

GOVERNANCE COMMITTEE

MEETING: 22 MARCH 2010

**SUBJECT: FIRE AND RESCUE ORGANISATIONAL ASSESSMENT FOR
TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**REPORT OF THE CHIEF FIRE OFFICER, FINANCE OFFICER AND CLERK
TO THE AUTHORITY**

1 INTRODUCTION

- 1.1 This report outlines, for the consideration of the Committee, the findings of the Audit Commission's auditors in respect of the new Organisational Assessment framework, which forms part of the overall Comprehensive Area Assessment process introduced in April 2009.
- 1.2 Representatives from the Audit Commission will be present at the meeting in order to provide verbal feedback on performance and answer any questions Committee members may have.

2 BACKGROUND

- 2.1 In April of this year the Audit Commission replaced the Comprehensive Performance Assessment Framework, which had been in place since 2005, with the Comprehensive Area Assessment process (CAA). The CAA framework has been designed to elicit how effectively people are being served by their local public services by examining how well they are working together as well as how effectively they are managing their own resources and achieving value for money.
- 2.2 In order to achieve this undertaking two main strands of audit work have been developed which are interrelated, these are:
- An Area Assessment that examines how well local public services are delivering better results for the local population.
 - An Organisational Assessment of individual public sector bodies including fire and rescue services, made up of a Use of Resources (UoR) element which assesses how well we manage finances, govern the business and manage resources; and a Managing Performance element which assesses our operational effectiveness, performance at improving outcomes for local people, and leadership in doing this.

- 2.3 This specific paper provides an overview of the Organisational Assessment which was formally published on 9th December 2009.
- 2.4 In considering the content of the Audit Commission reports it should be noted that a four point scoring scale is used as follows:
- 1 = Does not meet minimum requirements – performs poorly
 - 2 = Meets minimum requirements – performs adequately
 - 3 = Exceeds minimum requirements – performs well
 - 4 = Significantly exceeds minimum requirements – performs excellently
- 2.5 Taking this scoring system into account, the Chief Fire Officer is pleased to report that, for both the UoR audit and Managing Performance audit, the Authority has recorded a score of three ‘Performing Well’ and has been awarded an overall combined score of three for the Organisational Assessment.
- 2.6 Both reports are attached for the information and consideration of the Committee and some of the key findings are set out below.

3 USE OF RESOURCES

- 3.1 With regard to the Authority’s Use of Resources audit, the Audit Commission is of the opinion that the Authority is ‘**Performing Well**’ with a score of three in each of the three subsets that comprise the UoR framework, namely:
- Managing Finances
 - Governing the Business
 - Managing Resources (for this year, the Managing Resources audit focused on the management of people)
- 3.2 This is pleasing to note given that the new UoR framework now focuses far more on outcomes rather than processes and as a result the standard required to achieve a level three performance has increased.
- 3.3 In addition to the scores the report also noted that the Authority has demonstrated strong performance across a number of key areas. In particular the Authority:
- *Integrates financial and service planning, is well placed financially and maintains good budgetary control. There is a clear commitment to high quality financial reporting*

- *Works well in partnership with others to contribute to wider community outcomes;*
- *Communicates well with staff and partners and has successfully managed significant organisational change whilst maintaining a highly motivated workforce, and;*
- *Has good systems of governance and control.*

3.4 There are also a small number of recommended actions within the report relating to back office functions, sustainability and the diversity and equality agenda. Each of these issues is being addressed in detail.

4 **MANAGING PERFORMANCE AND ORGANISATIONAL ASSESSMENT**

4.1 The score for managing performance has also been assessed at level three, '**Performing Well**' and when this is combined with the score for the UoR audit it also provides an overall Organisational Assessment score of level three, 'Performing Well'. In summarising the performance of the Authority the Audit Commission noted the following:

- *The Authority has a clear vision of what it wants to achieve;*
- *The Authority's performance has consistently improved across all priorities in the past three years;*
- *Efficiency savings have exceeded government targets;*
- *Real costs have reduced by 6% over the last five years;*
- *Leadership is strong and effective;*
- *Members and officers work together to tackle difficult issues.*

4.2 The report also noted that there is a strategy in place to maintain high levels of service, which is most easily illustrated by considering the very rapid response times to incidents that the Authority achieves. The auditors did note that high levels of service obviously involve a significant cost and that this was an area for more detailed consideration by the Authority in the context of the 'Rising to the Challenge' national report.

5 **CONCLUSION**

5.1 The attached audit reports demonstrate that the Authority continues to perform well in many areas and the services that are provided to the public continue to improve.

- 5.2 It is the intention of the Chief Fire Officer to continue to examine ways in which performance can be further improved in the months ahead. This is particularly important as the Authority is likely to face increased funding pressures from 2010/2011 onwards.

6 RISK MANAGEMENT IMPLICATIONS

- 6.1 Whilst there are no specific risk management implications associated with this report, there is a risk that should the Authority fail to continue to show improvement this would ultimately be reflected in the scores that it receives in the future. This could, in turn, impact on the high public satisfaction level that the Authority enjoys.
- 6.2 The current performance improvement plan will be reviewed and adjusted in order to ensure that action is taken to reduce the risk of such an outcome occurring.

7 FINANCIAL IMPLICATIONS

- 7.1 There are no specific financial implications associated with this report.

8 EQUALITY AND FAIRNESS IMPLICATIONS

- 8.1 There are no equality and fairness implications in respect of this report.

9 HEALTH AND SAFETY IMPLICATIONS

- 9.1 There are no health and safety implications in respect of this report.

10 RECOMMENDATIONS

- 10.1 The Committee is recommended:
- i) to consider the content of this report

BACKGROUND PAPERS

- Tyne and Wear Fire and Rescue Authority Organisational Assessment, December 2009
- Tyne and Wear Fire and Rescue Authority, Use of Resources Audit, 2008/2009