

Corporate Governance Action Plan 2022/23

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
01	<p>Public Sector Spending The impact of spending reductions in the public sector is a key governance issue for the Fire Authority. To set a balanced budget for the forthcoming financial year (2022/23) the Authority was required to draw £0.5M from its already limited reserves. Further savings during the period 2023/24 to 2025/26 will be required to balance the budget going forward. 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>	The Authority fails to balance its budget and service provision deteriorates as a result.	High	The Authority should look to further progress its implementation plans and monitor them to ensure that it's in year budget is balanced and service delivery maintained.	<p>To arrive at a balanced budget for 22/23 it will be necessary to draw £0.5M from reserves. The use of reserves to balance the budget is not sustainable on an on-going basis. If there is no increase in the level of government funding or the council tax referendum limit going forward, alternative methods of service delivery will need to be considered and agreed to balance the budget from 2023/24 onwards. There is also a great deal of uncertainty surrounding the level of inflation, pay awards and funding going forward.</p> <p>Several savings options have been developed to deal with any future shortfall in funding. These options have been discussed with members at the Strategic Planning Days held in May and October 2022.</p>	Deputy Chief Executive ONGOING
02	<p>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</p>	The Authority fails to balance its budget over the medium to longer term and service provision deteriorates as a result.	High	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 position known and enable corrective action to be taken where required at the earliest opportunity.	<p>The MTFP assumptions are monitored on an on-going basis and will be updated during the preparation of the 2023/24 budget and MTFP.</p> <p>Last year we were notified of significant shortfalls in council tax and business rates receipts therefore our future funding position is a significant risk in our planning assumptions going forward.</p>	Deputy Chief Executive ONGOING

	<p>in general. This represents a potential risk to the Authority's medium-term financial plan which will be monitored closely to enable corrective action to be taken where necessary.</p>				<p>The current MTFP is based upon increases in inflation and pay awards of 2% each year which considering current events is unrealistic. Whilst it is impossible to predict what might happen in the future, alternative MTFP scenarios have recently been modelled to illustrate the impact of changes to the assumptions. Based on this modelling, the level of deficit over the MTFP period from 2023/24 onwards ranges from £0.6M best case to £3.6M worst case.</p> <p>The situation regarding pay awards and inflation is monitored closely and any impact on the budget would normally be managed using contingencies and/or reserves. Members will be kept informed if further corrective action is required.</p>	
03	<p>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 published a White Paper on Fire Reform which focusses on three key areas: people,</p>	<p>The Authority fails to comply with the requirements and wider implications of the Policing and Crime Act.</p>	High	<p>The Service should monitor as intended the impact of any changes that arise as a result of the Policing and Crime Act and act accordingly.</p>	<p>A White Paper on fire reform has been published and the proposals suggest that in County Durham and Darlington fire governance could be mandated to transfer to the Police and Crime Commissioner. Close monitoring over the coming months will help the service understand more about the White Paper and potential impact which will allow for appropriate mitigating strategies and communications to be prepared in advance.</p>	<p>Chief Fire Officer ONGOING</p>

	<p>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.</p>					
04	<p>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.</p>	<p>The Authority fails to balance its budget and service provision deteriorates as a result.</p>	High	<p>The Service should monitor as intended the impact of changes to the Firefighters Pension Scheme both in terms of cost and service delivery.</p>	<p>The proposals to address age discrimination in the Firefighters pension schemes resulting from the McCloud Sargeant case could lead to a significant increase in the level of employer's pension contributions and a range of staff retiring and accessing their pension earlier than anticipated. At the 16 February 2022 Fire Authority meeting, members agreed to pause the processing of immediate detriment cases until the full extent of liabilities falling on the Authority are known. There is a risk that the Authority could be liable for the tax charges relating to individuals who have previously retired.</p> <p>The recruitment strategy includes options to bring in replacement staff quickly, if necessary, to maintain operational response.</p>	<p>Deputy Chief Executive</p> <p>ONGOING</p>
05	<p>Collaboration Collaboration will continue to be addressed pro-actively in terms of collaborating with other Fire and Rescue Services, the Police, Northeast Ambulance Service and other organisations. The government have placed an increased emphasis on collaboration with Blue Light</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</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.</p>	<p>Chief Fire Officer</p> <p>ONGOING</p>

	Services and this is reflected in the Authority's governance structure in relation to collaboration.			monitoring, to the Authority.	<p>Progress is monitored through the Collaboration Delivery Board.</p> <p>Work is continuing with the development of further collaboration opportunities and a Statement of Intent has been signed to enable closer working with neighbouring FRS's.</p> <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>	
06	<p>Fire Service Inspectorate (HMICFRS)</p> <p>The Service will continue to closely monitor developments in relation to the Fire Service Inspectorate. At the conclusion of the current inspection an action plan will be 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>	The Authority suffers reputational damage as a result of an adverse judgement from the new Fire Service Inspectorate.	High	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>The 2022 inspection is complete, and we are currently awaiting the outcome. At the conclusion of the current inspection an action plan will be 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 service continues to engage with Durham Constabulary and the National Fire Chief's Council to share learning capacity.</p>	<p>Chief Fire Officer</p> <p>ONGOING</p>
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</p>	Staffing resources are stretched, service provision deteriorates, and the Authority's suffers reputational damage as a result.	High	The Service should monitor as intended developments following the publication of Dame Judith Hackitt's independent review.	<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.</p> <p>The additional contents of the Competency Framework for Fire</p>	<p>Chief Fire Officer</p> <p>ONGOING</p>

Appendix A

	committed to doing more to set and enforce high standards.				Safety Regulators are included within the new BFS strategy. A new staff structure for BFS has been approved by the Service which will increase capacity in the BFS team.	
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