

Governance of Fire and Rescue Authorities

September 2024



TÂN FIRE

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Summary Report

- 1 As part of the Auditor General's local government studies programme in 2023-24, we reviewed the governance arrangements across the three Fire and Rescue Authorities (FRAs) in Wales.
- 2 We examined FRA governance for several reasons, including:
 - the Welsh Government has not taken forward its proposals to reform the governance structures of FRAs, despite concluding in its 2018 White Paper that FRA governance structures were in need of reform; and
 - the financial climate currently faced by the public sector means that strong governance arrangements are especially important.



Key messages

3 We found that:

- the roles and responsibilities of FRA members are clearly set out but are not always reflected in their actions in practice.
- members do, however, generally act in accordance with expected values and behaviours.
- governance arrangements recognise the importance of community representation but do not reflect the specialist nature of FRA functions.
- whilst FRAs review the effectiveness of their governance arrangements, the contribution of individual FRA members is typically not evaluated. Our evidence also suggests that training and development activity is limited and is not always informed by members' needs.

4 We have made recommendations for Welsh Government to review the governance model, and for FRAs to strengthen training and development arrangements.

Key facts

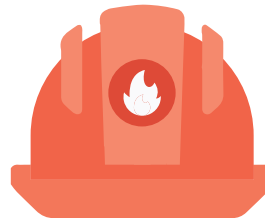
FRAs must make provision for the key services, such as:

- promoting fire safety
- fire-fighting
- responding to road traffic accidents
- dealing with other prescribed emergencies.



All members of FRAs are councillors, nominated by their host authority.

The combined revenue budgets of the three FRAs budgets are approximately **£200 million** for 2024-25, which equates to **£64** per head of population in Wales.



There are **three FRAs** in Wales – North Wales, South Wales and Mid & West Wales (**Exhibit 1**).

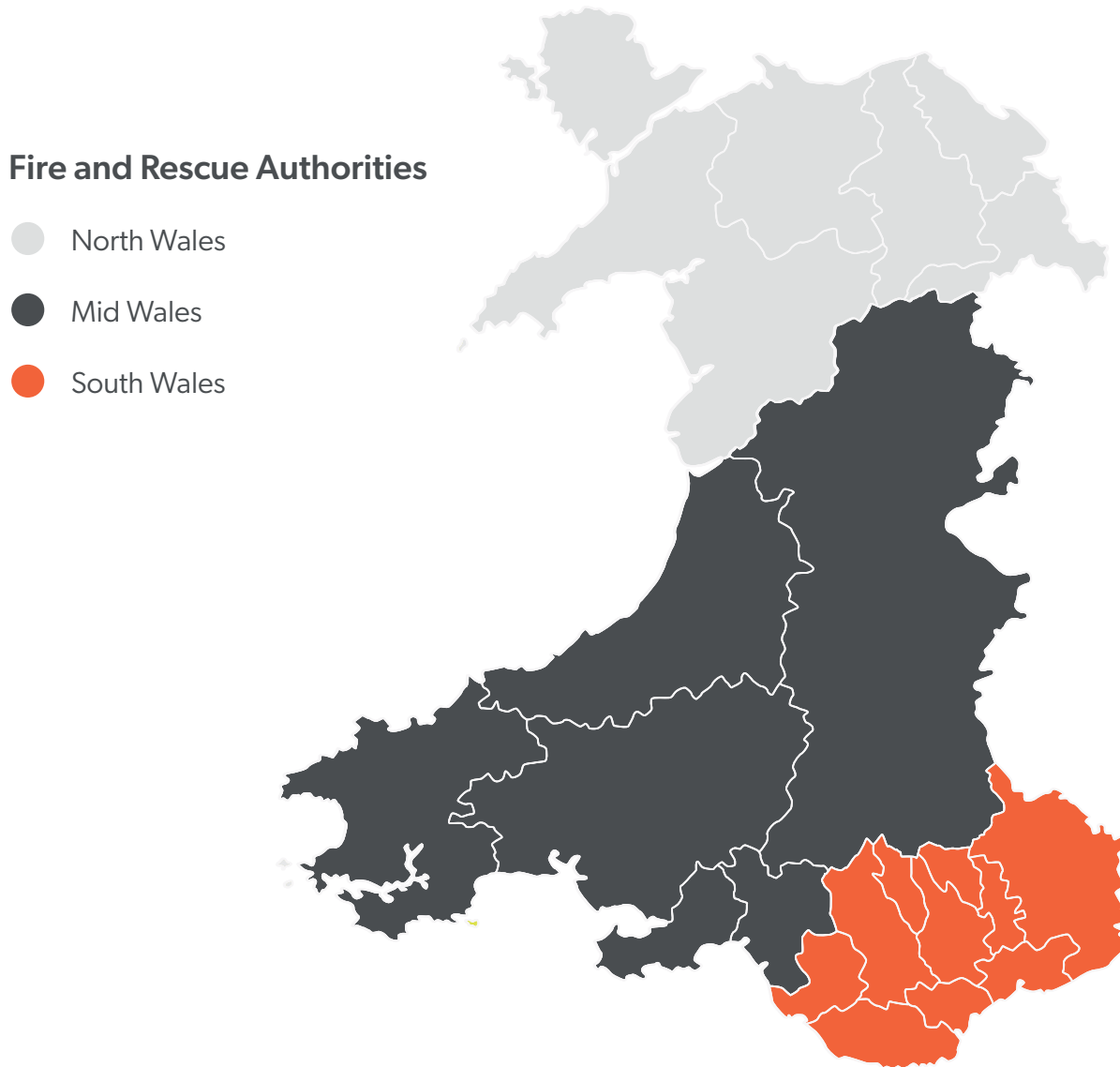


Members of FRAs are entitled to the following salaries¹:

- the basic salary of a fire and rescue authority member is **£2,632**
- a chair's salary is **£11,965**
- a deputy chair or committee chair's salary is **£6,372**

Exhibit 1: Fire and Rescue Authorities of Wales

The map below shows the geographical area of each of the three Fire and Rescue Authorities in Wales.



Source: Audit Wales



Recommendations

Exhibit 2: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations

Addressing weaknesses in the governance model

This report highlights weaknesses in the governance model for FRAs. To address these, we recommend that:

- R1 The Welsh Government reviews the governance model to ensure that:
 - 1.1 the membership of fire and rescue authorities ensures appropriate knowledge, expertise and diversity to effectively discharge their governance roles; and
 - 1.2 there are clear accountability arrangements to regularly evaluate the contribution of FRA members.

- R2 Fire and rescue authorities strengthen the provision of training and development for members by:
 - 2.1 establishing arrangements to regularly assess members' development needs to inform training and development; and
 - 2.2 evaluating the effectiveness of training and development activity in ensuring members' understanding of, and contribution to, governance arrangements.

Detailed Report

What we reviewed and why

- 1 As part of the Auditor General's local government studies programme² in 2023-24, we reviewed the governance arrangements across the three Fire and Rescue Authorities. Our review considered five key elements:
 - the clarity and appropriateness of governance structures;
 - key functions and responsibilities within these structures;
 - governance culture;
 - infrastructure to support effective governance; and
 - arrangements to review and strengthen the effectiveness of governance.
- 2 We examined FRA governance for several reasons. For example, the Local Government and Elections (Wales) Act 2021 made changes to principal councils and required them to work regionally in Corporate Joint Committees (CJCs). FRAs were not the subject of this legislative reform.
- 3 The most recent proposal for reforming and strengthening governance of FRAs was a 2018 Welsh Government White Paper³. The paper set out its case for reform by arguing that current arrangements 'are not as accountable as they ought to be'. It criticised the lack of either directly elected members or FRAs being formally accountable to a local or national elected body⁴. It was also critical of nominated FRA members being mostly 'backbench' councillors with little knowledge or experience of the Fire and Rescue sector. It argued that there were not many areas where the elected member could add value as a champion for their community, citing rare discussions such as station closures as examples of decisions that are political or require community insight.

2 This report concludes the second part of a two-stage review considering the governance arrangements across Special Purpose Authorities in Wales. In April 2024, we published a [report](#) on governance arrangements across the NPAs following the first stage of this review.

3 Welsh Government, [Reform of Fire and Rescue Authorities in Wales](#), November 2018

4 Elected members are required to act in the FRA's interest, rather than their nominating authority's.

- 4 The White Paper proposed governance reforms to:
 - reduce FRA elected member representatives to one per nominating council;
 - require nominees to be a council cabinet member; and
 - introduce non-executive members (one third of current FRA membership), most likely appointed by the The Welsh Government.
- 5 The White Paper noted that this would provide more streamlined governance, retain the local knowledge brought by councillors, and increase technical knowledge through direct appointees. This would bring FRAs more closely into line with NPAs, who are formed of one third Welsh Government appointees. However, following consultation and feedback from FRAs and others, the White Paper proposals were not taken forward.
- 6 Change is a fundamental feature of FRA governance. During the electoral cycle 2017-22, a total of 40 changes were made to the membership of FRAs in Wales, representing around 52% of the overall membership. Further changes in membership occurred following the 2022 local government elections.
- 7 Governance arrangements are especially important given the financial climate currently faced by the public sector. This increases the importance of objective setting, strategic oversight, and effective scrutiny of performance to ensure FRAs deliver value for money.
- 8 Our study began before the Welsh Government appointed four Commissioners to run South Wales FRA in February 2024. Our review of governance arrangements is based on the governance model in place in South Wales FRA prior to the appointment of the Commissioners.
- 9 Since our review began the Senedd's Equality and Social Justice Committee has also published its report following its inquiry into the Governance of Fire and Rescue Services – 'Sound the Alarm: The Governance of Fire and Rescue Services.' The Auditor General for Wales provided written and verbal evidence to this inquiry.

- 10 Our evidence is limited to the following sources:
- a review of documentary evidence;
 - interviews with senior officers and members of the FRAs and the SWFRA Commissioners, the Welsh Government, and the Welsh Local Government Association;
 - observations of a range of FRA committee and authority meetings; and
 - a survey of FRA senior officers and members (including the former members of South Wales FRA).

Roles and responsibilities in governance structures are generally clearly set out but understanding of roles is not always demonstrated in practice

- 11 FRAs generally set out the governance arrangement responsibilities of officers and members clearly. Each has a constitution that sets out its governance framework. These include committee terms of reference that cover the membership and broad role of the committees. FRA constitutions are supported by other documents, for example induction materials for members that set out the chain of command within the fire service. FRAs do not, however, have formal arrangements in place to review the members' understanding of the governance arrangements and their role within it.
- 12 FRA members feel they have a good understanding of their roles and responsibilities and were generally able to describe them. Members told us that they have a clear understanding of where decisions are made within the governance structure and their own governance responsibilities. We observed formal meetings where this understanding was demonstrated, and most meetings we observed were chaired effectively. Most members and officers who responded to our survey agreed that meetings are well chaired.
- 13 However, members did not always appear to clearly understand or act in accordance with their roles. We heard concerns that the governance model results in an inherent tension between members' role as councillors and members of the FRA. For example, we heard concerns that members sometimes focus on parochial considerations rather than the FRA as a whole.
- 14 Clarity on key responsibilities around decision making is a fundamental aspect of good governance. These are generally clearly set out and understood, but there is a risk that a lack of understanding in practice weakens the effectiveness of governance arrangements.

The governance model for FRAs recognises the importance of community representation, but arrangements do not reflect the specialist nature of their functions and the contribution of FRA members is not typically evaluated

- 15 The membership of FRAs is exclusively made up of elected councillors, nominated by their host council. We commented previously in response to the Welsh Government's 2018 White Paper that there is considerable merit in councils nominating members of FRAs. This includes feedback that council members provide on legitimate community concerns. However, we also suggested that the Welsh Government should ensure the nomination process is both fair and transparent to secure representatives with sufficient seniority, skills, and capacity. Ensuring that those charged with governance are sufficiently skilled and knowledgeable is important to underpin good governance.
- 16 In the current governance model for FRAs there is a risk that the elected members do not have the necessary skills and knowledge that reflect their specialist functions. Members' responses to our survey suggest that they feel they do possess these skills and knowledge (see **appendix 1** for details of the response rate to our survey). However, we also heard concerns during fieldwork that collectively members do not always possess or demonstrate them. Our survey responses and fieldwork also suggest a variance in considering the specialist knowledge and the nature of the role when nominating members to FRAs. This means there is a risk that members do not always possess sufficient relevant knowledge of fire and rescue services to be able to discharge their governance role effectively.
- 17 Therefore, FRAs need to provide significant training to members to enable them to undertake their roles. However, wider systematic issues mean training may not be enough to mitigate this risk. Ensuring that members who are appointed without regard for the specialist nature of the role receive appropriate training and development is difficult because:
 - there is a relatively high turnover rate of members. This limits the extent to which individuals can develop and retain knowledge and skills relevant to the role.
 - we heard some concerns that the size of membership makes it difficult to develop a knowledgeable and engaged membership. The Welsh Government's White Paper previously benchmarked FRA membership size with other bodies, and identified this as a weakness in FRA governance arrangements.

- 18 Membership size can present challenges in engaging members. FRAs developed their arrangements during and after the pandemic to accommodate remote attendance, and most FRA meetings are now hybrid. However, despite these arrangements making it easier for members to attend meetings, we heard concerns during our fieldwork that some members attending remotely sometimes turn their cameras off during meetings and do not engage with discussions.
- 19 To help improve member engagement and understanding, FRAs have introduced smaller working groups to examine specific issues. Officers have described the subsequent improved engagement and 'challenge' they receive from members in private sessions when scrutinising proposed policies or decisions. This includes the scrutiny and challenge associated with annual budget setting. However, this risks reducing the transparency of decision making, especially as the debate is rarely replicated in public meetings or summarised in public papers.
- 20 Whilst our survey responses suggest that members generally feel able to question officers during formal meetings, overall we observed that there is limited scrutiny and challenge. We observed several meetings of different committees where there was limited challenge or questioning. For example, we observed two meetings in different FRAs where there was limited scrutiny of the strategic risk registers that were on respective agendas. We also found examples of reports 'to note' being provided to committees with responsibility for 'scrutiny', which suggests a lack of clarity of what is expected from scrutiny in the context of governance arrangements. We also heard concerns regarding the effectiveness or clarity of 'scrutiny' arrangements more generally within some FRAs. This means there is a risk that officers are not effectively held to account by members, which potentially weakens the robustness of internal controls to manage governance risks.
- 21 Appointing FRA members exclusively from local councils has also resulted in a lack of member diversity. In our response to the Welsh Government's White Paper, we suggested they could encourage authorities to create inclusive and representative Fire and Rescue Authorities with more female, ethnic minority and younger elected members nominated. For example, the majority of FRA Members are male, with very few from a Black, Asian, or Minority Ethnic background. The lack of diversity is an issue because, as highlighted by the Expert Group on Diversity in Local Government, it is 'vital that the people who make decisions on our behalf... are in tune with and representative of their local communities.'⁵.
- 22 Overall, there is a risk that the current governance model does not support FRA members possessing the necessary blend of skills and knowledge to be able to take informed decisions and effectively hold the Fire and Rescue Service to account.

- 23 Although there is some evidence to suggest FRAs are using informal, ad hoc methods of finding out what training members might need, none of the FRAs conduct regular member skills audits to inform member development. As a result, training is not always developed in response to an assessment of members' needs.
- 24 Of the three FRAs, only Mid and West Wales provides a programme of training and development events for members. South Wales and North Wales FRAs offer induction training and training on specific areas, such as pensions or governance, but this tends to be ad-hoc. We also found little evidence of succession planning to develop members' leadership skills with a view to them becoming a chair of an authority in future, for example.
- 25 The contribution of members to the governance of FRAs is also not typically evaluated. Whilst FRA members are elected to their host councils, they are not directly elected to the FRAs. The Welsh Government's White Paper also highlights concerns that this model does not provide democratic accountability. Therefore, despite it being a remunerated role, FRAs cannot demonstrate the value for money that members provide. The absence of any evaluation of members' contributions also reduces the opportunity to understand and address their training and development needs. Overall, our findings set out earlier in this report suggest that the training provided to members does not consistently address the risk that there is a shortfall in specialist knowledge and expertise. Consequently, we are not assured that all FRA members are always equipped with the skills, knowledge and experience needed to effectively undertake their governance role.

FRA have established arrangements to oversee members' compliance with codes of conduct, and members generally act in accordance with expected values and behaviours

- 26 Most of the conduct we observed in FRA meetings and committee meetings was consistent with expected values and behaviours. Most FRA members who replied to our survey agreed that each FRA has set out its expectations of officers and members in a range of documents. Interviewees were able to identify instances where behaviour inconsistent with expected values and behaviours had been challenged and addressed, which we witnessed when observing meetings.
- 27 However, our surveys of FRA members and senior officers highlighted a few instances when respondents felt that poor or inappropriate behaviour was not immediately tackled. We also witnessed such instances, for example potentially inappropriate or informal language seemingly being tolerated in a formal meeting. However, overall members' conduct in the meetings we observed appeared to be in accordance with expected values and behaviours.
- 28 FRAs have established standards committees which meet regularly and have clear terms of reference. Each standards committee reports annually to its respective Fire Authority and some work proactively to promote awareness and monitor members' compliance with codes of conduct.
- 29 Members and officers have a generally positive working relationship. The majority of members and senior officers think that they are given clear, comprehensive, and timely information to inform their decision making. Members also usually follow the professional advice of officers. This is important because constructive working relationships and demonstration of expected behaviours and values helps to underpin an appropriate governance culture.

FRA have whistleblowing policies and arrangements in place and are reviewing them following the findings of the South Wales FRA Culture Review

- 30 This study was not a detailed review of the effectiveness of whistleblowing arrangements. However we found that each FRA has a whistleblowing policy setting out procedures for dealing with such complaints, and we found evidence of FRAs working to strengthen their arrangements for staff to raise concerns. FRAs' recognition of the need to strengthen whistleblowing arrangements resonates with the report of the South Wales FRA Culture Review⁶, which noted a lack of encouragement and support for people to speak up, and insufficient action when they do.

FRA review the effectiveness of their governance arrangements but the Welsh Government previously identified that FRA governance structures were in need of reform

- 31 Each FRA has reviewed aspects of their governance arrangements, and their annual governance statements are up to date. Annual governance statements set out how FRAs review the effectiveness of their governance frameworks. They include the evidence sources they draw on, actions they intend to take to strengthen governance arrangements and an update on actions from previous years. FRAs have also looked at specific aspects of their governance arrangements. For example, North Wales FRA reviewed governance in relation to the Fire and Rescue Service's operational decision-making arrangements, and South Wales FRA Internal Audit function has reviewed their strategic planning and partnership arrangements.
- 32 FRAs have also demonstrated the capacity to vary their governance arrangements to consider specific issues. Examples include the working groups set up in North Wales FRA to review the emergency cover provision, and the use of budget scrutiny working groups or similar across all FRAs. South Wales FRA also introduced the option for scrutiny groups to co-opt additional members which has the potential to strengthen the specialist knowledge available to those groups.

6 [Report of the Expert Group on Diversity in Local Government](#), March 2014

- 33 Despite concluding in its 2018 White Paper that FRA governance structures were in need of reform, the Welsh Government has not taken forward its proposals for the reform. The Welsh Government also intervened in South Wales FRA following the publication of the FRA's Culture Review report, and also partly due to its view that the Authority responded inadequately to other opportunities for improvement⁷.
- 34 Reviewing and making changes to governance arrangements and being open to external challenge is important to ensure that weaknesses are addressed and opportunities for improvement are embraced.



Appendix

1 Audit scope, approach and methods, and key facts about fire and rescue authorities

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Scope

We sought to answer the question ‘Do special purpose local authorities in Wales have effective governance arrangements that support good outcomes for citizens?’

To answer this, we looked at structures of governance, the model of governance, how members and officers work within structures, and the approaches taken to review and improve governance arrangements.

We did not look at individual member or officer conduct, and we have not formed conclusions about each FRA individually.

Approach

This audit combined system and result orientated approaches to identify areas for improvement with the system of governance and assess how it is currently being delivered. We sought to understand how governance structures are in each Authority ‘on paper’, how they are applied in reality, and how they are reviewed. We aimed to provide assurance over the effectiveness of governance in Welsh FRAs overall. We worked flexibly to organise delivery and we managed our fieldwork whilst being mindful of the pressures faced by officers. We ensured that our coverage was sufficient to give an overview of the whole sector but did not detract from service delivery. Our approach was informed by the principles of good governance published by CIPFA and IFAC. These are outlined in **Exhibit 4**. Our findings and conclusions are based on the totality of our triangulated evidence. Our methods for gathering this evidence are set out below.

Methods

Our fieldwork was completed between September 2023 and May 2024, using the following methods:

- document review – we reviewed key governance documents from each FRA. This included standing orders, job descriptions of key officers, constitutions, terms of reference, and committee papers.
- local interviews – we carried out a total of 38 interviews across the three FRAs, including with senior officers and members.
- national interviews – we also carried out interviews with national bodies, namely the Welsh Government and the WLGA.
- surveys – we conducted a survey of senior officers who regularly interact with members. We received 26 responses (61% of those invited to participate in the survey). We also surveyed FRA members (including former members of South Wales FRA after Commissioners had been appointed) and received a total of 36 responses (47% of those invited to participate in the survey).
- observations – we observed a total of 16 meetings across the FRAs, including Full Authority and meetings of key committees.

What is 'good governance'?

Public sector organisations need to be governed in a manner reflecting the public and environment that they serve. To support this, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) have defined good governance in the public sector (**Exhibit 3**).

Exhibit 3: definition of good governance

The arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

Source: [CIPFA/IFAC](#)

To embed this definition, it has been further developed into seven principles (**Exhibit 4**).

Exhibit 4: seven principles of good governance



Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.



Ensuring openness and comprehensive stakeholder engagement.



Defining outcomes in terms of sustainable economic, social, and environmental benefits.



Determining the interventions necessary to optimize the achievement of the intended outcomes.



Developing capacity, including the capability of its leadership and the individuals within it.



Managing risks and performance through robust internal control and strong public financial management.



Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Key facts about Fire and Rescue Authorities

FRA receive an allocation of principal council members that are appointed to reflect the political balance of the larger geographic area covered as a combined authority. All members of FRAs are appointed this way. When elected members are appointed to the FRA, they do not represent their ward or the constituent authority that nominated them.

For 2024-25 the combined revenue budgets of the three FRAs budgets are approximately £200m, which equates to £64 per head of population in Wales. This increased from £184m or £59 per head of population in 2023-24.⁸

FRAs are formed in legislation by the joining of different council areas into combined authorities. This was last done in 2015. As the legislation is set by the Senedd, individual councils and FRAs cannot change their size, composition, or area served.

The Fire and Rescue Services Act 2004 sets the requirements of the services the FRA must make provision for. These include:

- promoting fire safety
- fire-fighting
- responding to road traffic accidents
- dealing with other prescribed emergencies

FRAs must also meet the strategic aims of the National Framework⁹. The Framework calls for “sustained maximum effort in identifying and realising efficiencies, in maintaining high standards of governance, and in accounting transparently for delivery’. The National Framework has not been updated for a number of years, and was last updated in 2016.

FRA members must also set a budget to deliver the aims and scrutinise performance to ensure delivery of desired outcomes. The budgeting process includes setting the funding levy, which is charged to constituent authorities based on population size. Members must also appoint senior officers, such as the Chief Fire Officer.

8 [Budgeted revenue expenditure by service detail \(gov.wales\)](#)

9 Welsh Government, [Fire and Rescue National Framework 2016](#), November 2015



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.