WALES AUDIT OFFICE

SWYDDFA ARCHWILIO CYMRU

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Performance Management Review

North Wales Fire Authority

We have reviewed North Wales Fire Authority's (the Authority) progress in implementing its performance management system in order to provide the Authority with assurance on the work completed to date.

We have concluded that the Authority is making progress. There is a performance management framework in place but it needs to be strengthened. The Authority has recognised what needs to be done but sufficient resources are required to ensure the plans can be fully implemented.

Contents

1. During 2006/2007, it is expected that the Fire Authority (the Authority) will become subject to the Wales Programme for Improvement (WPI) as part of the Welsh Assembly Government's National Framework for Fire and Rescue Authorities in Wales. At the time of audit, the WPI Fire guidance had not been published by the Welsh Assembly Government (the Assembly Government).

2. The WPI re-enforces the principle that effective performance management arrangements are essential if Fire Authorities are to meet their objectives and deliver continuous improvements in the services they provide. Performance management and continuous improvement, together with the role of the Authority, are therefore expected to be key elements of the WPI framework.

3. As part of the audit for 2005/2006 a review of the performance management framework and progress on its implementation throughout the Authority is being undertaken. This report summarises the results of the first stage of the review and highlights the work proposed as part of Stage 2.

4. Overall we have concluded that the Authority is making progress. There is a performance management framework in place but it is in an early stage of development and needs to be strengthened. The Authority has recognised what needs to be done but sufficient resources are required to ensure the plans can be fully implemented.

5. As part of future WPI work, we propose to facilitate focus groups of station based staff to test their understanding of the framework, review in more detail how achievement of the objectives in County Business Plans are monitored and review the implementation of the performance management information system (PB Views).

There is a performance management framework in place but it needs to be strengthened

The planning framework is developing

6. The planning framework is developing but there is no single document that captures the main elements of the framework. Creating a document which provides an overview of the framework will provide clarity and understanding for those implementing it. Such a framework should:

- set out the 'roles' of key documents such as the Risk Reduction Plan and County Plans;

- show how these plans demonstrate how the organisation's objectives will be met and the link to budgets;

- provide guidance on preparing monitoring reports in line with reporting timetables; and

- set out the respective roles and responsibilities of both officers and members.

7. There are clear corporate aims and objectives in place that have been approved by the Authority through the annual Integrated Risk Management Plan (IRMP) and more recently the Risk Reduction Plan (RRP) process.

8. As a consequence of the increased role of the Authority in delivering the Assembly Government's 'Making the Connections' agenda it will be necessary to focus achievement of these objectives more collaboratively, considering the Authority's activity whilst also being aware of the contribution of all parties. The focus of reporting will need to be stronger in respect of the outcomes achieved against the objectives agreed in partnership with other bodies.

9. At the time of review, there were four policy setting forums which between them covered all aspects of the organisation's work. The structure, which is under review, provides a good platform on which to build the performance management framework:

   - Risk reduction.
   - People development.
   - Impact Assessment.
   - Corporate communications.

10. The Risk Reduction Forum (RRF) consists of senior managers (Planning, Safety and Operations) and deals with business planning, target setting and performance monitoring, Best Value, WPI, IRMP and now RRP.

11. The RRF sets the overall targets for the forthcoming year. These are set for each Best Value Performance Indicator (BVPI) after consideration of historical trends, known environmental changes (information from a wide range of sources) and the objectives agreed by the Authority in respect of these BVPIs.

12. Local targets have not been established and the only information available relates to BVPIs. It is unlikely that these cover the full range of activities undertaken by the organisation. Other indicators must be developed to ensure that the full range of activity is planned and monitored.

13. Once targets have been set by the RRF, they are subsequently agreed with the County Managers and other Heads of Authority. They are then recorded on the monitoring spreadsheet based on a 1/12ths profile by the Control Systems Manager.

14. County area business plans were introduced for the first time in 2005/2006 and provide a mechanism for clearly identifying the activities a County will undertake during the year in support of the overall organisation objectives. These business plans could be strengthened by:

   - Standardising the format – central guidance covering format and minimum content will assist in providing consistency and clarity.
   - clearly demonstrating how objectives will be met by stating how the planned activity contributes to the organisational objectives (applicable to the section/county/station);
   - linking business plans with budgets and other resources eg, activities to be delivered in partnership with others;

- providing contextual information that describes the current issues facing the section/station in relation to Authority wide and local risks/activity;
- making greater use of both national and local performance measures (ie, not only BVPIs); and
- enhanced profiling of targets across year (reflecting historical activity patterns and known likely changes rather than straight 1/12ths).

15. There is currently no requirement for Counties and/or departments to prepare business plans at a station or section level. Consequently station plans are generally not prepared and this is primarily due to a high number of retained stations within the Authority area (36 out of 44, 80 per cent). Given the high proportion of retained stations the mechanisms for bringing these into the framework needs to be established. We recognise that this will not be straightforward however, the application of the existing model to these stations will ensure a 'whole organisation' approach.

16. Introducing station planning into the performance management framework will assist in ensuring that all activity is focussed on the organisation's objectives and will encourage local ownership for the achievement of targets by front line staff as well as assisting in monitoring.

The reporting framework is in place but this needs to be enhanced

17. The formal reporting processes are BVPI driven, reflecting the earlier comments that these are the only indicators used and the only targets set, and do not reflect all activity contained in County Business Plans. Whilst this provides a mechanism for monitoring achievement of the BVPI targets there is no formal monitoring of progress against other activities within the County Business Plans. Consequently it is possible that senior managers and the Authority are not receiving a full update of all activity being undertaken and a single systematic route for such reports would assist in this respect.

18. Informally, County Managers meet regularly with Station and Watch Managers and discuss progress with them. Activities are also discussed at the County Managers' meetings and the Fire Safety Managers Forum held every six weeks. The Managers interviewed indicated that they are increasingly requesting more statistical information and making use of this to identify problem areas.

19. There are well established and effective processes in place for reporting the BVPI data. Data is extracted from the command and control system on a daily basis and collated in a spreadsheet which provides a summary of all BVPI activity for the month. Human Resources and Finance data are supplied by these respective departments and are also recorded on the monitoring spreadsheet.

20. The monthly monitoring spreadsheet is issued to County Managers and the Planning Manager. It uses a traffic light system to alert managers to those activities which require attention (or where initiatives are showing particular successes) compared with the target set. Information is provided for both the previous month and cumulative for the year to date. This is also considered by senior managers at RRF meetings in line with a timetable.

21. The RRF and Executive Group (Chief Officers) receive a report at each of their six weekly meetings based on the last complete month for which figures are available. The Executive Panel (Members) meetings receive reports at most meetings, based on the last complete quarter, with a 'latest news' update of the situation where appropriate. Reports are not presented to the full Authority.

22. The quarterly report is essentially a series of tables and graphs. There is very little narrative to provide explanation and context although officers are available to answer any questions that may arise. In order to facilitate challenge, scrutiny and explanation for both officers and members, the Quarterly Performance Monitoring Report should include:

   • narrative explanations against corporate plan objectives rather than just Performance Indicator information;

   • more information about the corrective action planned to address any shortcomings identified; and

   • use colour coding to draw attention to areas of underperformance and good practice.

An 'operational champion' should be appointed to facilitate the implementation of the performance management software

23. The Authority has commenced a project to implement a new performance management system (PB Views) which will form a key part of the performance management framework. Officers anticipate the implementation of PB Views shortly.

24. Co-ordination of the implementation of PB views is currently being undertaken by the Planning Manager. Reporting and monitoring implementation of this project has been informal and consideration of other priorities has contributed to a delay in the development of PB Views. There should also be greater involvement of the County Managers as the roll out is planned. Establishing an 'operational champion' to assist in roll out may be helpful - particularly if the system will be accessible in retained stations.

25. Good progress has been made in developing the software structure which appears to be capable of providing data at both organisational, station and watch level. However, this had not been rolled out to any users at the time of the audit.

26.   PB Views should be fully integrated with the wider IT strategy for the organisation as a whole. For example, the implementation of PB Views may provide an opportunity to streamline data capture methods, through electronic transfer of data wherever possible, therefore limiting duplication of effort where data is captured in more than one place. There may also be opportunities to link PB Views with other systems, for example command and control (re incident data). Consideration should be given to assess how data will be reported and what changes this may require to the existing processes.

27.   It is also essential that consideration is given to any all-Wales performance management software system that may be introduced and how the two systems would link, or indeed if PB Views continues to be the preferred option.

Recommendations

28.   The key actions necessary to secure improvement in the framework are outlined below:

R1	The performance management framework should be documented to provide clarity and understanding for those using it including: • guidance on the content and format of County Plans; and • the introduction of station plans.
R2	All performance targets should: • be set for all activities identified in business plans; • explicitly reflect local circumstances; • be profiled throughout the year more meaningfully; and • include a balance of BVPIs and local measures.
R3	Improve the robustness of monitoring arrangements by ensuring that performance management reports are seen by the full Authority in line with the established timetable.
R4	Consideration should be given to appointing an 'operational champion' to assist the implementation of PB Views and links should be developed to the emerging pan-Wales performance management software.

Appendix 1

Action Plan

Page	Recommendation	Priority 1= Low 2= Med 3= High	Responsibility	Agreed	Comments	Date
7	R1 The performance management framework should be documented to provide clarity and understanding for those using it including: • guidance on the content and format of County Plans; and • the introduction of station plans.	3	Assistant Chief Officer (Finance & Procurement)	Yes	Work will start in the New Year to document the performance management framework. Corporate templates for plans will be devised from existing best practice and distributed.	28 February 2007

Page	Recommendations	Priority 1= Low 2= Med 3= High	Responsibility	Agreed	Comments	Date
7	R2 All performance targets should: • be set for all activities identified in business plans; • explicitly reflect local circumstances; • be profiled throughout the year more meaningfully; and • include a balance of BVPIs and local measures.	2	Assistant Chief Officer (Finance & Procurement)	Yes	Although we aspire to the recommendation. Realistically, next year we will review all the local performance targets and management indicators that are in use at County level and develop a corporate suite of targets.	31 March 2007
7	R3 Improve the robustness of monitoring arrangements by ensuring that performance management reports are seen by the full Authority in line with the established timetable.	3	Assistant Chief Officer (Finance & Procurement)	Partly	Performance Management reports are currently reviewed by the Executive Panel, which allows for more scrutiny and challenge than the full Authority. The full Authority receives notification of out-turn performance as part of the Improvement plan.	Ongoing

Page	Recommendation	Priority 1= Low 2= Med 3= High	Responsibility	Agreed	Comments	Date
7	R4 Consideration should be given to appointing an 'operational champion' to assist the implementation of PB Views and links should be developed to the emerging pan-Wales performance management software.	3	Assistant Chief Officer (Finance & Procurement)	Yes	Priority will be given to enhancing the performance management culture within the Service in order to encourage the use of a performance reporting system, when it is available. Awaiting confirmation of strategic and core indicators for 2007/2008 before implementing the first stage.	Confirmation of the strategic and core indicators will be available by the 31 March 2007