up until the Authority's Annual Statement of Accounts was published or point at which the Authority determined that the position had improved to enable what effectively were specific time-limited measures to be relaxed.

Whilst the impact of COVID 19 was at times significant, the Authority adapted a pragmatic, flexible approach to ensure decision making could occur at the pace required for each situation, but with due regard to the need to maintaining robust governance and accountability together with the continued safety of its staff throughout.

The Authority will review the lessons learnt and will adapt its arrangements accordingly going forward to reflect more effective, modern ways of working, particularly by harnessing a fuller use of technology to this end wherever possible.

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

1. Our core values have been invaluable in shaping the response: -
 - (a) We will work together to achieve the best for people.
 - (b) We put people and communities at the heart of everything we do and value our employees.
 - (c) We value, trust and support each other.
 - (d) We embrace change and look for better ways to deliver services.

Ensuring openness and comprehensive stakeholder engagement

2. Working with strategic partners through the Local Resilience Forum on collective capacity and capability, protection from the virus, managing deaths and planning for the future.
3. Management of the crisis has been overseen at a corporate and cross-agency regional level:
 - Regional command and control arrangements have been established. These are being led by NHS England and based upon the established North East Pandemic Influenza Framework which includes coronavirus. Well established close working arrangements are in place with Public Health England (PHE) for health protection outbreaks and will continue during this outbreak.
 - County Durham and Darlington Local Resilience Forum (LRF) is also working with Northumbria LRF and Cleveland LRF to co-ordinate activities across the region to ensure effective planning across all agencies for Covid-19. Each LRF has set up a Strategic Co-ordinating Group, known as a Gold Command Group, and they are also meeting as a cross region group.

- Our leadership team continues to meet daily (virtually) to provide direction to the Authority's response.
 - COVID-19 planning meetings have been taking place since January 2020.
4. We quickly engaged with key suppliers to support them through the crisis in line with fresh government guidance to maintain delivery of essential goods and services.

Defining outcomes in terms of sustainable economic, social, and environmental benefits

5. The Authority's vision, 'Safest People Safest Places', is highly pertinent and will drive our efforts during the recovery from the pandemic.
6. While the impacts of the COVID-19 outbreak have been catastrophic, the Authority will seek to learn from the experience and look for opportunities to maintain the positive effects. These include modern ways of working and reduced travel and carbon emissions.

Determining the interventions necessary to optimise the achievement of the intended outcomes

7. We have made, and will continue to make, the interventions necessary during the pandemic and the post-pandemic period to optimise the allocation of our resources in relation to risk and demand.

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

8. The Authority acted quickly to establish, and refine, governance arrangements specifically for responding to the pandemic.
9. In recent years, the Authority's extensive investment in Information Communications Technology has enabled flexible working through digital/mobile technology and supported virtual meetings between teams across the organisation.
10. Despite the difficult barriers to service delivery arising from the pandemic, we have implemented new ways of working to maintain high service levels, particularly on those areas of priority need. Examples of this include:
- Concentrating on providing priority services including assistance to partner organisations providing help to vulnerable people.
 - Stopping all non-essential face-to-face contact and moved to only digital and telephone communication where possible.
 - Mobilising employees to work in different ways including working from home.

Managing risks and performance through robust internal control and strong public financial management

11. Inevitably, the pandemic has initiated many significant risks, and to manage these effectively, the Authority identified and assessed key risks caused by the COVID-19 crisis, which are monitored by the leadership team to ensure that they are being managed effectively.
12. It is recognised that enforced swift implementation of emergency procedures increases the risk of a breakdown in internal control systems. Regular monitoring and discussion through the COVID-19 governance arrangements seek to eliminate the incidence of fraud and error.
13. The potential financial impact of the pandemic response is significant and there is no guarantee that this will be covered by government funding. Guidance on COVID-19 expenditure was promptly issued to budget managers and requisitioners, and the frequency of monitoring and reporting was escalated. The additional costs associated with COVID-19 have been captured and are reported centrally to the Home Office via the Fire Finance Network.

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

14. Internal Audit have contributed to the COVID-19 governance review.
15. Arrangements have been made to accurately report the level of COVID-19 expenditure both internally and centrally to the Home Office via the Fire Finance Network.

