

Gateway Review

PROGRAMME: Scottish Government Fire and Rescue Reform Programme

**Gateway Review 0
(Strategic Assessment)**

Report Status:	Final
Date/s of Review:	29/01/13 to 31/01/13
Draft Report Issued to SRO:	31/01/13
Final Report Issued to SRO & Copied to PPM-CoE:	04/02/13
Delivery Confidence Assessment:	Green
Senior Responsible Owner:	Christie Smith
Scottish Government's Accountable Officer:	Leslie Evans
Organisation's Accountable Officer:	

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1 **Background**

1.1 **Aims of the Programme**

- 1.1.1 At the Ministerial Advisory Group (MAG) meeting on 1 March 2010, the Chief Fire Officers Association (Scotland) (CFOA(S)) and Fire Conveners shared their view that efficiency savings would not be sufficient to address the anticipated financial pressures from future public spending challenges. They judged that all service delivery options should be considered, including structural change, shared services and multi-agency delivery.
- 1.1.2 Their subsequent Strategy, which was developed and agreed by all Fire and Rescue Services, noted that spending cuts of the scale required by financial circumstances and future Government spending plans could not be achieved without fundamental changes to the structure of the Service; it stated that 'no change' would not be a tenable option by 2014-15.
- 1.1.3 MAG Members further agreed in September 2010 that the current structure of eight Fire and Rescue Services (FRSs) was no longer tenable in the medium to long term given the scale of spending cuts likely to be required. They agreed that a MAG Spending Review Subgroup, chaired by Scottish Government (SG), should be convened jointly by SG and COSLA to consider the available evidence and future options. This was charged with identifying options for releasing the necessary cost savings in the short (2011-12 and 2012-13) and longer terms (2013-14 onwards); protecting frontline fire service outcomes; and taking into account wider public sector reform.
- 1.1.4 Part 2 of the Police and Fire Reform (Scotland) Act 2012 (the Act) amends the Fire (Scotland) Act 2005 to establish the Scottish Fire and Rescue Service (SFRS) and transfers to it fire-fighting, fire safety and other functions under that Act. Specifically, it makes provision for the establishment and way of working of the SFRS, responsible for the delivery of fire and rescue functions, and for employing the Chief Officer, fire-fighters and other staff. The Act also gives the Scottish Ministers power to direct the SFRS.

1.2 **Driving Force for the Programme**

- 1.2.1 On 7 September 2011, Scotland's First Minister, Alex Salmond, announced that the Scottish Government (SG) would be introducing legislation to create a single Scottish Fire and Rescue Service. The legislation, which is part of the Act, was passed by the Parliament in June 2012. The new SFRS will take on its full range of functions on 1 April 2013.

1.3 **Procurement/Delivery Status**

- 1.3.1 The appointments of the Chair, Scottish Fire and Rescue Service Board (SFRSB), the Chief Officer, SFRS and other key officers have been accomplished.

1.3.2 A number of projects being delivered by the Programme are complete or will be completed before 1st April 2013. These will be handed over to the recipient organisations, mainly the Scottish Government's Fire and Rescue Service Division (FRSD) and the SFRS as part of the near complete Transition Plan.

1.4 **Current Position Regarding Gateway Reviews**

1.4.1 This is the second Gateway Review 0 on this Programme. The Programme was the subject of a Starting Gate in March 2011 and the first Gateway Review 0 in May 2012.

2 **Purpose and Conduct of the Review**

2.1 **Purpose of the Review**

2.1.1 Gateway Review 0: Strategic assessment. This is a programme-only Review that sets the Programme in the wider policy or corporate context. This Review investigates the direction and planned outcomes of the Programme throughout the life of the programme from start-up to closure; an early Gateway Review 0 is particularly valuable in that it helps to confirm that the way forward is achievable, before plans have been finalised.

2.1.2 A full definition of the purpose of a Gateway Review 0 is attached for information at **Appendix A**.

2.1.3 This report is an evidence-based snapshot of the Programme's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over a three to four day period, and is delivered to the SRO immediately at the conclusion of the review.

2.2 **Conduct of the Review**

2.2.1 The Gateway Review 0 was carried out on 29/01/13 to 31/01/13 at St. Andrew's House, Regent Road, Edinburgh. EH1 3DG

2.2.2 The Review Team members and the people interviewed are listed in **Appendix C**.

2.2.3 The Review Team would like to thank the SRO, the Scottish Government's Fire & Rescue Reform Programme Team for the excellent support provided to the Review Team during the review and all interviewees for their openness and engagement, which contributed to the Review Team's understanding of the project and the outcome of this review.

3 Gateway Review Conclusion

3.1 **Delivery Confidence Assessment.** The Review Team finds that the overall delivery confidence assessment is **Green**.

3.1.1 This high profile programme is operating within a stakeholder environment that is challenging, covering central government, the current 8 Fire & Rescue Services, local government and multiple external stakeholder groups. The Programme also has strong links to the Police Reform Programme that comes within the remit of the same core management team and shares Programme Office (PO) capability. The SRO and Fire and Rescue Reform Programme Team are seen as capable and experienced and have adopted best practice methodology to govern and administer the Programme.

3.1.2 The Programme has delivered a number of government led enabling projects to ready the new SFRS for operational service on 1st April 2013. A Transition Plan is in place that details the residual work to be handed over to either the FRSD or the SFRS or its Board (SFRSB), as appropriate. A Handover Plan is being developed, which will be agreed by all those involved prior to the end of March 2013.

3.1.3 The key outstanding piece of work is the development of Benefits Profiles and a consolidated Benefits Realisation Plan. This is being undertaken by the SFRS.

3.1.4 The delivery confidence stated above is predicated on addressing each of the four recommendations made in the report.

The Delivery Confidence assessment RAG status should use the definitions below.

<u>RAG</u>	<u>Criteria Description</u>
Green	Successful delivery of the project/programme to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly
Amber/Green	Successful delivery appears probable however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery
Amber	Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and if addressed promptly, should not present a cost/schedule overrun
Amber/Red	Successful delivery of the project/programme is in doubt with major risks or issues apparent in a number of key areas. Urgent action is needed to ensure these are addressed, and whether resolution is feasible
Red	Successful delivery of the project/programme appears to be unachievable. There are major issues on project/programme definition, schedule, budget required quality or benefits delivery, which at this stage do not appear to be manageable or resolvable. The Project/Programme may need re-baselining and/or overall viability re-assessed

- 3.2 The Review Team recognise and commend a number of best or good practice activities, worthy of note. These include:
 - 3.2.1 The adoption of best practice programme and project management methodology; and
 - 3.2.2 The triumvirate partnering work that has been undertaken by the Scottish Government, the Unions and the Fire and Rescue services. The resultant employee relations model is truly groundbreaking.
- 3.3 A summary of the Report Recommendations is available at **Appendix B**.

4 Findings and Recommendations

4.1 Policy and business context

4.1.1 The Programme is one of 3 change programmes supporting the implementation of the Police and Fire Reform (Scotland) Act that was passed by Parliament in June 2012. Objectives for the Fire and Rescue Services Programme were set out in the Programme for Government presented to Parliament on 7 September 2011.

4.1.2 The principle of the establishment of a single Fire and Rescue Service for Scotland had met with some opposition from key stakeholders in local government and the fire service, but the Review Team heard overwhelming evidence that past objections had been set aside and stakeholders were now in strong support of the Programme.

4.1.3 The Fire and Rescue Service Reform Programme Board has overseen the management of a number of enabling projects. These are largely complete and are being formally closed down and handed over to either the FRSD or the SFRS.

4.1.4 The key focus remains on ensuring preparations for Day 1 are complete and that Day 1 passes with no issues surfacing – a seamless transition.

4.2 Business case and stakeholders

4.2.1 The options for the organisational structure have been considered and a single service constituted through three area 'hubs' is being implemented to deliver the financial objectives and service outcomes for the SFRS for the initial years of reform.

4.2.2 Strategic and operational planning for the SFRS is ongoing and it is anticipated that the SFRSB will be in a position to approve the Strategic Plan around the autumn of 2013.

4.2.3 Stakeholders continue to express the success of the engagement approach taken by the Programme resulting in widespread confidence in the successful delivery of the reform agenda. Relationships between key Programme personnel, members of the new service and stakeholder groups remain strong and evidence demonstrated that these were continuing to develop positively.

4.2.4 The Fire and Rescue Service Reform Programme, Project Stakeholder Engagement and Communication paper (Fire Rescue - Stakeholder Engagement - Final.doc) provided to The Review Team, illustrates a range of approaches used by the six preparatory projects delivered by the Reform Programme Team:

1. Establishing the Scottish Fire & Rescue Service (SFRS) Project;
2. Pensions Project;
3. Local Scrutiny and Engagement Project;

4. PRiLO (Transfer of) Properties, Rights, Liabilities and Obligations Project;
5. Staff Transfer Project; and
6. National Accountability.

4.2.5 It is evident from interviews that the stakeholder engagement and communication approach taken has enabled and supported a collaborative and co-operative environment that has resulted in significant progress being achieved in delivering the projects.

4.2.6 As the SFRS becomes operational, the central Programme Team will no longer be in place to facilitate the dialogue between key stakeholders that has been a key factor in the progress made thus far. Until the SFRS has established its day-to-day service momentum in the new operating environment, there remains a need to retain the strong linkages between the key stakeholders.

Recommendation 1: Establish a stakeholder engagement and communications mechanism between the SFRS, Government and key stakeholders such as employee representative bodies to ensure the momentum of the reform programme is maintained. Recommended

4.2.7 During the review the matter of consolidating the 8 services into a single SFRS raised the issue of harmonisation of employee Terms and Conditions and the attendant potential for equal pay claims, voluntary redundancies and voluntary early retirement. These may result in costs that are not explicit in the Business Case and may therefore have an impact on the desired financial savings associated with reform. The Review Team is assured that this issue is visible to the SFRSB, the SFRS and FRSD.

4.3 Management of intended outcomes

4.3.1 At the time of this review a benefits mapping document was made available to the Review Team (Fire Reform Programme - Benefits Map - v2.0.xls) along with a document 'Scottish Fire and Rescue Service Benefits Profiles' (Fire Reform Programme - Draft Benefit Profiles V 0.1.doc) which describe in some detail the overall construct of the benefits approach, and the individual profiles. Although these represent a significant improvement since the previous Gateway Review 0, the profiles remain void of specific measures.

4.3.2 Through the interviews, it was made clear that the detail to finalise the benefits profiles will be completed by the SFRS and approved by the SFRSB in the first half of the new operational year, in conjunction with the development of the SFRS Strategic Plan.

Recommendation 2: Complete all Benefit Profiles (with SMART objectives) and the resulting Benefits Realisation Plan, to ensure required outcomes can be monitored and delivered. Essential by end of Q2 2013-14

4.4 Risk Management

- 4.4.1 Risk Management has improved since the last review, especially risk visibility at the appropriate levels of governance.
- 4.4.2 The Handover Plan includes the transition of residual risks to appropriate recipients. The Handover Plan has been discussed at the Board and is scheduled for sign off within the next few weeks. The SFRS are aware of risks for which they will take over ownership.

4.5 Review of current outcomes

- 4.5.1 The SFRSB is in place and members are currently undergoing development in their new roles. The Chief Fire Officer, strategic leadership team and Local Senior Officers for the SFRS have been appointed.
- 4.5.2 The six enabling Programme led Projects are currently expected to be concluded and deliverables operationalised to schedule – see 4.2.4.
- 4.5.3 The Handover Plan has been discussed at the Board and is scheduled for sign off within the next few weeks.
- 4.5.4 The Programme is on track to maintain continuity of service on Day 1. Work is also underway to support the delivery of programme benefits post-Day 1. Progress needs to be closely monitored to ensure the schedule of closure and handover is achieved effectively.

4.6 Readiness for next phase – delivery of outcomes

- 4.6.1 There is a continuing need for the Programme to enable the delivery of reform. Stakeholders are universally committed to the Programme and hold the view that this is a necessary undertaking and will lead to improved standards across Scotland.
- 4.6.2 However, the Programme is set to close at the end of March 2013, with some staff remaining on call until the end of April 2013, should the SFRSB, the SFRS or the FRSD require additional support.
- 4.6.3 There are a number of key projects that need to be completed before the Programme closes and for these to be effectively handed over to either the FRSD or the SFRS. Detailed commentary can be found in 4.2.4.
- 4.6.4 It is less than ideal for a programme of this importance to close before completing work on benefits profiling. However, the Programme has defined benefits to the point where responsibility for the finalisation of Benefits Profiles and the Benefits Realisation Plan transfers to the SFRS. The Review Team see this as a pragmatic division of responsibilities which enables the SFRS to

conclude the definition of benefits utilising their specialist knowledge of service operations. As the new SFRS is still being structured it is unrealistic to expect progress to have been achieved beyond the current point. The Review Team have been assured that the SFRS have the capability to finalise the work on defining benefits. (See Recommendation 1 – 4.3.2)

- 4.6.5 The closure of the Programme by the end of March 2013 creates a continuity issue regarding benefits management. The Review Team are assured that the Transition Plan and resulting Handover Plan will minimise the risk of a break in continuity. However, there remains a critical need to ensure that residual programme activity continues to be managed from within a programme environment with its associated disciplines.
- 4.6.6 In section 4.2.7 the Review Team noted that potential costs associated with equal pay claims, voluntary redundancies and voluntary early retirement have yet to be captured. This may have an impact on the anticipated financial outcomes of the Reform.
- 4.6.7 Although the eight Fire and Rescue Services have historical experience of managing change, the challenges facing the new SFRS could be better supported by establishing a programme environment, with a Programme Office, to assist further organisational change deliverables, especially the management and delivery of Reform Benefits.

Recommendation 3: Establish a formal programme and project management environment (including SRO and Programme Office) within the business-as-usual structure of the SFRS to support future change demands. Essential by the end of Q1 2013-14

- 4.6.8 Alongside the provision of a programme office capability the SFRS should commission an early review of the programme and project management maturity of the new organisation to ensure they have the capability to manage the complexity and magnitude of changes the new service will face.

Recommendation 4: Commission a programme and project management capability review of SFRS e.g. P3M3®. Recommended

5 Previous Gateway Review Recommendations

- 5.1 A report on actions responding to the last Gateway Review 0 report has been supplied by the Programme Team. The Review Team are satisfied that the actions were relevant.

6 Next Gateway Review

- 6.1 As the Programme is planned to close before the 1st April 2013, this is expected to be the last Gateway Review 0.
- 6.2 However, as the responsibility for benefits realisation will then rest with the SFRS, consideration should be given to re-establishing the Programme under a new SRO within the SFRS. The Review Team believe this role is best accomplished by the Chief Officer or his deputy. That would enable the Chief Officer or Deputy to commission a Gateway Review 0 – Benefits Realisation at some time in the future (6 -9 months) to assure progress is being made by the SFRS in delivering the expected benefits.

7 Distribution of the Gateway Review Report

- 7.1 The contents of this report are confidential to the SRO and their representative/s. It is for the SRO to consider when and to whom they wish to make the report (or part thereof) available, and whether they would wish to be consulted before recipients of the report share its contents (or part thereof) with others.
- 7.2 The Review Team Members will not retain copies of the report nor discuss its content or conclusions with others.
- 7.3 A copy of the report is lodged with the Scottish Government's Programme and Project Management Centre of Expertise (PPM-CoE) so that it can identify and share the generic lessons learned from Gateway Reviews. The PPM-CoE will copy a summary of the report recommendations to the Scottish Government's Accountable Officer, and where appropriate, to the Organisation's Accountable Officer where the review has been conducted on behalf of one of the Scottish Government's Agencies, NDPBs or Health Sector organisations.
- 7.4 The PPM-CoE will provide a copy of the report to Review Team Members involved in any subsequent Fire Programme review as part of the preparatory documentation needed for Planning Meetings. Any other request for copies of the Gateway Report will be directed to the SRO.

Appendix A - Purpose of a Gateway Review 0: Strategic Assessment

- Review the outcomes and objectives for the programme (and the way they fit together) and confirm that they make the necessary contribution to the overall strategy of the organisation and its senior management
- Ensure that the programme is supported by key stakeholders
- Confirm that the programme's potential to succeed has been considered in the wider context of Government policy and procurement objectives, the organisation's delivery plans and change programmes, and any interdependencies with other programmes or projects in the organisation's portfolio and, where relevant, those of other organisations
- Review the arrangements for leading, managing and monitoring the programme as a whole and the links to individual parts of it (e.g. to any existing projects in the programme's portfolio)
- Review the arrangements for identifying and managing the main programme risks (and the individual project risks), including external risks such as changing business priorities
- Check that provision for financial and other resources has been made for the programme (initially identified at programme initiation and committed later) and that plans for the work to be done through to the next stage are realistic, properly resourced with sufficient people of appropriate experience, and authorised
- After the initial Review, check progress against plans and the expected achievement of outcomes
- Check that there is engagement with the market as appropriate on the feasibility of achieving the required outcome
- Where relevant, check that the programme takes account of joining up with other programmes, internal and external
- Evaluation of actions taken to implement recommendations made in any earlier assessment of deliverability.

Appendix B - Summary of Recommendations

Ref No.	Report Section		Status (C.E.R.)
R1	4.2.6	Establish a stakeholder engagement and communications mechanism between the Service, Government and key stakeholders such as employee representative bodies to ensure the momentum of the reform programme is maintained.	Recommended
R2	4.3.2	Complete all Benefit Profiles (with SMART objectives) and the resulting Benefits Realisation Plan, to ensure required outcomes can be monitored and delivered.	Essential by end of Q2 2013-14
R3	4.6.6	Establish a formal programme and project management environment (including SRO and Programme Office) within the business-as-usual structure of the SFRS to support future change demands.	Essential by end of Q1 2013-14
R4	4.6.7	Commission a programme and project management capability review of SFRS e.g. P3M3®.	Recommended

Each recommendation has been given Critical, Essential or Recommended status. The definition of each status is as follows:

CRITICAL - Critical for immediate action, i.e. to achieve success the project should take action immediately to address the following recommendations:

ESSENTIAL - Critical before next Review, i.e. the project should go forward with actions on the following recommendations to be carried out before the next Gateway Review of the project:

RECOMMENDED - Potential Improvements, i.e. the project is on target to succeed but may benefit from uptake of the following recommendations.

Appendix C - Review Team and Interviewees

Review Team:

Review Team Leader:	David Allen-Butler
Review Team Member:	Fraser Fergusson

List of Interviewees:

Name	Organisation/Role
Christie Smith	SRO
Pat Watters	Chair of SFRSB
Alasdair Hay	Chief Officer SFRS
Lorna Gibbs	Programme Manager
Alex Clark	Deputy Chief Officer SFRS
Steven Torrie	Chief Inspector of Fire and Rescue Authorities
Douglas Hutchens	Non-Executive, Programme Board Member
James Campbell	SFRS Board Member
John Duffy	Fire Brigades Union Scotland Secretary
Richard Dennis	Head of Fire and Rescue Service Division
Cllr Paul Valentine	Convener Tayside Fire and Rescue Board
Evie McLaren	Head of Fire Strategy and Performance Team, Fire and Rescue Service Division
David Binnie	Head of Reform Coordination
Martin Macaulay	Programme Office