



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

North Wales Fire and Rescue Authority Report by the Auditor General for Wales Preliminary Corporate Assessment – August 2010



Ref: 416A2010

Image courtesy of North Wales Fire and Rescue Authority

The Auditor General's Corporate Assessment Team for North Wales Fire and Rescue Authority was led by Lisa Williams (Improvement Assessment Lead) under the direction of Alan Morris (Partner).

Stable leadership and improvements to corporate governance are likely to support improvement in the future

**Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ
Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660
E-mail: info@wao.gov.uk
Website: www.wao.gov.uk**

This document has been prepared for the internal use of North Wales Fire and Rescue Authority as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

No responsibility is taken by the Wales Audit Office (the Auditor General and her staff) and, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales (and, where applicable, her appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@wao.gov.uk.



Contents

Summary	4
Part 1: How the Authority has approached improvement over time	6
The Authority's arrangements to support improvement have progressively strengthened over recent years and are likely to support improvement in the future	6
In the past the Authority's arrangements to support improvement have been hampered by inadequate management information	6
The Authority has a measured and inclusive approach to planning its activities in order to reduce the level of fire deaths it has experienced in recent years and has made positive changes to support improvement	7
The direction of travel is encouraging and there is evidence that the Authority is becoming more proactive and innovative in its approach to supporting improvement	8
Part 2: Analysis of the Authority's arrangements to help it improve	9
The Authority's arrangements are generally sound and show particular strengths in partnership working but are weaker in business processes	9
The Authority has well-developed partnership-working arrangements, especially with the police, which will be further strengthened when evaluation processes are developed	9
The Authority has good arrangements that should support improvement in respect of leadership and governance, policy and strategy, resource and people management	10
Weaknesses in performance management have been recognised and steps taken to improve the robustness of management information systems, but business processes need to be further developed	12

Summary

- 1 The Auditor General is required by the Local Government (Wales) Measure (2009) (the Measure) to undertake an annual Improvement Assessment for each improvement authority in Wales, that is local councils, national parks, and fire and rescue authorities.
- 2 In order to fulfil this requirement the Wales Audit Office will undertake:
 - a Corporate Assessment – an assessment of an authority’s arrangements to secure continuous improvement; and
 - a Performance Assessment – an assessment of whether an authority has achieved its planned improvements.
- 3 The approach is designed to enable a whole organisation assessment at each council to be undertaken in a standardised way. Taken together these two assessments will form the basis of an annual report to citizens, known as the Annual Improvement Report.
- 4 The Auditor General has brought together her work, that of the Appointed Auditor, and that of other relevant regulators, to inform the corporate assessment. As this is the first year of a new approach, the assessment is a preliminary one and this report should be viewed as a progress report. The Annual Improvement Report will also serve as an update for the Corporate Assessment.
- 5 In March 2010, the Auditor General identified the scale of the financial challenge facing public services in Wales in a report to the National Assembly ‘A Picture of Public Services.’ The potential impact of spending reductions on local government has also been highlighted by the Welsh Local Government Association (WLGA), Chartered Institute of Public Finance and Accountancy, and the Society of Local Authority Chief Executives. In evidence to the National Assembly’s Public Accounts Committee in June 2010, the WLGA noted: ‘There is no escaping the fact that all parts of the public sector will have to examine current expenditure and service provision – the shortfall cannot be solved by efficiencies alone.’ To meet this challenge, fire and rescue authorities must fundamentally review the services they provide and how they are delivered, including considering options for increasing procuring rather than providing services and working in collaboration. It is in this context that the Corporate Assessment has been prepared.
- 6 The report sets out the findings of the Corporate Assessment only and is designed to answer the question:

‘Are the arrangements of North Wales Fire and Rescue Authority (the Authority) likely to secure continuous improvement?’



- 7 As this is our Preliminary Corporate Assessment, there are several areas where only limited work has been possible. We will continue to build on this and monitor progress in the coming months to provide an update in our Annual Improvement Report to be issued in November.
- 8 The conclusion arising from our first Corporate Assessment is that stable leadership and improvements to corporate governance are likely to support improvement in the future.
- 9 We based our conclusion on our assessment of the Authority's progress over time and an analysis of the strengths and weaknesses of its arrangements to support improvement. These conclusions are explained in detail in Part 1 and Part 2 of the report respectively. We found that:
 - the Authority's arrangements to support improvement have progressively strengthened over recent years and are likely to support improvement in the future; and
 - the Authority's arrangements are generally sound and show particular strengths in partnership working but are weaker in business processes.

Special inspection

- 10 Based on the Corporate Assessment, the Auditor General does not intend to carry out a Special Inspection of the Authority under section 21 of the Measure.

Recommendations

- 11 The Auditor General has not made formal recommendations for improvement for the Authority under section 19 of the Measure nor recommended that Welsh Ministers should provide assistance to the Authority by exercising their power under section 28 of the Measure or give a direction under section 29 of the Measure.

Areas for improvement

- 12 The assessment has identified the following areas where we propose the Authority considers taking action.

Exhibit 1: Areas for improvement

The Authority should consider:

- P1 Addressing the possible duplication of roles in monitoring performance information by the Executive Panel and Audit Committee to avoid unnecessary confusion or duplication.
- P2 Ensuring that the current range of reporting software provides for a sound decision making process in the medium to long term.
- P3 Reviewing what business processes will best support the successful delivery of planned projects.
- P4 Formulating a medium-term plan to gain agreement on broad policy direction and required resources for delivery.

Part 1: How the Authority has approached improvement over time

The Authority's arrangements to support improvement have progressively strengthened over recent years and are likely to support improvement in the future

In the past the Authority's arrangements to support improvement have been hampered by inadequate management information

13 The Welsh Assembly Government, following devolution of responsibility for the fire service in 2004, set out its vision in the document 'The Fire and Rescue National Framework for Wales', stating that Authorities should:

- Strive to make communities safer and in doing so be at the heart of the communities with a transparent decision making process which involves the communities.
- Work seamlessly with each other, other emergency services, other partners, and the community, delivering cohesive services that maximise not only Authority's resources but also those of partner organisations.

- Recognise the impact they can have on the environment (natural and built) and society's social fabric – contributing to meet the Assembly government's sustainability objectives through operational activities, preventative action and by examining the impact of their own organisation.
- Recognise the diversity within their communities, ensure that their staff reflects the diversity in the community, and be able to reach their full potential ensuring equality of opportunity for all in delivering services to the public.

14 In 2009, a permanent senior management team with clear roles and responsibilities was established. It has responded to the challenges set by the National Framework and, through the Risk Reduction Plans (RRPs) and Improvement Plans, established a service that seeks to balance its responsibilities to respond to emergency incidents with a full programme of preventative activities. Significant changes to its decision making processes, through a cultural change, emphasising the community safety role of the Authority and its staff including a county command structure that now has clear roles and responsibility, for delivering community safety activities.



15 There have been improvements to the Authority's performance management system and reporting arrangements in recent years. The BOSS information system has improved the access to information and new sources have been introduced such as those in the new command and control system, the Incident Recording System (IRS) and the Records Management System (RMS).

16 On 29 September 2009, the Appointed Auditor issued an unqualified report on the 2008-09 Financial Statements, confirming that they were prepared in accordance with statutory requirements and presented fairly the financial position and transactions of the Authority.

17 In October 2009, the Appointed Auditor and Relationship Manager issued an Annual Letter on the financial statements, corporate arrangements, and performance of the Authority. This Annual Letter was presented to the Authority on 19 October 2009. The Letter identified that the key issues for the Authority at this time were that it continued to make improvements in reducing the levels of operational risk identified by the Peer Assessment Team and the last Joint Risk Assessment.

The Authority has a measured and inclusive approach to planning its activities in order to reduce the level of fire deaths it has experienced in recent years and has made positive changes to support improvement

18 In October 2006, the Chief Fire Officer established a Task Group to review the reasons for the sudden and unexpected rise in the number of fire deaths it experienced during 2006-07. The group, which consisted of representatives from the police and local government, agreed actions needed to reduce the level of fire deaths and this has formed the basis of its RRP in recent years. The Authority, and the Task Group, used a strong research-based approach to develop key actions, which staff within the Service understand.

19 A review by the recently reconvened Task Group reported to the Authority in October 2009 and included 12 recommendations to continue to improve the level of fire safety in North Wales. A key development has been the establishment of information sharing arrangements with the Authority's six constituent councils and the health authority, to enable the better targeting of home fire safety checks to the most vulnerable members of the community. The number of fire deaths has reduced to four in the last reporting year (2008-09) from a high of 10 for 2006-07 and 2007-08.

20 In its current RRP (2010-11), the Authority sets a clear direction for improvement for the year that is consistent with the Assembly Government's vision for fire and rescue services. The Authority is likely to be facing cuts in funding over the next few years and consideration should be given to more formal medium-term planning in the future covering both the financial and strategic objectives of the Authority. This will give the Authority more realistic timescales to achieve key objectives and improvements to service delivery.

21 The Authority seeks to build consensus in developing plans and there has been strong member engagement in the development of proposals for the 2011-12 RRP. Analysis of statistics and past performance, as well as the views of residents, community councils, and local interest groups are considered as part of the RRP consultation process.

The direction of travel is encouraging and there is evidence that the Authority is becoming more proactive and innovative in its approach to supporting improvement

22 Through its improved information and research-based approach the Authority has identified the improvement it wants to make in the long-term. It is realistic about what it can achieve in a single year in the light of the operational and financial pressures it faces.

23 The Authority has shown that it can make (and support) the difficult decisions needed to deliver its improvement agenda. Examples include:

- the agreement of a data sharing protocol with the six councils, which is already having an impact on the number and origin of requests for home fire safety checks (particularly from those households that are potentially more at risk and/or vulnerable to fire hazards);
- the introduction of non-operational staff to undertake prevention work and the transfer of resources from intervention to prevention to fund those posts; and
- the swift action by the Authority to address the recommendations following the Health and Safety Executive inspection in December 2009.

24 The recently established Audit Committee provides an opportunity for a greater focus on performance and monitoring achievement of its planned improvements.



Part 2: Analysis of the Authority's arrangements to help it improve

The Authority's arrangements are generally sound and show particular strengths in partnership working but are weaker in business processes

The Authority has well-developed partnership-working arrangements, especially with the police, which will be further strengthened when evaluation processes are developed

- 25** The Authority has a strong culture of partnership working and a history of providing services in a collaborative way. The work of the Chief Officer's Task Group has fostered a greater understanding amongst partners of their respective roles and allowed the relationships that are necessary for future collaborative working to be established.
- 26** Collaboration with North Wales Police is particularly strong and there is evidence of an increasing level of partnership working with councils. Recent projects with North Wales Police include: the creation of the Joint Communication Centre, which has had direct benefits in terms of the active deployment of resources by the service; and the creation of a joint estates function responsible for all Police and Fire property in North Wales. A further example is the increase in Home Fire Safety Check (HFSC) referrals from partners, which is improving the targeting of visits to the most vulnerable and high-risk households.
- 27** There is currently less engagement with the health sector but the recent work with councils relating to data sharing and the re-organisation of the health sector in North Wales should lead to improvements in this area.
- 28** The Authority has recognised that in future a critical review of the outcomes gained from its partnership working will be needed as tighter financial constraints impact on the budget available for this activity.
- 29** The role of community safety managers changed in April 2010 to enable them to focus solely on the community safety role and provide for better engagement with key partnerships in each county area. This initiative also seeks to address the capacity of the Authority to engage fully across the broad spectrum of statutory partnerships that are of direct relevance to its safety and risk reduction work.

The Authority has good arrangements that should support improvement in respect of leadership and governance, policy and strategy, resource and people management

Leadership and governance is improving as scrutiny arrangements become more fully embedded

- 30** The Authority has adopted an Executive Panel approach whereby 14 members form a decision-making group (in conjunction with senior officers) and the other 14 members form the recently established Audit Committee. The Authority is aware of the potential for this to weaken the identity of the Authority as a whole by dividing members into two distinct groups and is working towards ensuring this risk is minimised.
- 31** A number of activities undertaken by the Authority have supported improvements in governance and member engagement, including:
- the achievement of the bronze Charter status for member support and development under the WLGA initiative;
 - achievement of the Gold level Corporate Health Standard run by the Assembly Government;
 - a strong level of member support, training and development provided by the member support officer;
 - good transparency in decision making with all agendas and minutes on the Authority website;
- early involvement of members with budget setting;
 - member engagement in making difficult decisions;
 - engagement of staff in developing services through the quarterly staff magazine and officer groups; and
 - holding meetings across the service area.
- 32** The Authority has recently created an Audit Committee to improve its scrutiny and overview arrangements. The Committee has clear terms of reference and a training programme established to assist members in developing in their new role.
- 33** It is still early days for the Audit Committee with only three meetings held so far and its key role of monitoring performance has yet to be established as the latest annual performance report was reported to the Executive Panel in July 2010. Both committees have a role around performance indicators in their terms of reference. The Audit Committee's role is 'reviewing the achievement of agreed performance indicators' while the Executive Panel's role is 'monitoring the performance against nationally set performance indicators and local performance indicators'. This possible duplication of roles needs clarification to avoid unnecessary confusion.
- 34** While the Authority is taking a longer-term approach to its planning arrangements, with recognition that some proposals need more than a single year to implement, it must also ensure that it can evidence progress and show clear outcomes.



The policy and strategy of the Authority are sound and decision making processes have strengthened

- 35** The Authority knows what it wants to achieve and has set this out in its current Improvement Plan (which is combined with its RRP 2010-11). This document describes core duties, aims and values, and outlines the broad approaches it intends to follow. It was agreed following a review of past performance, local priorities, and budget constraints. It outlines the priorities for 2010-11 as:
- review of officer cover;
 - determining an Aerial Ladder Platform attendance standard; and
 - review of Fire Cover Standards.
- 36** Specific actions within the RRP for the year are known and understood throughout the organisation. Details are included in county business plans and front line staff focus on delivering four key objectives: appliance availability; reduction of staff absence; delivery of HFSC targets; and operational intelligence.
- 37** The proposed RRP for 2011-12, which is currently subject to consultation, has been prepared following a review of a wide range of information by the member RRP working group. This group has reflected on current financial and operational pressures as well as how well it is implementing previous RRP actions in determining its 15 themes for further consideration.
- 38** The Authority has a range of processes to communicate and consult on proposals for change with members, staff, representative bodies, partners,

and the public. It uses different forms of communication to encourage improved consultation and involvement with the public, for example the use of Facebook and Twitter.

- 39** The Authority has a suite of policies in place to support achievement of its objectives including the Welsh language, Local Resilience Forum, information sharing agreement, workforce strategy, and community safety strategy.
- 40** Our 2009 review of buildings management concluded 'the Service has arrangements in place that should support improvements in efficiency and service delivery to meet the needs and expectations of users in the twenty-first century'.
- 41** The report highlighted a maintenance backlog of £10 million (for its 48 properties) which, through a combination of targeted maintenance and a thorough review of the estate, is now just over £1.3 million.
- 42** Our 2008 review of fleet management found several areas of effective practice. The Authority uses public sector frameworks to ensure effective procurement is achieved and we concluded that 'the service has an approach to fleet management that makes good use of resources to support improvements in service delivery'.
- 43** Previous audits have confirmed that the Authority has sound financial planning arrangements in place. A three year budget is presented to the Authority but there are no plans in place to develop a medium-term financial plan.

44 We have planned during the summer of 2010 to review how resource management arrangements, particularly budgeting and financial planning, support improvement. Our conclusions will be included in the Annual Improvement Report later this year.

The Authority has developed a strong and inclusive approach to people management

45 A Workforce Development Strategy is in place for (2008-2011) to support the delivery of the RRP, which reflects National Standards and contributes to evaluation, monitoring and review. An HR Strategy complements this strategy. Together these strategies cover key workforce issues including leadership, equalities and Performance Development Records (PDRs), and aim to achieve:

- a better trained, safer and more flexible workforce;
- a stronger bond between the RRP and employment policies and practices; and
- greater security and stability of employment, particularly within the retained complement of the workforce.

46 A programme of station visits is in place, along with an informative staff magazine. Improvements to IT links to stations are underway to improve access to intranet information and communication.

47 The peer assessment review and the recent Health and Safety Executive review identified inconsistencies in the completion and monitoring of performance development records as a potential issue. The accessibility of on-line records will improve these

arrangements by adopting a new, clearer and simpler form. Better co-ordination and review of the forms by the Skills, Learning, and Development Centre staff has enabled training needs and other HR issues to be progressed more efficiently.

48 With two-thirds of the operational workforce employed on the Retained Duty System, recruitment and retention of retained fire fighters is a challenge. The Authority is continuing a review into risk across North Wales. The review aims to ascertain whether the standards of fire cover are appropriate for the risk within the community and to examine whether the best resources are in the best place to respond to those risks.

49 A community safety manager group now exists within the service, with the first meeting in April 2010, to provide for information and learning across the service.

Weaknesses in performance management have been recognised and steps taken to improve the robustness of management information systems, but business processes need to be further developed

50 Earlier Annual Letters have commented on the need to improve performance management and the Authority has begun to do this. For example, effective performance management in respect of fleet and buildings management was noted in our reviews of these areas.

51 The Authority receives regular performance monitoring reports and the new Audit Committee has a key role in monitoring performance. The Authority is investigating new ways to



report its performance, with a clearer emphasis on showing outcomes from actions undertaken. It is working with SunGard on the implementation of the Ffynnon performance management system, but at present is continuing to use a range of data sources to report on performance as it has no single performance management information system.

- 52** The Authority has introduced a new Standard Internal Planning Template (SIPT) that has been adopted across the service and is providing a consistent approach to reporting performance and action at departmental and County Command levels. This includes reporting times, budget requirements, links to key operational plans and objectives, implementation deadlines and responsible officers.
- 53** The Authority needs to ensure that effective, embedded business processes are operating across the service in an era of budget reductions in the future. There is a need to improve how key proposals within the RRP flow into discrete projects over the next year.