



<b>Meeting</b>	<b>Portfolio Management Board Service Leadership Team</b>	<b>Agenda no.</b>	<b>3.4</b>
	<b>Strategic Board</b>		<b>5</b>
<b>Date of Meeting</b>	<b>1 March 2022</b>		
	<b>9 March 2022</b>		
<b>Report Authors:</b>	Tracy King, Assistant Director		
<b>Presented By</b>	<b>Moira Bruin, Deputy Chief Fire Officer</b>		
<b>Subject</b>	<b>Governance, Annual Plan and Portfolio of Change</b>		
<b>Type of Report:</b>	<b>Decision and Information</b>		
<b>Action Point No.</b>	<b>N/A</b>	<b>For Publication</b>	<b>Yes</b>

## **RECOMMENDATIONS**

That the Police, Fire and Crime Commissioner (PFCC) approve the Annual Plan 2022-23 further to its progress through the SLT; and Strategic Boards which have all agreed and approved the Plan.

That the Police, Fire and Crime Commissioner (PFCC) note the proposed portfolio of change for financial year 22/23.

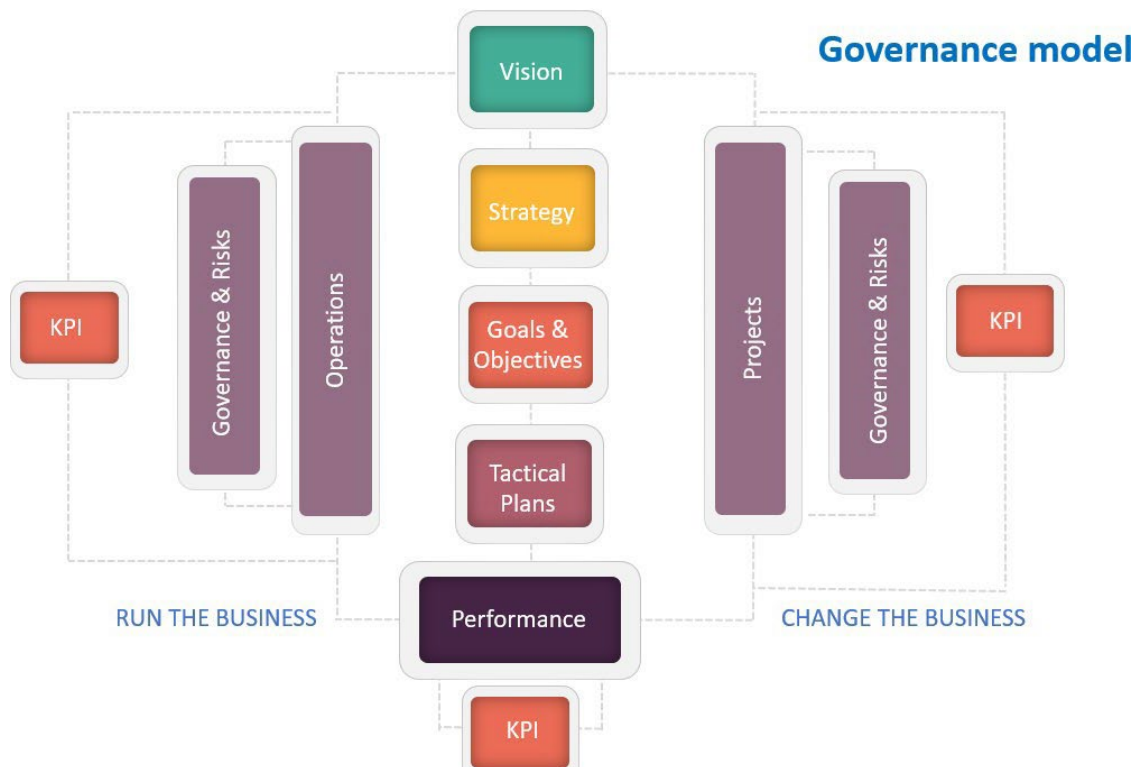
That the Police, Fire and Crime Commissioner (PFCC) note the improved internal governance implemented in Service.

## **EXECUTIVE SUMMARY**

This paper outlines the new governance model which has been developed within Essex County Fire and Rescue Service (ECFRS) covering our approach to 'change the business' activities and 'run the business' activities.

## **BACKGROUND**

The Service has undertaken considerable work throughout the 2021/22 financial year to align to a new governance model that has clear approaches on both run the business and change the business as shown in figure 1.



Run the business is concerned with ‘running’ normal business activities and operations to clearly defined processes and with ongoing resources and budgets. This includes continuous improvement activities and initiatives.

Change the business is concerned with delivering new capability, products, services using a project approach with resources and budgets assigned only for the duration of the project. These are more usually significant and/or transformational.

The activity we plan to undertake to improve our run the business side is set out in our Annual Plan. This is activity that is necessary to address improvement identified in strategy, performance improvement, compliance with audit management actions and improvements against HMICFRS areas of improvement which will be delivered within existing resource establishment and budget.

Where we are setting out to undertake a change that changes the way we do things or introduce new systems into the Service that require additional investment and resources these will be managed as part of our Change Portfolio usually as programmes or projects. Our Change Portfolio sets out the change that we are investing in to achieve required benefits.

To ensure that performance in both areas is managed effectively we have realigned our internal governance model to set out clear responsibility and structure, this is set out in figure 2.



The key responsibilities of the Portfolio Management Board include:

- Approving both the inclusion & prioritisation of projects and programmes into the portfolio of change. No change activities should be included within the portfolio or funded without the approval of the PMB.
- Monitoring portfolio progress and resolving issues that may compromise delivery and benefits realisation.
- Prioritising resources across the change portfolio, managing specific resource pressures as required.
- Approving the closure of all projects and programmes and move out from the portfolio of change.
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The terms of reference for Portfolio Management Board are attached as Appendix 1

The key responsibilities of the Continuous Improvement Board include:

- Scrutinise, support, and challenge the overall performance of the Fire and Rescue Service against the specific performance measures, objectives of the IRMP and the Annual Plan as well as progress against Future Fire/Fire Standards
- Identify good practice and performance
- Hold lead officers to account for the functions, objectives, and performance measures under their direction. Quarterly monitoring needs to include all elements of the assurance framework:
  - HR
  - Health & Safety
  - Ops Assurance
  - Compliments and complaints
  - Audit issues
  - Survey results
  - Future Fire/Fire Standards
  - Risks
- Report into the Performance and Resources Board on quarterly basis and advise the Board on the actions being taken to maintain an efficient, effective, and economic Fire and Rescue Service for Essex
- Propose areas or themes of work for the Performance and Resources Board for further scrutiny, challenge, or support
- Ensure performance measures are challenging and appropriate to ensure that areas scrutinized are aligned to the organizational priorities
- To approve the Service quarterly reports prior to submission to Performance & Resources Board

- A key aspect of the Improvement Board is to identify good practice and performance whilst also recognizing areas of development to information organizational planning.
- The CIB will complement the work of the Portfolio Management Board (PMB) and will oversee the “Run the Business” side of the Service (business as usual) functions, and the definition and approval of the Annual Plan which identifies the strategic priorities from the Fire & Rescue Plan (FRP), Integrated Risk Management Plan (IRMP) and ECFRS Strategies (People, Prevention, Protection, Response and Digital & Data).

The terms of reference for Continuous Improvement Board are attached as Appendix 2.

Updates on progress against Performance, Annual Plan and the Portfolio of Change will be provided to Performance and Resource Board for visibility and scrutiny on a quarterly basis.

### **ANNUAL PLAN 22/23**

The Annual Plan has been produced to provide transparency relating to the planned delivery activities in the upcoming year. The Plan identifies high level activities and the members of ELT responsible for providing assurance of the progress of these. A draft Annual Plan for 2022-23 is provided as Appendix 3 of this report.

Work to compile the Annual Plan 22/23 commenced in October 2022 with a focus on being more concise and clearer in relation to the activity that is added. In the annual plan 22/23 a definition of done has been incorporated against each action to ensure clarity around the desired outcome/future state that once achieved would be the trigger for closing that activity.

### **PORTFOLIO OF CHANGE 22/23**

The Service have carried out extensive work to review and improve the approach to Change in all areas, assurance, governance, and delivery. This work included forming our Portfolio of change in year for 21/22 to ensure we had a clear view of what projects and programmes we are investing in. We also formed the Portfolio Management Board (which replaced the Strategic Change Board previously in place). Portfolio Management Board are responsible for the effective management of the portfolio and the successful delivery of the expected benefits to protect the Services investment. We took the opportunity after the Change Portfolio for 21/22 was formed to arrange our change better against key themes defined in our Fire and Rescue Plan and the Integrated Risk Management Plan which in turn aligns our activity to our strategic objectives. An overview of the proposed Portfolio of Change for 22/23 is supplied in Appendix 4 to this paper.

### **OPTIONS AND ANALYSIS**

None in relation to this report

### **RISKS AND MITIGATIONS**

Risk and mitigations will be monitored through the individual workstreams of annual plan and portfolio of change

**LINKS TO FIRE AND RESCUE PLAN**

Annual Plan activity and the portfolio of change are aligned to Fire and Rescue Plan priorities and the Integrated Risk Management Plan themes

**FINANCIAL IMPLICATIONS**

The review of the Services approach to change and introduction of new change governance, ways of working and particularly clarity and structure to managing the Services portfolio of change has enabled the restructure and alignment of the Innovation and Change Team to the new governance approach.

The new structure introduced provides structure and rigour whilst also ensuring focus and pace.

Through the restructure we have achieved savings of circa £400,000 which contributed towards closing the budget gap for financial year 22/23.

The Portfolio of change is aligned with the annual budget 2022/23 and moving forward will be a core contributor to the needs of Medium-Term Financial Plan.

**LEGAL IMPLICATIONS**

None in relation to this report

**STAFFING IMPLICATIONS**

The restructure detailed under financial implications above has enabled the Service to make positive changes for the Team involved in governing and delivering change, staff sponsoring change and the customers of the innovation and change team that commission change.





Establishing the portfolio management board has provided the Service Leadership Team a platform to focus on protecting the investments that the Service is making as well as ensuring the benefits we set out to achieve are realised.

**EQUALITY AND DIVERSITY IMPLICATIONS**

We have considered whether individuals with protected characteristics will be disadvantaged as a consequence of the actions being taken. Due regard has also been given to whether there is impact on people who may identify as being within each of the following protected groups as defined within the Equality Act 2010:

Race	N	Religion or belief	N
Sex	N	Gender reassignment	N
Age	N	Pregnancy & maternity	N
Disability	N	Marriage and Civil Partnership	N
Sexual orientation	N		

The Core Code of Ethics Fire Standard has been fully considered and incorporated into the proposals outlined in this paper.

	<b>Integrity</b> Evidence decisions
	<b>Dignity and respect</b> Do the right thing when delivering services, using ethical principles set out in the code of conduct
	<b>Leadership</b> Take responsibility for continuously improving the performance of my Service
	<b>Equality, diversity, and inclusion</b> Care about people’s diverse needs

This approach is an enabler for the ongoing development of our culture towards a Service that has high performing teams with a focus on service delivery and accountability.

**HEALTH AND SAFETY IMPLICATIONS**

None in relation to this report

**CONSULTATION AND ENGAGEMENT**

The Extended Leadership Team and Service Leadership Team have been involved in formulating the Annual Plan 22/23 and fully informed and consulted on the changes to internal governance to align to run the business/change the business approach.

**FUTURE PLANS**

During the production of the Annual Plan 22/23 it was identified that it would be beneficial for production of future plans to start before the budget setting process. This is to enable budgets to be more clearly aligned to strategic objectives.

**LIST OF BACKGROUND PAPERS AND APPENDICES**

- Appendix 1 – Portfolio Management Board Terms of Reference
- Appendix 2 – Continuous Improvement Board Terms of Reference
- Appendix 3 – Draft Annual Plan 22/23
- Appendix 4 – Portfolio of Change 22/23
- Appendix 5 – Annual Plan 22/23 Decision Sheet