



# Response to consultation on the future of the Fire and Rescue Service in Scotland

By the Accounts Commission  
Prepared by Audit Scotland

May 2011

## About us

Audit Scotland is a statutory body that carries out audits and investigations for the Accounts Commission and the Auditor General for Scotland.

The **Accounts Commission** is the public's independent watchdog which secures the audit of councils and joint boards and committees (including police and fire and rescue boards) and investigates whether these bodies are achieving the best possible value for money from their resources and adhering to the highest standards of governance and financial stewardship.

The Commission was established in 1975, operates independently of local authorities and of the Scottish Government, and meets and reports in public. It has a maximum of 12 members who are appointed by Scottish ministers following a public appointments process.

**Audit Scotland** helps the Accounts Commission and the Auditor General for Scotland to ensure public money in Scotland is used properly, efficiently and effectively. We do this by carrying out financial, Best Value and performance audits of various aspects of how public bodies work. We audit public bodies, with a total spend of more than £36 billion a year, and audit the majority of devolved public services in Scotland.

## About this response

We welcome the invitation to contribute to the consultation on the future of fire and rescue in Scotland.

Through our work on behalf of the Accounts Commission and Auditor General for Scotland, Audit Scotland has an informed overview of the public sector in Scotland through. We have used this experience of the public sector and audit evidence gathered from our work to prepare this submission.

On behalf of the Accounts Commission, Audit Scotland is currently undertaking Best Value audits of all eight Fire and Rescue Services and authorities. This will be followed by the publication of a national overview report on Best Value in Fire and Rescue in early 2012. We anticipate that these pieces of work will highlight areas of strong performance, governance, and leadership which should be retained and built upon in any future fire and rescue arrangements in Scotland. The work is also likely to identify areas where further improvements are required.

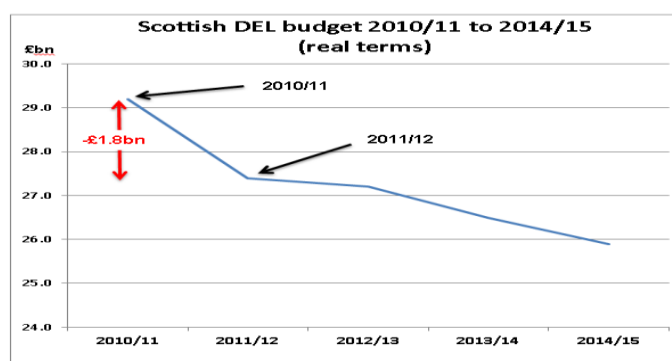
# Introduction

1. Until relatively recently the legislative framework within which Fire and Rescue Services in Scotland operated had remained largely unchanged since the Fire Services Act 1947. The 2002 Independent Review of the Fire Service<sup>1</sup> was critical of the lack of strategic direction offered to the fire service by successive governments, which prompted the Scottish Executive's 2002 policy paper *The Scottish Fire Service of the Future*. This document set out an expectation of 'clear performance improvements [within fire and rescue] aligned to achieving safer communities and efficiencies linked to the Best Value agenda'.
2. The subsequent Fire (Scotland) Act 2005 created a national framework within which locally delivered services, responsive to local communities, could be delivered. Issues of community safety and national resilience were important considerations at that time, and remain so today. The Act sought to establish clear and consistent objectives for the service throughout Scotland, but informed by local decisions about funding and priorities, based on consultation with those most affected. Maintaining that national/local balance at a time of potential structural reform will be important moving forward.
3. The debate about structural reform and performance priorities for fire and rescue comes at a time when the outlook for public sector finances is challenging<sup>2</sup>. Delivering outcomes with less money while facing a number of cost pressures will not be easy. Public services, including fire and rescue, are experiencing significant cost pressures, which we have highlighted in a range of our reports in recent years.
4. The Scottish delegated budget is projected to decline significantly in real terms in future years ([Exhibit 1](#)). Increasing inflation may also impact on the spending power of the available budgets.

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## Exhibit 1

### Scottish delegated budget 2010/11 – 2014/15



Source: Audit Scotland

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<sup>1</sup> The future of the Fire Service: reducing risks, saving lives: the independent review of the fire service, December 2002

<sup>2</sup> Scotland's public finances: preparing for the future – November 2009

5. Scotland's fire and rescue service plays many roles and delivers a diverse range of services beyond the traditional fire-fighting role of attendance at fire incidents. Its focus on fire prevention and community safety, including partnership work across the public and private sector, is now central to its purpose. Fire and rescue's key role in major incidences and national resilience is now also firmly established. All of this work is underpinned by a focus on risk and the effective targeting of limited public resources.
6. Given this expanding and changing role it is therefore vital that the reform process builds on a clear, shared understanding of what the Scottish fire and rescue service is for, what it does, and what outcomes it is expected to deliver. Clarity of purpose, supported by strong governance and accountability arrangements, will continue to be central to the successful delivery of fire and rescue in the future, whichever structural option is adopted. The service reform agenda must be evidence-based, with clarity about the improvements that any change is intended to deliver.

## Best Value in Fire and Rescue

7. *The Local Government in Scotland Act 2003* introduced new statutory duties relating to Best Value and Community Planning. Its provisions apply to local authorities, including fire and rescue authorities<sup>3</sup>, and require specifically that:
  - councils and fire and rescue authorities secure Best Value (defined as achieving continuous improvement in the performance of functions)
  - fire and rescue authorities and chief fire officers participate in the community planning process.
8. The 2003 Act is supported by more detailed statutory guidance on Best Value and Community Planning, and a series of advisory notes on specific topics such as elected member leadership. This guidance is designed to be descriptive rather than prescriptive, defining the goals that organisations should aim for but allowing them local discretion on the methods and routes they use.
9. The scope of Best Value and Community Planning is broad and the guidance and statute indicate that a successful fire and rescue service will:
  - work with its partners to develop a clear set of priorities that respond to the needs of the community in both the short and longer term
  - be organised to deliver these priorities
  - meet, and clearly demonstrate that it is meeting, the community's needs
  - operate in a way that drives continuous improvement in all its activities.

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<sup>3</sup> In this document, the term 'Fire and Rescue Authority' should be taken to include 'joint fire and rescue boards' as defined in section 2 of the Fire (Scotland) Act 2005

10. Our work across the public sector in Scotland indicates that effective organisations demonstrate a common set of characteristics. These are most evident in our annual audit reports, national performance studies and Best Value audit reports<sup>4</sup>. The characteristics below also draw from our Best Value toolkits<sup>5</sup>. These were developed to support the audit process, but also offer organisations a point of reference in terms of good management practice.
11. In order to deliver effective services, any organisational arrangements will need to be developed in a way which:
- ensures that there are clearly-articulated organisational objectives, roles and responsibilities, which are understood by service users and other stakeholders
  - takes a long-term view and maintain a focus on customer/ service user needs and the delivery of outcomes
  - allows for flexibility and the ability to balance national and local priorities
  - embeds good management practice in important areas, including: service planning, performance management, resource management and governance and accountability
  - demonstrates good value for public money.
12. Fire and rescue is an important local government service. Effective working between fire and rescue authorities and services is therefore central to delivering an efficient and effective fire and rescue service for local communities.

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<sup>4</sup> Available on the Audit Scotland website <http://www.audit-scotland.gov.uk/work/>

<sup>5</sup> Available on the Audit Scotland website <http://www.audit-scotland.gov.uk/work/toolkits/>

# Key issues

## Improving services and the delivery of outcomes

**A focus on achieving the best outcomes for communities and making the most efficient use of resources is essential for effective fire and rescue services. In order to achieve that greater clarity is needed on what constitutes successful outcomes from fire and rescue services in Scotland at both national and local level.**

13. The Scottish Government's National Performance Framework (NPF) sets out its purpose, strategic objectives, and the national outcomes, indicators and targets which underpin this. Scottish fire and rescue has an important role to play in contributing to the following objectives 'we live our lives safe from crime, disorder and danger' (National Outcome 9), 'we have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others' (National Outcome 11), and 'our public services are high quality, continually improving, efficient and responsive to local people's needs' (National Outcome 15). The future model of fire and rescue services must therefore be designed in support of delivery of these objectives.
14. Our work across the public sector in Scotland indicates that there needs to be a greater emphasis on outcomes and the effect that targeted preventative interventions can have in influencing future demand and outcomes. We have found that spending decisions are not always based on evidence of 'what works' or on a full assessment of need. There is a lack of understanding about productivity in the public sector, making decision making and performance assessment difficult.
15. Any new fire and rescue service delivery arrangements must maintain a clear strategic focus on the medium and long term as the actions that we take now will affect the legacy that we leave for future generations. It is therefore important that the fire and rescue service, whatever its shape in future, has clear strategic objectives to ensure that it and the public know 'what success looks like' and whether it has been achieved.
16. The Fire and Rescue Framework for Scotland (2005) sets out priorities for the service, duties on Fire and Rescue Authorities (including building resilience), and broad performance expectations including the inclusion of targets for reducing deaths and injuries from fire within Integrated Risk Management Plans (IRMPs). However, at present there is no agreed national framework for measuring service performance and assessing outcomes from fire and rescue services in Scotland.
17. The lack of clarity about broader measures of success and lack of an agreed national framework for measuring service performance and assessing outcomes means that it is difficult to assess how effectively fire and rescue services in Scotland are contributing to key national outcomes and how effectively the resources currently deployed in this service are currently being used.

18. Developing an agreed national framework for measuring service performance and assessing outcomes from fire and rescue will not be straightforward given the complex range of services provided by fire and rescue services in Scotland. These cover preventative services, responsive services, resilience and major incidents, with a balance of local and national considerations. However, such a framework would provide the basis for clearer and more consistent assessments to be made of the how well fire and rescue services in Scotland are contributing to local and national outcomes and how effectively the resources deployed in this service are currently being used.
19. Given the steady increase in expenditure on Fire and Rescue services over recent years (a 33 per cent increase over the six years to 2008-09<sup>6</sup>) and the future challenge of delivering improved outcomes against a backdrop of real-term funding reductions the need for such a performance assessment framework becomes all the more pressing.

## **The importance of effective governance and accountability**

**Fire and rescue services need clear and effective arrangements for governance and accountability to support robust scrutiny and provide public assurance. Governance arrangements must be able to balance local and national accountability with clarity about how different elements of any governance arrangements relate to each other.**

20. Clear accountability and strong scrutiny arrangements are critical to holding the public sector to account and encouraging continuous improvement. The boards of public bodies are central to the system of public accountability and to ensure that public bodies deliver the desired outcomes.
21. Where arrangements are complex there is a risk that the lines of accountability are not clear either to those with specific responsibilities or to the general public. For example, our work in fire and rescue has found variations in the levels of awareness that elected members had on their responsibilities as a member of a joint board and that the links between joint boards and the constituent councils can be ambiguous.
22. Governance arrangements must be able to balance local and national accountability with clarity about how different elements of any governance arrangements relate to each other. This will require clearly defined structures and responsibilities, good working relationships and effective supporting arrangements. Our work in councils<sup>7</sup> has highlighted examples of where effective working relationships have had a positive impact in terms of setting priorities and delivering services.
23. The fire and rescue consultation document suggests that future accountability should be broadened and strengthened through improved systematic engagement with local councillors, constructive engagement with community councils, and dialogue with Community Planning Partnerships. It also

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<sup>6</sup> A Consultation on the Future of the Fire and Rescue Service in Scotland, The Scottish Government, February 2011

<sup>7</sup> How councils work: Working Relationships – are you getting it right – August 2010.

suggests that Community Planning Partnerships might take on a consultative 'blue light' committee role covering fire, police and ambulances, with responsibility for scrutinising fire and rescue plans and performance in their area. Any future governance arrangements will need to be clear about the distinction between consultative activity and activity which is based on holding to account.

24. The document also suggests that a national accountability mechanism for Ministers and Parliament to hold leaders of the Scottish Fire and Rescue Service to account directly for performance of the whole system might be through the creation of a Parliamentary 'blue light' committee scrutinising fire, police and ambulance services.
25. Any future arrangements will need to clear linkages and direct lines of accountability between those charged with funding and setting the strategic direction for services and those responsible for service delivery.
26. A strong scrutiny function is an essential part of good governance. Fire and rescue board members need to be supported in their role and have the capacity and confidence to challenge senior officers on performance and the use of resources.
27. Our work across the public sector has identified that organisations need to ensure that board members and officers have a clear understanding of their respective roles and responsibilities and have access to, and take up, training opportunities to ensure they have the skills and knowledge required for their role.
28. Clear reporting of performance in public is integral to good governance and accountability. Public bodies are making progress in meeting their public performance reporting (PPR) obligations, but the approach to, and coverage of, PPR remains variable and there is scope for further improvement<sup>8</sup>.
29. Arrangements which help public bodies manage risk are essential for strategic and operational planning and to ensure effective service delivery. Our work across the public sector tells us that there is a wide variation in the way in which risks are managed in organisations. We have found effective arrangements in some public sector organisations, but also examples where there was an absence of basic tools to manage risk, up-to-date risk registers being an example. Risk management, including through the IRMP process, is central to effective delivery of fire and rescue services and it will be important that existing good practice in this area is retained moving forward.
30. Linked to the need for strong governance and accountability is the need for independent scrutiny. This is ever more important as budget constraints may result both in more areas of risk and more significant risks for public bodies. The role of independent external audit, in holding public bodies to account and reporting publicly on findings, is even more essential in this context. External scrutiny in

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<sup>8</sup> Local Government Act 1992: the Publication of Information (Standards of Performance) Direction - 2008



important in relation to maintaining high quality professional standards for the protection of citizens and service users. This is not a substitute, however, for strong internal governance and management arrangements in public bodies. Each of these aspects of governance has their place and a coordinated and proportionate approach needs to be applied.

## **Performance management, impact and value-for-money**

### **Fire and rescue services must have good quality information on performance and its resources to assess the impact of the use of public money and support effective decision making**

31. It is important that public bodies have high quality and connected performance information on service performance and quality, resources, costs and risk to allow them to make informed decisions and scrutinise performance. We have found that not all public bodies are doing this systematically and routinely and are not reporting performance information in this way to their boards or committees.
32. Performance management arrangements need to reflect the strategic priorities of the organisation at the top level, for example by focusing on outcomes as well as providing information to manage services at the operational level. The development of a national performance framework for fire and rescue referred to earlier would help support accountability and public scrutiny by providing information, which allows for comparisons to be made over time and between fire and rescue services in different parts of the country. Improvements are also needed in the quality of performance management arrangements at local level. Our 2007 report found that FRAs gathered a wide range of information on activities, inputs and outputs but this was not used in a structured way to manage performance.
33. Performance management arrangements need to cover both service performance - for example in terms of service quality and response times - and also the cost of service delivery. Both parts of this equation - quality and cost - are needed before an organisation can demonstrate that it is delivering value for money. This information is also vital in order to make informed decisions, control costs, improve efficiency and monitor performance.

## A partnership approach to delivering services

**Partnership working is vital to deliver responsive high quality fire and rescue services.**

34. There are a number of key partnerships on fire and rescue matters, including the partnership between fire and rescue services and other stakeholders, for example through Community Safety Partnerships. Mutual support across borders for fire-related emergencies through the shared availability of fire crews and appliances is another important aspect of FRS partnership working, as is the establishment of clear protocols for major fire-related incidents, terrorist attacks or large environmental disasters.
35. Where there is a strong evidence based case to do so, we believe that the public sector should consider extending collaboration and joint working to deliver more efficient and effective services in the future. There are clear opportunities within fire and rescue services for greater standardisation of processes to improve efficiency. New approaches to delivering services need to be designed with the user in mind and should focus on delivering the highest quality of services within the available budgets.
36. In developing joint working arrangements, our work across the public sector has highlighted the importance of clearly identifying the benefits that partner organisations want to achieve by working together, and how these will be realised. Our 2007 report on FRAs found there was little systematic evaluation of community safety activities and local community safety partnerships, often within the same FRA, used different methods of evaluation.

## Managing change and improvement

**It is important that any new fire and rescue arrangements are implemented in a way that manages the risks associated with major change. Improvement activity should be managed in an integrated way.**

37. If there is to be major re-organisation of the fire and rescue service in Scotland, it is important that it is evidence-based, with clarity about the improvements that change is intended to deliver and how it will be measured. It is vital that during the process of change continuity of service is maintained and service performance is not compromised. A clear risk management strategy would be required, as well as an in-depth understanding of the costs and benefits of transition.
38. Improvement activity has been a feature of public bodies for a number of years. Public sector organisations and/or accountable officers have a duty to secure continuous improvement. In challenging economic times, the need to manage improvement is even more important as organisations strive to deliver services more efficiently. Managing the strategic change of organisations where this involves the dissolution and combination of whole organisations is even more challenging.

39. It is also important that good cost and performance information about current service delivery is available to support the introduction of any new arrangements. Having in place a clear performance management framework from the outset will also help set expectations and assess whether change has been successful.
40. Our work also tells us that there is lots of improvement activity taking place across the public sector and that many organisations have ambitious and wide-ranging change agendas and display many of the elements of a continuous improvement culture. However, the improvement activity is often not prioritised or managed within an overarching corporate improvement plan, reducing the potential impact of the work. In fire and rescue, IRMP has played a useful role in providing a framework for organising improvement activity.

## **Conclusion**

41. Fire and rescue services play an important contribution in making communities safe from fire as well as dealing with the consequences of fire and other emergencies. It is important that any reform, focused on improving outcomes and securing Best Value, builds on existing good practice and provides sufficient capacity for ongoing developments and improvement across the service.
42. Whatever the future shape of fire and rescue services in Scotland, it will be important that it is supported by a strong and independent external scrutiny regime, providing the public with assurance that services are performing well and that resources are being managed effectively.

# Contact details

43. If you would like to contact us in relation to this response please contact:

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