

**SUBJECT: STRATEGY AND PERFORMANCE ARRANGEMENTS IN TWFRA**

**REPORT OF THE CHIEF FIRE OFFICER**

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**1. INTRODUCTION**

- 1.1 The purpose of this report is to update Members on arrangements for strategic planning and performance management in TWFRA.

**2. BACKGROUND**

- 2.1 Tyne and Wear Fire and Rescue Authority is committed to high standards of corporate governance, and in order to ensure this it works to a Code of Corporate Governance based on the recommendations of the Chartered Institute of Public Finance (CIPFA) and Society of Local Authority Chief Executives (SOLACE). The Code is reviewed annually to take account of any legislative or other changes.
- 2.2 A key element of strong corporate governance is a clear commitment to performance management and improvement. TWFRA's commitment to this is rooted in a belief that it wishes to help improve the quality of life of local people, and to do this it needs to continuously improve its own performance. The Authority has been very successful in doing this in recent years, and the trend of improvement is illustrated in the year end performance report for 2010/11 included on today's agenda. As one example, the Authority has reduced accidental fires in people's homes from 1562 in 2005/6 to 649 in 2010/11- a 58% reduction in 6 years.
- 2.3 There has been significant change in Government's approach to the performance and improvement of local authorities including FRAs, with Government prescription being replaced by statements of trust in sector led improvement and local accountability. This has led to the removal of much of the national architecture of performance- national performance indicators and targets, audit and inspection etc. Since TWFRA believes it has always been responsible for its own performance, this has not affected the organisation's commitment to managing performance.
- 2.4 In relation to this, the June 2010 Policy and Performance Committee resolved that:
- They would wish to reiterate their commitment to evidenced-based decision-making;
  - Continued comparison and benchmarking with other Metropolitan Authorities and sector led approaches to improvement, are desirable; and
  - Independent scrutiny of the organisation to assist towards making improvement should continue in a proportionate way.
- 2.5 This paper sets out TWFRA's understanding of performance management in its broadest sense, and describes the mechanisms through which direction is set and performance is managed and improved.

**3. ELEMENTS OF PERFORMANCE MANAGEMENT**

- 3.1 TWFRA understands performance management to cover the whole system of activities that determine the vision and direction of the Authority; the plans for how the vision will be delivered; the delivery of the planned actions; and the monitoring and review of the actions we take to make sure they have achieved the desired outcomes.
- 3.2 This simple “plan, do, review” approach covers all activities undertaken by the organisation.
- 3.3 In terms of **planning**, the approach is illustrated in the diagram below which shows how strategic priorities are set in the context of a number of drivers, after which a “golden thread” of intention runs through different levels of plan to ensure everyone is pulling in the same direction.
- 3.4 Whilst this type of process is common in local government, the Integrated Risk Management process (required of FRAs by the National Fire Framework) is unique to FRAs. It requires all strategic planning to be done in the context of an understanding of community risk, and is the vehicle through which the FRA introduces any change in how resources are allocated, in a way which balances efficiency and risk.



- 3.5 The Authority takes an evidence based approach to making strategic decisions; for example, all high level changes implemented through the IRMP process are based on evidence including community risk, best practice and the testing of options.
- 3.6 In terms of **action**, teams and individuals deliver the actions set out in their service plans throughout the year, and managers use the plans to ensure their people are delivering what is required. If any training or development is required to enable people to deliver planned activities, this is picked up through the organisation’s personal development process.
- 3.7 A Service Delivery Performance Action Group meets regularly to discuss the effectiveness of the actions that are being taken to deliver priorities (eg reductions in dwelling or deliberate fires) and share ideas about what works well.

- 3.8 **Monitoring and review** are carried out on each level of plan. In terms of strategic plans, updates on progress with IRMP (major change) actions are presented to full Authority on a quarterly basis, allowing Members to satisfy themselves that work is on track.
- 3.9 Performance data is collected and made available in as near to real time as possible, so that teams can take decisions about whether the actions they are taking are having the right impact. The Fire Authority and Service Management Team (SMT) review performance against key indicators quarterly, and it is a specific role of the Policy and Performance Committee to scrutinise and challenge performance.
- 3.10 As part of this quarterly process, performance is compared against other metropolitan FRAs through an informal benchmarking group supported by TWFA. This allows us to gauge how we are doing against other similar areas.
- 3.11 The Authority also monitors the effectiveness and efficiency of specific projects through its Evaluation process, which requires any staff member delivering a new project to set out how its success will be measured, and then measure that success once the project is complete. This allows new practice to be tested, successful new ideas to be adopted and less successful ones to be shelved.

#### **4. EXTERNAL REVIEW AND CHALLENGE**

- 4.1 The Authority has always welcomed external review and challenge as a tool in understanding where improvement can be made. In recent years the main focus of external challenge has been the Audit Commission which provided compulsory inspection and review on an annual basis.
- 4.2 The Authority's progress in improving outcomes and working more efficiently has been noted by the Audit Commission in its Managing Performance and Use of Resources judgements in recent years. This included attaining the highest score of 4 for Use of Resources in 2007/8, and 3 under the "harder test" of Comprehensive Area Assessment in 2008/9 (one of only 17 FRAs to achieve this level). The most recent annual audit letter (2009/10) notes significant developments in performance management; improving costs relative to other FRAs; continued improvement in performance; better targeting of preventative activity; increased willingness to challenge established ways of doing things; and a clear commitment to managing natural resources.
- 4.3 The service's commitment to independent, sector led improvement is demonstrated through its continuing to seek opportunities to benchmark service quality. During 2010/11 this has resulted in:
- a successful peer review under the Operational Assessment process managed by the Chief Fire Officers' Association (CFOA). Officers of the Authority are now leading work to review and update this process on behalf of CFOA
  - achievement of the Gold level of Investors in People (the first FRA to achieve this level of award)
  - commitment to achieve British Standard 25999 for Business Continuity with assessment expected in 2012

- 4.4 As noted in section 2.4, the Authority has committed to further judicious (though not excessive) use of external challenge as part of its commitment to improvement. This will be accompanied by a continued requirement for financial audit, although Government has yet to determine the form this will take following the demise of the Audit Commission.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 This update report has no direct financial implications; however the ongoing analysis and targeting of financial and human resources necessary to providing a high quality service are fundamental to managing performance. The IRMP process is explicitly concerned with doing this in a way which balances efficiency and risk, and efficiency is clearly a dimension of good performance.

## **6. RISK MANAGEMENT IMPLICATIONS**

- 6.1 There are no direct risks in relation to this briefing paper.

## **7. RECOMMENDATIONS**

- 7.1 Members are recommended to note the content of the paper, and comment on the performance management approach adopted by the Authority.

## **BACKGROUND PAPERS**

The following background papers refer to the subject matter outlined above

TWFRA: Strategic Community Safety Plan  
TWFRA:IRMP action plan  
Quarterly and year end performance reports  
TWFRA: Annual Audit Letters  
Operational Assessment Peer Review findings 2010  
IIP assessment 2010