

**Corporate Governance Action Plan 2023/24**

**APPENDIX A**

Action Ref	Finding	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
01	<p><b>Public Sector Spending</b>                      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 (2023/24) the Authority was required to draw £0.571M from its already limited reserves. Further savings 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 realized.</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 to ensure that it's in year budget is balanced and service delivery maintained.</p>	<p>To arrive at a balanced budget for 2023/24 it was necessary to plan to draw £0.571M from reserves which increased to £0.821M following the settlement of the firefighters pay award. The CRMP consultation included a proposal to ride with a crew of four on all fire appliances which was agreed and implemented on 01 July 2023.</p> <p>Following the implementation of Riding with 4, the identification of further savings and additional interest on investments there will be no requirement to draw from reserves in 2023/24. Several savings options have been developed to deal with any future shortfall in funding. These options have been discussed in detail with members at the Strategic Planning Days and further savings options are also being examined to assist in balancing the budget.</p>	<p>Deputy Chief Executive</p> <p><b>ONGOING</b></p>
02	<p><b>Assumptions Underpinning the Medium-Term Financial Plan</b>                      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>	<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 position known and enable corrective action to be taken where required at the earliest opportunity.</p>	<p>The MTFP assumptions are monitored on an on-going basis and have been updated during the preparation of the 2024/25 budget and MTFP.</p> <p>The MTFP is based upon increases in pay awards of 5% in 2023/24, 3% in 2024/25 and 2% thereafter. The MTFP deficit position could change dramatically if pay awards are agreed above this level.</p>	<p>Deputy Chief Executive</p> <p><b>ONGOING</b></p>

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	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>Whilst it is impossible to predict what might happen in the future, alternative MTFP scenarios have been modelled to illustrate the impact of changes to the assumptions.</p> <p>The situation regarding pay awards and inflation is monitored closely and any impact on the budget in the current year would normally be managed using contingencies and/or reserves. Members will be kept informed if further corrective action is required.</p>	
03	<p><b>Changes to the Governance of public services in light of stated Government policy direction</b></p> <p>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, 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</p>	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 and Crime Act and act accordingly.	The White Paper consultation has now concluded, and the government has published its response. There is no mandatory requirement to transfer fire governance to PCC's. The Service and the Authority have not been approached by the PCVC to progress a business case to take responsibility for the fire and rescue service.	Chief Fire Officer <b>COMPLETE</b>

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	underpinning statutory frameworks and current national negotiating machinery.					
04	<p><b>Impact of Changes to the Firefighters Pension Scheme</b></p> <p>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>	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.	<p>We have been informed by the Home Office that the pensions grant will continue at its current level and will be mainstreamed into settlement funding from 2024/25. This provides some certainty on future funding for pensions. The Home Office have also confirmed a new pensions grant in 2024/25 in relation to the additional employer's contributions resulting from the latest actuarial valuation.</p> <p>At the 16 February 2022 CFA 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>	Deputy Chief Executive  <b>ONGOING</b>
05	<p><b>Collaboration</b></p> <p>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</p>	The Authority's collaboration aspirations are not achieved.	High	Opportunities for further collaboration should be investigated. Progress made across all Collaborative practices should be reported, for	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	Chief Fire Officer  <b>ONGOING</b>

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	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.			monitoring, to the Authority.	<p>together to enhance co-operation and collaboration. 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. The Service has recently entered into a collaboration with 3 other FRSs for a shared Emergency Mobilisation and Control system which has enabled the system supplier to deliver efficiencies in the solution and increased resilience for all 4 services.</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><b>Fire Service Inspectorate (HMICFRS)</b></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 2021/22 inspection is complete, and the Service has been rated as good across all 3 pillars – Effectiveness, Efficiency and People. An action plan has been developed to address the areas identified for improvement in the inspection report. Progress in completing the actions is on schedule and is monitored by the Service Leadership Team and the Combined Fire Authority.</p> <p>Preparation has started for the Service's next inspection which is planned for early 2025. This includes communication to all staff and</p>	<p>Chief Fire Officer</p> <p><b>ONGOING</b></p>

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					engagement with the HMICFRS Service Liaison Lead.	
07	<p><b>Independent Review of Building Regulations and Fire Safety</b></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>	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 Service has fully adopted and integrated the Competency Framework for Fire Safety Regulators (version 2, published 28 June 2023) into protection activities.</p> <p>Receiving Royal Assent on 29 April 2021 the Fire Safety Act 2021 commenced on 16 May 2022. The Act amends the Regulatory Reform (Fire Safety) Order 2005 (the Fire Safety Order). It clarifies that responsible persons for multi-occupied residential buildings must manage and reduce the risk of fire for the structure and external walls of the building, including cladding, balconies and windows, and entrance doors to individual flats that open into common parts.</p> <p>Commencing January 2023, the Fire Safety (England) Regulations 2022 now makes it a requirement for the responsible person of residential buildings to provide various levels of information and to report significant faults to their local fire and rescue service. The required level of information required is based on the size of the premises.</p> <p>The Building Safety Act 2022 introduces new duties for the management of fire and building safety in high-rise residential buildings from 1st April 2023. It names the Health and Safety Executive (HSE) as the Building Safety Regulator (BSR). All buildings</p>	Chief Fire Officer <b>COMPLETE</b>

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					<p>in scope of the Act will need to be registered with the BSR.</p> <p>The Service has adopted and integrated the required changes to the Service website including links with the NFCC resources/ best practice. This will support responsible persons meet their duties under these new pieces of legislation.</p> <p>Currently there are no high-rise residential buildings in the Service's area, however the Service are fully engaged with the NFCC Protection Policy and Reform Unit to ensure preparedness to meet any new requirements.</p>	
08	<p><b>HMICFRS Spotlight Report – Values and Culture in Fire and Rescue services</b></p> <p>On the 30 March 2023, HMICFRS released its spotlight report “Values and Culture in Fire and Rescue Services” which was commissioned by The Minister of State for Crime, Policing and Fire. The report draws on the evidence collected through all inspections since 2018 and recent data requests around the handling of misconduct cases and background checks of current and new employees. The Service will address the recommendations in the report and monitor progress to completion.</p>	The Authority suffers reputational damage as a result of an adverse publicity arising from misconduct cases.	High	The Service should monitor progress towards addressing the actions outlined in the Spotlight Report.	<p>A gap analysis has been undertaken with the key objective to highlight any immediate actions required. Whilst the Service is well placed to address several of the recommendations with already established and well embedded processes in place such as background checks, confidential reporting lines, policies and procedures and undertaking staff engagement activities there are a few areas identified where we can strengthen. Progress in completing the actions will be monitored by the Service Leadership Team and the Authority going forward.</p>	<p>Chief Fire Officer</p> <p><b>ONGOING</b></p>