The Performance Management Regime for Fire and Rescue Services in an Era of Austerity

Peter Murphy and Kirsten Greenhalgh

Nottingham Business School
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How we got to where we were
The emergence and development of the Performance Management Regime in FRS

Our previous PAC paper identified 4 generally chronological but overlapping phases of development

- **Phase 1 - Pre 2000** – period of Home Office control prior to the national dispute and the Bain report (and CPA) a period characterised by institutional inertia

- **Phase 2 - The national fire dispute, local government “modernisation” and the first Fire and Rescue Service Assessments of 2005** a period of sectoral upheaval dominated by the dispute and its aftermath - rather than the development of the performance management regime as in other sectors

- **Phase 3 - 2006 to 2008 the later iterations of CPA** which gradually developed the performance management regime and included operational governance inter-agency collaboration and more sophisticated Use of Resources assessments

- **Phase 4 – 2008 to 2010 the introduction of the CAA** which introduced area assessments and separate organisational assessments of LAs, PCTs Police and F&RS
Phase 1 and 2 - Best Value and the introduction of the Fire Service Assessment

Prior to 1999 Best Value Act
• Home Office responsibility
• Only 2 Audit Commission national reports 1985 and 1995
• BV Performance Indicators

1999 – 2002 Modernisation and the Best Value Regime
• Very few BV Reviews, external inspections or improvement plans
• National Fire Dispute dominated
• “Modernisation” means changes to terms and conditions not organisational performance, service delivery or improvements

2002 – 2005 Fire Service Assessment
• Service appraisal meant appraising back office functions not operational services or emergency preparedness (judged too sensitive)
• The methodology used a self-assessment, a peer challenge element, (with peers on the assessment teams), and AC key lines of enquiry (KLOE) supported by detailed diagnostic guidance –see next slide!
Phase 2 - Fire and Rescue Performance Assessment Framework for 2005

The 2005 approach was structured around a set of key lines of enquiry (KLOE) with three overall questions and nine themes (data rich?).

A What is the fire and rescue authority trying to achieve?
• Leadership and priorities
• A balanced strategy

B How has the fire and rescue authority set about delivering its priorities?
• Capacity: governance and management
• Capacity: resources and value for money
• Capacity: people
• Performance management

C What has the fire and rescue authority achieved to date and, in light of that, what does it plan to do in the future?
• Achievement of objectives
• Achievement of improvement
• Future plans
Phase 2 - Collection of data and evidence

The Fire and Rescue CPA review teams used **five diagnostic tools** to help assess the evidence put forward by each fire and rescue authority.

- community fire safety;
- equality and diversity;
- integrated personal development system;
- Integrated risk management planning; and
- partnership working.

Source: The KLOE and diagnostics were available on [www.audit-commission.gov.uk/fire](http://www.audit-commission.gov.uk/fire)
Phase 3 - Fire and Rescue Performance Assessment Framework for 2006/07

Source: Audit Commission
Phase 3 - Fire and Rescue Performance Assessment Framework for 2008

2005
Corporate assessment

Fire CPA score
Excellent
Good
Fair
Weak
Poor

2008
Revised corporate assessment

Direction of travel
Evidence of improving outcomes
Progress on implementing improvement plans

Use of resources
Financial reporting
Value for money
Financial standing
Internal control
Financial management

Service assessment
Operational assessment of service delivery
Performance indicators

Fire and rescue performance assessment framework scorecard 2008

Source: Audit Commission
Phase 4 - Organisational Assessment of Fire and Rescue Services under CAA

Assessments (Scored between 1 and 4 in each category)

Managing Performance
Use of Resources (which consisted of)

- Managing Finances
- Governing the Business
- Managing Resources

Scores
1 Not meeting minimum standards – performs poorly
2 Meets only minimum standards – performs adequately
3 Exceeds minimum standards – performs well
4 Significantly exceeds minimum standards – performs excellently
Data development and Data use in “maturing” Performance Management Regimes

The normal development within any organisation, sector or area of interest – at first we realise “what gets measured gets done”

1) **Stage 1 : Data Poor** - ad hoc or no data, poor quality assurance/compatibility

2) **Stage 2 : Becoming “Data Rich”**
   - Counting quality as well as quantity
   - Differentiating inputs, outputs and outcomes
   - Objective and subjective indicators
   - Absolute and relative indicators

3) **Stage 3 : Intelligent data**, strategic analysis and the use of data
   - “Count what counts not what can be counted”
   - Real Time and Remote Access to data
   - Standards based, absolute and objective

4) **Stage 4 : Self Regulation**, Self Assessment based on Quality Assured Data –

   “It is time to step up and take the responsibility for your sector” Bob Neil (p. 12)
The Development of the Performance Management Regimes

• “Data Poor” → “Data Rich” → “Intelligent Data” → “Self Regulation”

• Delivering individual projects and programmes → delivering wider improvements → developing sustainably improving public sector organisations → sustainably improving networks

• Treating symptoms → treating causes → avoiding causes and developing future proofing.

• Top down centrally driven → regionally or locally driven → self driven and regulated

Public Service Improvement gradually adopted an Organisational Developmental approach
New Era of Austerity

Coalition government

Significant reductions in public finance
Abolishes CAA
Calls time on Audit Commission
What next?
• I am asking my department to seek out the sectors best ideas, your new thinking and your experience - to join me in a strategic review of the sector, government's role in it and the future of the service, including whether or not we need a National Framework.

• To what extent does central government have to be involved directly in the running of the fire and rescue service?

• I want to be clear about what needs to be done at the national level – where does the national interest lie?

• Assurance over response to national emergencies and resilience seems sensible but is that where the national interest in the fire and rescue service stops?

• I need your help to answer and ask these questions.

Source: Speech to FRS Harrogate Conference June 2010
Coalition Government
Overall Intentions and Parameters

What will go?
What will stay?
What is up for debate?

To what extent does central government have to be involved directly in the running of fire and rescue services?
Coalition Governments Intentions
The things to go?

• Doing more for less and in some cases stopping activity that no longer needs to be done

• No moving back to prescriptive national standards – too much central government prescription

• “Should we be looking to regulate further” – “no”

• The Audit Commission!
The things to stay

- **Retained firefighters** system (excellent example of localism) – how many is at local discretion

- **Prevention initiatives** – community safety and cohesion initiatives

- **Integrated Risk Management Plan** process (“already established and provides a sound basis to allow for the provision of local services driven by the local agenda and based on local risks and need of the local community” pg 5)

- **Greater financial autonomy** for Local Authorities and Communities

- Assurance over national emergencies and resilience
Areas questioned by the minister
some apparently more rhetorical than others

- The central definition of frontline services by government - but benchmarking needs comparative data.
- Working through Regional Management Boards
- National Diversity Targets for Workforce – local discretion?
- (Undefined) roles for Social Enterprises, the Voluntary Sector and local Business – local discretion
- How to recruit and develop staff – inputs from local discretion
- Does centrally handled have to mean centrally driven – yes but not necessarily by Central Government?
- Do we need a National Framework? – we need a means of co-ordinating that doesn’t add cost
Research Findings and Lessons from Past Experience

- The performance management regime in Fire and Rescue Services was introduced and developed later than other parts of the public sector.

- That between 2005 and 2009 Fire and Rescue services improved their performance as a result of the regime, but that there remains potential to improve these services and make further productivity and efficiency gains.

![Use of Resources 2008/09](chart.png)
Research Findings and Lessons from Past Experience

- That the principles and key components of a national performance framework were widely supported but their details and application, in practice, generated opposition.

- We contend that a new performance management regime can be delivered, with the burden on F&R Services themselves reduced, whilst the “quality assurance” offered to the government and the public is improved.

- This new regime should incorporate proven effective elements from past regimes (both F&R services and other services) rather than creating wholesale new mechanisms.
Key Components of the new regime

• An online system for Self Assessment and submission of evidence – including key documents such as Integrated Risk Management Plan (similar to but simpler than the World Class Commissioning appraisals system)

• Bi-annual Peer Review and Challenge rather than external Inspections – similar to both WCC panels and IDeA Peer Challenges

• A revised but simplified Annual Auditing and Use of Resources appraisal (based on CAA use or resources model) but carried out by external auditors appointed by AC/NAO

• Delivery of assessments, challenges and support for improvement and organisational development through the Local Government Improvement and Development Agency and the Fire Service College
Who should, in the future, take responsibility

The F&R Sector (collectively) and Local Government
• Peer review and external challenge for continuous service improvement
• Self assessment and benchmarking
• Establishing standards and indicators
• Public reporting and public assurance
• Dissemination of good practise and challenging underperformance
• An implementation date of 1\textsuperscript{st} April 2011

The AC and then the NAO
• Annual Audit and Use of Resources Assessments

Central Government should assure itself of
• National and local resilience and emergency planning
Questions?