



cutting through complexity™

Item 6 Appendix 1

Review of Combination 'Go Live' arrangements

Dorset Fire and Rescue Service
Wiltshire Fire and Rescue Service

December 2015

Section one

Executive Summary

<p>Background to the Review</p>	<p>The current Wiltshire and Swindon Fire Authority and the Dorset Fire Authority are to become one new combined fire authority from 1 April 2016.</p> <p>We have a responsibility under the Code of Audit Practice to issue a conclusion on each fire authority's arrangements to achieve value for money. Given the significance of the combination and the level of resource required from each organisation to prepare for it, the authorities' arrangements to manage the transition to combination impacts on our VFM conclusions. We therefore agreed with both authorities to undertake audit work to assess the adequacy of arrangements to maintain performance of services during the transition to the new Authority and the arrangements to manage the combination process. The first phase of this work was undertaken in August 2015 and informed our 2014/15 VFM conclusions. From this work we concluded that governance and project management arrangements for the planned combination were strong.</p> <p>This report covers the second stage of this review, where we have considered the continuing combination arrangements, including how the fire authorities are preparing for the formation of the new combined Dorset and Wiltshire Fire Authority in April 2016, the so called 'Go Live' date. We have looked in particular at the areas of Strategy and Leadership, and People. We have done this through interviews with key Members, a focus group with a mixed group of staff, interviews with some union representatives and through the review of relevant documentation. We have also reviewed and taken account of work performed by the authorities' internal auditors in relation to Finance, ICT, Programme Management and Policies and Procedures. Our work in this area will contribute to our 2015/16 VFM conclusion for each authority.</p>										
<p>Overall Conclusion</p>	<p>Members, senior officers and staff are well informed, through a variety of means, about the Combination process and clearly understand the rationale for moving to one new organisation. Members feel that current governance arrangements are working well but are looking beyond vesting day and recognise the need to review them once the new organisation has been established to ensure they remain fit for purpose. Transition arrangements are becoming clearer to staff with the publication of the Consultation Document in early November. However, staff perceive that timescales may be too tight to make any real changes to plans that arise from consultation responses. There is also concern from staff that not enough has yet been done to start to develop a shared culture for the new organisation. This is recognised by the Combination Team and a programme to facilitate cultural change is being developed.</p> <p>We have raised one recommendation, but this is not considered to be significant overall. Consequently, we have not identified anything from this review that would prevent us from issuing an unqualified VFM conclusion. We will continue to monitor the process as it and our audit work progresses to inform the VFM conclusion next year</p>										
<p>Summary of Recommendations</p>	<p>We have raised one recommendation as a result of our review (high priority represents the most urgent and high risk category):</p> <table border="1" data-bbox="578 1725 1042 1964"> <thead> <tr> <th>Priority Rating</th> <th>Number of Recommendations</th> </tr> </thead> <tbody> <tr> <td>High Priority</td> <td>-</td> </tr> <tr> <td>Medium Priority</td> <td>1</td> </tr> <tr> <td>Low Priority</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1</td> </tr> </tbody> </table>	Priority Rating	Number of Recommendations	High Priority	-	Medium Priority	1	Low Priority	-	Total	1
Priority Rating	Number of Recommendations										
High Priority	-										
Medium Priority	1										
Low Priority	-										
Total	1										

Section two

Detailed findings

Strategy and Leadership

Areas of Good Practice

- ✓ All key Members feel appropriately and sufficiently informed and involved in the Combination process.
- ✓ Senior Members are informed through their membership of the Shadow Policy and Resources Committee, and each member interviewed sits on at least one workstream.
- ✓ Updates and reports to Members are clear, timely and of good quality. Briefings are also received monthly from the Chief Fire Officer Designate.
- ✓ A Communications Plan is in place and is regularly reviewed, that identifies and schedules a variety of both internal and external communication activity such as staff briefings, staff and member newsletters, staff side meetings, press releases and meetings with external partners.
- ✓ A small group of staff has been established to act as a sounding board for the Leadership. The Change Agents Forum meets regularly to discuss Combination issues with the CFO and senior managers, such as the Hub, and corporate branding.
- ✓ Staff and staff side representatives are positive about the level of communication they have received about the Combination.
- ✓ Members are clear about the current shadow governance arrangements and supportive of them.
- ✓ Members report that their member colleagues are keen to make the arrangements a success and are working well together even after only a small number of meetings.
- ✓ Members also recognise the need to look beyond vesting day to ensure that the arrangements are sustainable and efficient in the new organisation. As a result, a review of governance arrangements within 1-2 years of vesting day has been requested and is being scheduled.
- ✓ A timetable is in place to approve the Strategic Risk Register (SRR) by March 2016.
- ✓ The development of the SRR for the new authority has been informed by a review of the current risk registers at Wiltshire & Swindon and Dorset fire authorities that has identified common risks and ones unique to each organisation. Learning from other recently combined fire authorities i.e. Scotland, has also been used to inform the development of the Strategic Risk Register.
- ✓ The Internal auditor has reviewed the work undertaken to develop and draft the Strategic Risk Register, reporting no adverse findings.
- ✓ A risk gap analysis is programmed for completion by 31 December 2015.

Areas for development

- Not enough has yet been done to develop the culture of the new organisation.
 - Staff feel that although the organisation will be one in name it will still be operating as two organisations at least in the short term. A workstream has been developing the values for the new organisation, which has recently been concluded. This will now enable new heads of department to facilitate team building at a local team level from February/March 2016. A longer term cultural programme and audit is being developed in 2016-17.
 - Members recognise that senior management capacity is very stretched. They are assured that continuity of delivery has so far been maintained during the Combination process and performance reports generally support this. However, as combination day approaches the two organisations should be realistic about prioritising which activities at their individual authorities can be continued and which should start to be delivered jointly. This should also help build the shared culture of the new organisation (both at member and staff level), rather than waiting until 1 April 2016.

Section two

Detailed findings

People

Areas of Good Practice

- ✓ Members and senior managers feel they have been sufficiently involved in the Combination planning and implementation.
- ✓ All staff interviewed clearly understood the reasons for the move to a Combination. They understood that the benefits of Combination were not just about financial viability but also service resilience, and a desire to combine now rather than potentially have it imposed later by the Government.
- ✓ Staff are positive about managers taking the time to speak to people who request more information or explanation about the planned changes.
- ✓ Staff side representatives have felt fully involved and informed about the combination process and have been able to influence changes in plans/processes.
- ✓ Staff are positive about the opportunities that could arise for improving services and approaches of the Combination e.g. development and use of HR Business Partners
- ✓ The Staff focus group was held a few days after the consultation document setting out the transition process had been released, so staff were just starting to understand what the transition plans may mean for them.
- ✓ The People workstream has in the past, flagged a lack of HR capacity as a risk, resulting in the provision of additional HR administrative support.
- ✓ The Combination team has utilised external specialist HR expertise where it has lacked in house skills or capacity e.g. for development of job evaluation, the pay model, legal issues and staff transition implementation.
- ✓ The proposed structure for the new organisation includes eight HR related posts that will continue after Combination for up to 18 months to support the increased activity due to the change process.
- ✓ The Consultation Document clearly sets out the arrangements for transition and takes into account the necessary notice periods required to satisfy TUPE regulations, and reasonableness criteria for staff that may have to change work location.

Areas for development

- The Combination Programme has recognised the need to develop a programme of leadership development and succession planning for the senior managers of the new organisation. This will need to be in place and operating before Go-Live to ensure that senior managers can contribute effectively to building and shaping the new organisation.
- Though supportive of the move to a combined authority, staff in the focus group did raise a number of concerns related to involvement in the development of plans, understanding of what the changes may mean, and in their confidence that transition would be smooth. In particular:
 - Although senior managers and members are positive about their level of involvement, staff at the focus group felt they had less opportunity to be involved in Combination planning, and viewed the process as very 'top down' driven.
 - While staff understood the importance of keeping the Combination process moving at a pace, they felt opportunities had been missed to involve staff at lower levels in helping to design the new authority and its services.
 - The group lacked confidence in a smooth transition to the new authority. They had a perception that planned timescales had slipped and were concerned that this may force rushed implementation, as well as limit the opportunity to change plans in response to the staff consultation exercise.

Recommendation 1


Section three

Recommendations

This section summarises the recommendations that we have identified from our work. We have given each of our recommendations a priority rating (as explained below) and agreed with management what action will be taken.

Priority rating for recommendations raised

<p>High Priority: A significant weakness in the system or process which is putting you at serious risk of not achieving your strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that any of your strategic risks will occur. Any recommendations in this category would require immediate attention.</p>	<p>Medium Priority: A potentially significant or medium level weakness in the system or process which could put you at risk of not achieving your strategic aims and objectives. In particular, having the potential for adverse impact on your reputation or for raising the likelihood of your strategic risks occurring.</p>	<p>Low Priority: Recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving your strategic aims and objectives. These are generally issues of good practice that the auditors consider would achieve better outcomes.</p>
--	--	---

#	Priority	Recommendation	Management response/Officer /Deadline
1	 Medium Priority	<p>Staff reassurance</p> <p><i>Issue</i></p> <p>Some staff are lacking confidence in a smooth transition to the new authority. They have concerns that the tight timescale leading up to vesting day will restrict the ability of the Leadership to make any changes in response to staff consultation.</p> <p><i>Risk</i></p> <p>A lack of staff confidence could affect morale and hinder a smooth transition to the new Authority.</p> <p><i>Recommendation</i></p> <p>The Combination team should provide clear communications to staff about the remaining timescale to Combination and how it plans to ensure consultation responses are taken into consideration in the remaining months.</p>	<p>Management Response:</p> <p>Officer:</p> <p>Deadline:</p>



cutting through complexity™

This report is addressed to the authorities and has been prepared for the sole use of the authorities. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Darren Gilbert, the engagement lead to the PCC/CC, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Trevor Rees (on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.