

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**AUDIT AND PERFORMANCE MANAGEMENT COMMITTEE**

**11<sup>TH</sup> OCTOBER 2010**

1. **GOVERNANCE STANDARDS – THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) AND THE SOCIETY OF LOCAL AUTHORITY CHIEF EXECUTIVES (SOLACE) – UPDATE ON PROGRESS – ACTION PLAN**

Joint report of the Chief Fire Officer, the Clerk and the Treasurer.

RECOMMENDED

- 1.1 THAT the Committee notes the completion of the Action Plan.
- 1.2 THAT the Committee agrees the suspension of any further work until Central Government clarifies what will be required in future in relation to this area of activity.

2. **PURPOSE OF REPORT**

This report is submitted to advise the Committee of the completion of the Action Plan which was created to address the results of a gap analysis following a self-assessment exercise by officers.

3. **BACKGROUND**

- 3.1 The Authority, at its meeting on 23 June 2008, adopted the Governance Statement 2007/08 which had been prepared in accordance with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'.
- 3.2 Further consideration was given to the detail of the Framework document in preparing the Governance Statement for 2008/09. The Framework document suggests that authorities should undertake regular, at least annual, reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the framework. Such reviews should be reported to the Audit Committee, and reported externally with the published accounts, to provide assurance that:

- governance arrangements are adequate and operating effectively in practice, or
- where reviews of governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.

The framework document also suggests that the process of preparing the governance statement should itself add value to corporate governance and should be submitted to the Authority for consideration.

The framework defines the principles which should underpin the governance of local government bodies and suggests that authorities should test their structures against these principles; identify any gaps; and indicate how those gaps will be addressed. The Framework document poses a number of questions for authorities to address to assist this process.

- 3.3 As part of the self-assessment of the Audit Committee, one of the questions posed relates to the use of the CIPFA/SOLACE Governance Guidance Framework to ensure Authorities are delivering the very best in terms of governance arrangements.
- 3.4 A report was submitted to the Audit Committee on 9 June 2009 to detail the approach taken by officers to carry out the self-assessment exercise and where gaps were identified the proposed action to address those gaps.
- 3.5 A further report was presented to the Audit Committee on 11 January 2010 to update the Committee on the progress made to address the areas identified in the Action Plan up to December 2009.
- 3.6 This report being presented to the Committee today is to conclude the work on the Action Plan from December 2009 onwards and confirm what action has been taken in all the areas where gaps had been identified.
- 3.7 Appendix 1 to the report details the Action Plan items, the responsible person and the completion date.

- 3.8 Following the new Government's stance on reducing the volume of regulations impacting on local government, some parts of the original document are already obsolete, e.g. areas relating to the CAA, Key Lines of Enquiries (KLOEs).
- 3.9 It is therefore proposed that any further work in relation to this matter is suspended until future requirements become clearer.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as it does not represent a change in policy.

5. **LEGAL IMPLICATIONS**

The preparation and publication of an annual governance statement in accordance with the 'Delivering Good Governance in Local Government Framework' is necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006.

6. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from this report.

**BACKGROUND PAPERS**

Delivering Good Governance in Local Government - Framework –  
CIPFA/SOLACE

Report to Audit Committee – 9 June 2009

Report to Audit Committee – 11 January 2010

VIJ RANDENIYA  
CHIEF FIRE OFFICER

SUSAN PHELPS  
CLERK

S KELLAS  
TREASURER

## APPENDIX I

<b>Action Plan from CIPFA/SOLACE Governance Standards Document - as approved at the Audit Committee on 8th June 2009</b>			
<b>Requirement</b>	<b>Action to Address Gaps in Compliance</b>	<b>Responsible Person</b>	<b>Completion Date</b>
3.B.1 To develop and maintain shared values including leadership values for both the organisation and staff, reflecting public expectations and communicate these to members, staff, the community and partners	Include an article in Firepower (on a 6-monthly basis) to reinforce the Core Value to readers.	Preith Shergill	Ongoing
6.A.1 To make clear to itself, all staff and the community who the Authority is accountable to and for what	To include appropriate wording on the Fire Authority page on the website.	Admin Manager	July 2009 17/8/09 page amended
2.B.3 To develop protocols to ensure that the Leader and Chief Executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	No arbitration mechanism in existence between Chief Fire Officer and Chairman.	Clerk to the Authority	July 2009 S/O of the Authority approval at the AGM
2.C.1 To develop protocols to ensure effective communication between members and officers in their respective roles	Member – Officer relations document. Officers to consider a similar document in place in Sandwell MBC and adapt it as necessary.	Admin Manager	September 2009 Approved by Standards Committee 7/9/09
3.A.2 To ensure that standards of conduct and personal behaviour expected of members and officers, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	Member-Officer relations document. Officers to consider a similar document in place in Sandwell MBC and adapt it as necessary.	Admin Manager	September 2009 Approved by Standards Committee 7/9/09
1.C.1 To decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively	Consider a new performance management framework. The performance management framework arrangements were approved by CB at its meeting on 15 <sup>th</sup> September 2009. At this meeting approval was given for a revised approach to developing the Corporate Strategy document (The Plan) to support continuous improvement and the integration of planning activities with corporate risk and performance management as key components of the performance management framework.	DCFO	September 2009 See email from Sally-Anne Chidwick confirming action

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	<p>As an enabler to this new approach the Strategic Advisory Group (SAG) chaired by the DCFO has been formed with the remit for strategic planning, performance and risk. SAG (supported by SPIRiT) has been responsible for the development and implementation of new performance reporting arrangements Corporate Performance Review which brings together performance, planning and risk reporting. This enables for performance, planning and risk to be discussed by the Lead Member, SAG and Directors.</p> <p>The outcomes of this meeting are forwarded to the Audit and Performance Management Committee.</p> <p>Therefore, Requirement 1.C.1 page 4 of the action plan has been completed.</p>		
6.A.3 To produce an annual report on the activity of the scrutiny function	Include a paragraph in the annual report on the Policy Planning Forum and other areas of activity which act as scrutiny.	Director (CS)	September 2009 See email from Alan Brandon 16/9/09
1.A.3 To ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties	<p>1. Work being carried out via the Operational Commanders with Group Manager John Rees to make sure that there is a more effective framework structure for partnership arrangements.</p> <p>2. Group Commander Rees to keep a central register of agreements with partners.</p>	Steve Vincent	September 2009 and ongoing
2.C.5 When working in partnership, to ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the Authority	As part of the overall partnership framework structure to ensure that there is clarity on roles and responsibilities.	Steve Vincent	December 2009

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2.C.6 When working in partnership, to ensure that there is clarity about the legal status of the partnership	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	Steve Vincent	March 2010
2.C.7 When working in partnership, to ensure that representatives or organisations both understand and make clear to all other partners, the extent of their authority to bind their organisation to partner decisions	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	Steve Vincent	December 2009 and ongoing
3.B.5 In pursuing the vision of a partnership, to agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	Steve Vincent	December 2009 and ongoing
4.B.1 To ensure that those making decisions whether for the Authority or the partnership are provided with information that is fit for the purpose, relevant, timely and gives clear explanations of technical issues and their implications	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	Steve Vincent	December 2009
6.B.6 To ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	1. Work being carried out via Operational Commands with Group Manager John Rees to make sure that there is an effective framework structure for partnership arrangements. 2. Group Commander Rees to keep a central register of agreements with partners.	Steve Vincent	April 2010

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4.C.2 To ensure that arrangements are in place for whistle-blowing to which staff and all those contracting with the authority have access	Include Whistleblowing in the contract terms and conditions.	Mandy Beasley	Following advice from Sandwell Legal Department a form of words have been agreed for inclusion September 2009
6.C.1 To develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making	Director Human Resources to confirm policy and that it is reviewed annually.	Director (HR)	December 2009
4.C.1 To ensure that risk management is embedded into the culture of the Authority, with members and managers at all levels recognising that risk management is part of their jobs	<p>The Service has in place comprehensive risk management arrangements. We have a risk based to planning. Integrated risk management and corporate risk are already embedded in our planning activity.</p> <p>In order to embed a risk culture throughout the Authority, Corporate Risk is discussed regularly at SAG by senior managers and is reported upon at the quarterly Corporate Performance Review which brings together performance, planning and risk reporting. This enables for performance, planning and risk to be discussed by the Lead Members, SAG and Directors.</p> <p>All Corporate Risks are regularly reviewed and updated and have a detailed action plan logging the risk, specific events that may lead to risk realisation and control measures in place to manage risk. The risk score determines the minimum frequency of review.</p> <p>Following discussion at Corporate Performance Review meeting, the outcomes of this meeting are forwarded to the Audit and Performance Management Committee.</p>	Jim Whittingham	March 2010

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	<p>The Service has a Lead Member for Risk and risk management training is provided to Members as and when necessary.</p> <p>The Audit Commission in its last assessment of our performance commented upon our effective risk management arrangements. Our improvements were recognised and our risk management arrangements were judged to be 'performing well'.</p> <p>Therefore, no further work is necessary against this requirement and as such this requirement is completed.</p>		
<p>1.C.1 To decide how value for money is to be measured and make sure that the Authority or partnership has the information needed to review value for money and performance effectively</p>	<p>A VFM strategy is being developed in conjunction with the FRA members. The strategy will be used to shape a VFM programme or similar that will enable continued progress in the delivery of efficiencies. As part of the Service's commitment to providing a value for money service it has developed and communicated its Value for Money (VFM) Strategy. A key component of this strategy is the Service's Building upon Success programme. This Organisational wide change programme will enable for the Service to continue provide a VFM Service against a reduced budget. In order to inform this programme, VFM benchmarking data has been obtained using the methodology detailed within the Treasury's Operational efficiency Programme (OEP).</p>	<p>DCFO</p>	<p>March 2010 - ongoing</p>
<p>5.A.1 To provide induction programmes tailored to individual needs and provide opportunities for members and officers to update their knowledge on a regular basis</p>	<p>Investigate introducing level 1 of the Member Development Charter.</p>	<p>Georgina Wythes</p>	<p>March 2010 - ongoing</p>



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5.B.1 To assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010 - ongoing
5.B.2 To develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010 - ongoing
5.B.3 To ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan which might, for example, aim to address any training or development needs	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010 - ongoing
5.C.2 To ensure that career structures are in place for members and officers to encourage participation and development	Investigate introducing level 1 of the Member Development Charter.	Georgina Wythes	March 2010 - ongoing
1.C.2 To measure the environmental impact of policies, plans and decisions.	To continue to develop a series of measures to identify environmental impacts, e.g. carbon footprints, where possible.	Elaine Debenham	March 2010 - ongoing
6.B.5 On an annual basis, to publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of users in the previous period	It is important that the Service reflects upon its performance achievements. Therefore the Annual Report which is currently in draft format will be published in electronic format as a hypertext link to 'The Plan'. This document will be available on both the intranet and the internet.  This action will bridge the 'compliance gap' and will be completed prior to the Audit and Performance Management Committee on the 11 <sup>th</sup> October and should therefore be considered completed.	Sally-Anne Chidwick	April 2010
1.B.1 To decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available	Working with Education Officer to develop centralised hub where this data will be stored and imported, presently called the 'engagement hub'.	Mark Hamilton-Russell	Sept 2010 (2 year project)

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2.C.4 To ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated	The second part will be achieved by the creation of the engagement hub to share best practice in consultation and engagement and teach best methods of achieving goals. The first part relating to the vision and strategic plans has been completed as SPIRiT has produced 'The Plan' and consulted with internal and external stakeholders in its production.	Mark Hamilton-Russell	Sept 2010 All the requirements below are related to developing the 'engagement hub' which is expected to take some time before it is fully up and running.
5.C.1 To ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, or contribute to and participate in the work of the authority	Strategy being worked as and will consider adding Members to the 'engagement hub' for future publications.	Mark Hamilton-Russell	Ongoing
6.B.1 To ensure that clear channels of communication are in place with all sections of the community and other stakeholders and put in place monitoring arrangements to ensure that they operate effectively	The 'engagement hub' is currently internal facing but it is being considered for future use as a public facing engagement opportunity.	Mark Hamilton-Russell	Ongoing
6.B.3 To ensure that arrangements are in place to enable the Authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	The engagement hub will enable the Authority to learn, understand and engage with the community as required.	Mark Hamilton-Russell	Ongoing
6.B.4 To establish a clear policy on the types of issues the authority will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result	This needs to be further developed and it is proposed to set up a scrutiny panel (internal) for public consultation.	Mark Hamilton-Russell	Ongoing

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6.B.6 To ensure that the Authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so	The electronic Committee Management Information System already ensures that all public documents, agenda and minutes be available. The engagement hub will be the mechanism by which other matters, including partnerships are made available.	Mark Hamilton-Russell	Ongoing