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Pages	1 of 8

Dear Simon

Improvement Assessment

I am required, under the Local Government (Wales) Measure 2009 (the Measure), to report my audit and assessment work in relation to whether North Wales Fire and Rescue Authority (the Authority) has discharged its duties and met the requirements of the Measure.

This letter summarises:

- my views on whether the Authority has discharged its statutory duties in respect of improvement planning;
- my views on the Authority's compliance with requirements to make arrangements to secure continuous improvement, based on work carried out to date by the Wales Audit Office, including:
 - any relevant issues that may have emerged since my last report; and
 - the Authority's progress on areas for improvement and recommendations identified in my previous assessments.
- my further proposals for improvement and/or recommendations; and
- updates to the Wales Audit Office work plan and timetable for delivering my Improvement Assessment work.

I shall update my views during the year and will provide a further letter by the end of January 2014.

The Authority has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance

I have reached this conclusion because:

- The Improvement Plan was published in accordance with the Welsh Government's timetable (to publish by 31 March 2013 for 2013-14 improvement objectives) on the Authority's website.
- The Authority has provided an explanation of why its two improvement objectives were chosen for 2013-14 including reference to activity levels and the economic climate. The two improvement objectives are a continuation of the objectives set for 2012-13 and are:
 - to help to keep people and communities safe by preventing deaths and injuries from accidental fires in living accommodation; and
 - to find ways of reducing the overall cost of running the Service each year in order to operate within the annual budget.
- Each of the improvement objectives provides a description of the expected outcome, actions needed to achieve the improvements. Measures to demonstrate achievement have been determined for improvement objective one. The Authority are still considering suitable measures and how to link with existing financial reporting arrangements for improvement objective two.
- The actions needed to achieve delivery of the improvement objectives are contained in departmental business plans which are monitored monthly by senior managers.
- The Authority consulted on its improvement objectives in accordance with Welsh Government guidance.

Based on, and limited to, work carried out to date by the Wales Audit Office I believe that the Authority is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

I have reached this conclusion because:

Business planning arrangements are well-embedded, provide a clear picture of planned actions and are generally outcome-focused but need to more explicitly reflect the new Equality Act 2010 requirements.

I stated in my previous assessments that the Authority's leadership is continuing to drive change and I remain of this view.

Staff are aware of the improvement objectives for 2013-14 and are supportive of the rationale for rolling forward the objectives which were set for 2012-13. There is a common understanding that these objectives are the critical issues for the Authority moving forward. The Authority has provided details of its Improvement Objectives to stakeholders and the public in its Combined Improvement and Risk Reduction plan 2013-14 which is available in an electronic version on the Authority's website. It was made available for public scrutiny by promoting its availability through direct email communication to stakeholders. Hard copies are available on request. In the past the Authority has produced paper copies of Improvement Plans but has decided that this can no longer be justified on cost and environmental grounds. The Authority has produced summary information setting out details of the Combined Improvement and Risk Reduction plan.

In our latest *Annual Improvement Report* (March 2013) we concluded that during the last year the Authority's evaluation and reporting of its performance is balanced, but it does not do enough to compare its performance to other, similar bodies. The Authority are considering how improved comparative data can be utilised in conjunction with the work of the National Issues Committee (NIC). Baseline comparative data is being assembled through the individual work streams of the NIC and will then be available to the individual Authorities.

Routine reporting of performance information does not fully and clearly identify progress to achieve improvement objectives. Progress is largely demonstrated through the use of the Welsh Government's national strategic and core indicators together with a small number of local indicators. Improvement Objective 2 is still not explicitly linked to existing financial management reporting arrangements.

The Authority discharged its consultation duties under the Measure by conducting a 12 week consultation period with the public at the end of 2012. Around 170 different comments, views and questions were received from around 50 respondents. Seventy four per cent of respondents thought that the Authority had identified the right priorities for 2013 14 and 89 per cent agreed that the commitments made under the All-Wales Dwelling Fires Response Charter were the right ones. The Authority also collected views on what it should be considering as Improvement Objectives for 2014-15 and beyond. The content of the responses were analysed and reported to Members of the Authority early in 2013. The Authority could further develop its community engagement and consultation activities by extending existing successful approaches, such as those used annually to engage with new students in the Bangor area about fire safety to other areas of engagement.

A robust Equality Impact Assessment covering the Improvement Objectives for 2013-14 is not yet in place. Although the Combined Improvement and Risk Reduction Plan includes some consideration of people with protected characteristics under equality legislation, the Authority has not undertaken a robust Equality Impact Assessment as part of the rationale for continuing with the improvement objectives set originally in 2012-13. It is unclear, therefore, whether the objectives sufficiently reflect the needs of people under the Equality Act 2010. The Authority has indicated on page 30 of the plan that 'an examination and review of the factors that may contribute to the particular vulnerability of some people to fire, cross referenced where appropriate to the protected characteristics under the Equality Act 2010' will be an action for 2013-14.

The Authority continues to manage its financial challenges effectively

I concluded in my previous *Annual Improvement Report* that the Authority has a sound approach to financial management, but given the scale of change required, clear leadership is required. I remain of this view. It is positive that the Authority has chosen to continue with the objective of prudent financial management as a priority in its Improvement plans for 2013-14.

The Authority are in the final year (2013-14) of its three year financial plan. Estimates of the financial position for 2014-15 and 2015-16 have been presented to Members of the Authority and the Authority has recognised that it now needs to develop a new Medium Term Financial Plan from 2013-14 onwards.

The latest financial forecast for the three-year period to 2013-14 shows the Authority needs to deliver cumulative projected efficiencies of £2.4 million.

Although the Authority's approach to addressing its financial challenges has, to date, been robust and well-managed, issues remain given the likelihood of real-term reductions in central funding to 2016-17 and beyond. The Authority is continuing to seek opportunities for further efficiency savings, over and above those already identified. Part of this work will be via the recently established NIC which will consider the potential for efficiency savings and collaboration across the three Welsh fire and rescue authorities. However, at this stage the Authority has not been specific in setting out what level of savings are expected from the work of the NIC.

Good progress is being made to address the proposals for improvement identified in my previous assessments

I made a number of proposals for improvement in my previous Corporate Assessment Update Letter and Annual Improvement Report. The Authority's progress in implementing these is summarised in Appendix 1.

Further proposals for improvement

Three new proposals for improvement are being suggested in this letter. We will continue to monitor and report on the progress made by the Authority in implementing the proposals set out in my previous reports and letters.

Proposals for improvement	
P1	Develop a new Medium Term Financial Plan from 2013-14 onwards.
P2	Explicitly show how the Equalities Act 2010 requirements have been considered in setting and monitoring improvement objectives by undertaking an Equalities Impact Assessment during 2013-14.
P3	Explicit reporting of progress against Improvement Objective two, linking with existing budget reporting, should be finalised by the end of 2013.

Updates to the work plan and timetable

My Improvement Assessment Team will keep the Authority informed of the detailed arrangements for the delivery of my assessment work during 2013-14. The regularly updated work plan and timetable provides more detail on how we intend to focus resources in this year's assessment and in particular how we will add value by focusing on jointly identified areas or services.

The work plan and timetable takes account of my consultation with improvement authorities over my proposals for 2013-14 performance audit work.

I am grateful to the Authority for the way in which it has helped to facilitate our work and hope to see even more effective and efficient arrangements developing over time. I remain committed to providing appropriate levels of public assurance while supporting you in mitigating the inevitable risks to services and accountability that stem from reducing resources and consequential change.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Huw Vaughan Thomas'.

HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Lesley Griffiths, Minister for Local Government and Communities

Lisa Williams, Performance Audit Lead

Appendix 1

Proposals for improvement	Progress
<p>P1 Continue to implement previous proposals for improvement to strengthen improvement objectives and associated performance measures and reporting to be more outcome-focused as to identify and evaluate the impact of its activity for its community.</p>	<p>The Authority has made changes to reporting against progress during 2012-13 which we will consider and review as part of the Assessment of Performance audit later in 2013.</p>
<p>P2 Implement areas for improvement identified in our Information Management review.</p>	<p>Several of the areas for improvement continue to be assessed by the Authority in the context of other priorities and the anticipated future work programme of the NIC.</p>
<p>P3 Implement areas for improvement identified in our use of technology review.</p>	<p>The Authority has developed a new five-year ICT strategy, and is making progress with documenting, publishing and promoting technology standards and policies.</p>
<p>P4 There are four key areas where greater emphasis should be placed in reviewing the Annual Governance Statement to ensure:</p> <ul style="list-style-type: none"> • a greater involvement of staff across the Authority; • a greater emphasis on community engagement; • adequate comparison of performance with other improvement authorities takes place; and • increased consideration of Governance arrangements around partnerships and commissioning. 	<p>The Authority has responded positively and swiftly to initial feedback on its arrangements to undertake the review of its Annual Governance Statement. It has largely addressed each area identified in our feedback and provided a more detailed analysis of compliance with its Code of Corporate Governance during the 2012-13 review.</p>

Proposals for improvement	Progress
<p>P5 Continue to develop corporate processes to promote public engagement, in particular:</p> <ul style="list-style-type: none">• identify, define and prioritise what public engagement activity is essential for the Authority, its partners and the public it serves;• develop a more strategic, co-ordinated and planned approach for public engagement – in order to identify risk areas, issues and topics; ascertain required resources, minimise duplication of work, and maximise impact and outcomes; and• develop methods to monitor, use and evaluate the results of public engagement activities more widely and inform the public on how their input influenced what the Authority does; and extend the communications strategy to include appropriate and planned public engagement activity which ties in with the Authority's improvement objectives and key priorities.	