

Annual Audit and Inspection Letter

Avon Fire Authority

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
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Key messages

- 1 The main messages for the Authority included in this report are as follows.
 - Direction of Travel Report - 'improving well'. The Authority is continuing to improve. The Authority's rate of performance improvement is above average nationally. The Authority, with partners, is reducing deaths and serious injuries from road traffic collisions; numbers of deliberate car fires; and helping re-educate young offenders. It is meeting its emergency response times and increasing the number of home fire safety visits, targeting vulnerable groups. Actual performance in some areas is not among the best. Accidental domestic fires remains an area for concern, the number of deaths from such fires increased in 2007/08 but is now falling below average. The Authority manages its assets well; financial management is good, efficiency savings have increased and it is creating a more flexible operational workforce. It is making good progress promoting and achieving equality. Sickness absence remains high and falling slower than the Authority would like. The Authority is making good progress in implementing the requirements of the Fire and Rescue Service National Framework and effectively addressing weaknesses in the Operational Assessment of Service Delivery. Performance management is improving and arrangements are in place to ensure good quality data with effective challenge provided through officer and member forums.
 - Operational Service Assessment - Overall, the Service has improved and is now 'performing well' with effective performance management arrangements to support service delivery in place.
 - Use of Resources – Score 3 out of 4 – 'performing well'. The Authority continues to manage its finances well overall. Our assessment is based on five themes. Financial reporting, financial management and financial standing are all sound. The scope for greatest improvement relates to some areas of internal control and in value for money.

Action needed by the Authority

- 2 Key actions for improvement include:
 - continuing to closely monitor areas of poor performance and consider best practice in taking improvement action;
 - ensuring that new arrangements to improve risk management are adopted consistently throughout the organisation;
 - monitoring the effectiveness of new and innovative practices to help manage and improve value for money; and
 - making full use of information about communities to set priorities for partnership working.

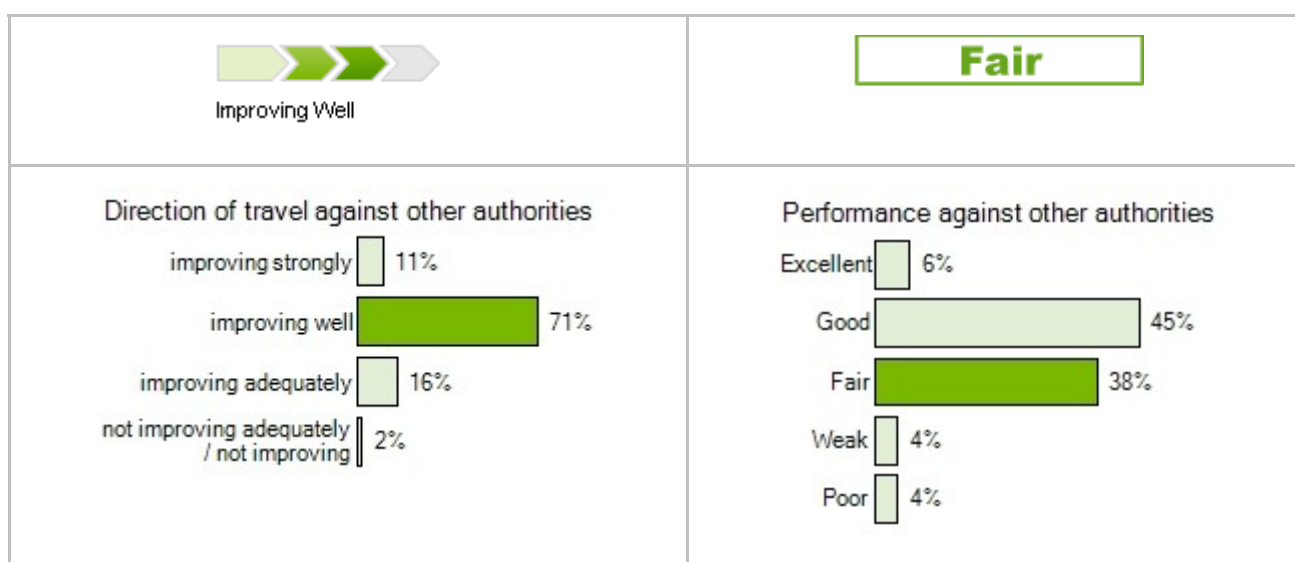
Purpose, responsibilities and scope

- 3 This report provides an overall summary of the Audit Commission's assessment of the Authority. It draws on the most recent Comprehensive Performance Assessment (CPA) and Direction of Travel review and from the findings and conclusions from the audit of the Authority for 2007/08.
- 4 We have addressed this letter to members as it is the responsibility of the Authority to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Authority in meeting its responsibilities.
- 5 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. (In addition, the Authority is planning to publish it on its website).
- 6 The Council's appointed auditor, Steve Malyn, is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). The results from that work are summarised in this report, and under the Code the appointed auditor reviews and reports on
 - the Authority's accounts;
 - whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Authority's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 7 This letter includes the latest assessment on the Authority's performance under the CPA framework, including our Direction of Travel report. It summarises the key issues arising from the CPA.
- 8 We have listed the reports issued to the Authority relating to 2007/08 audit and inspection work at the end of this letter.

How is Avon Fire Authority performing?

- 9 The Audit Commission’s overall judgement is that Avon Fire Authority is improving well and was assessed as Fair in the Fire and Rescue Comprehensive Performance Assessment carried out in 2005. The latter assessed authorities on their corporate management, their achievements, community fire safety and how they planned to respond to incidents through their Integrated Risk Management Plan (IRMP). It did not consider tactical management of emergency response. The following chart shows the latest position across all Authorities. We are now updating these assessments, through an updated corporate assessment, in authorities where there is evidence of change.

Figure 1 Overall performance of authorities in CPA



Source: Audit Commission

The improvement since last year - our Direction of Travel report

- 10 The Authority's management of corporate priorities is good. It has reviewed and introduced improved arrangements for performance management, business planning and risk management. Performance is improving against most indicators and the percentage of performance indicators improved over the past year is high. The Authority's rate of performance improvement is above average for fire authorities.

11 The Authority's extensive partnership arrangements and initiatives are improving outcomes for local communities. Working in partnership, the Authority has helped to reduce the number of deaths and serious injuries from road traffic collisions and the number of deliberate car fires. The Authority is increasing both the number and effectiveness of home fire safety visits (HFSVs). It is targeting vulnerable groups within the community identified using data enhanced with information from a wide range of public and commercial sources and coordinated by Community Safety Advocates. The Authority records and monitors all partnership projects and initiatives in the initiative logging system. Successful projects this year include the:

- award-winning Phoenix scheme with Bath Rugby Club using sport to counter antisocial behaviour (ASB);
- Lifeskills centre - Learning for Living courses designed to help children, adults with learning difficulties and older people learn about safety in a fun and practical way; and
- Cadet programme and FireSkills courses aimed at re-educating young offenders at the Ashfield Young Offenders Institute.

12 The Authority manages its assets well for the benefit of the community. Financial management is good, efficiency savings have increased and the Authority is creating a more flexible operational workforce. The Authority is making good use of its buildings for the benefit of the community, for example:

- hosting community delivery groups at fire stations and community safety centres;
- holding PACT meetings at fire stations; and
- making Radstock fire station available as a base for the Great Western Ambulance Service NHS Trust.

The Authority has also improved access to services by:

- providing dedicated advocates for BME, older people, deaf and young people;
- accessible websites (BSL, readspeaker, emergency text messages); and
- use of social networking to reach students and young people.

The Authority's costs per head of population remain below average and satisfaction levels are improving.

13 The Authority is making good progress in implementing the requirements of the Fire and Rescue Service National Framework (FRSNF) and is effectively addressing weaknesses in the Operational Assessment of Service Delivery (OASD). The Authority is making good progress towards delivery of its Integrated Risk Management Plan (IRMP) for 2008/11 and has fully incorporated recommendations of the OASD into its business plans and performance monitoring. Emergency response times are consistently being met and public satisfaction measured by the Fire Service Consultation Association (FSCA) is high for after fire incidents and HFSVs. The Authority has completed 73 per cent of the 'must-do' recommendations of the FRSNF (27 per cent in progress) and 40 per cent of 'should-do' recommendations (60 per cent in progress).

How is Avon Fire Authority performing?

14 The Authority's capacity to deliver its future plans is improving through the promotion and achievement of diversity and equality. The Authority has established and effective equalities policies and is making good progress on equality impact assessments. It has achieved the highest national performance for promoting equality for the second year running through for example:

- providing a mentoring scheme for staff from under-represented groups; and
- hosting the first Lesbian, Gay, Bisexual and Transgender equality in the fire service conference in October 2007.

The Authority's success in this area has been recognised nationally and the Director of Service Improvement was the runner-up in the Government's Equality and Diversity Awards for her work in relation to the first ever International 'Women as leaders in the fire service' conference.

15 The Authority is also improving capacity through effective application of organisational development and workforce planning. The Authority's Workforce Development Strategy links closely with the national human resources strategy. It has developed a comprehensive staff development sponsorship programme, providing additional staff development opportunities in conjunction with staff representatives at Lansdown and Severn Park. The Authority is maximising the flexibility of its operational workforce through its Station 25 virtual crewing. Support for member development is provided through:

- the compilation of a training register for elected members;
- an updated induction process for new members; and
- regular briefings for members, for example - Intranet access.

16 Active participation with the Regional Management Board is improving capacity. The Authority lead on two successful bids for Regional Capacity Building funding and has appointed a director to the board of the Local Authority controlled Company for the Regional Control Centre. The Chair of the Authority is the Deputy Chair of the RMB and the Deputy Chief Fire Officer chairs the Strategic Planning workstream. This has enabled the Authority to:

- reduce procurement costs;
- improve benchmarking with other authorities; and
- share learning and notable practice, for example the new partnership management system adapted from Dorset and Gloucestershire FRS systems.

17 Performance management is improving and arrangements are now in place to ensure good quality data with effective challenge provided through officer and member forums. The Authority has introduced a new scorecard approach for national and local targets and has encouraged more robust officer and member challenge through the Performance Management Forum. Mature and effective business and improvement planning is now better supported by the Improvement Co-ordination Unit (ICU). The ICU is responsible for monitoring and reporting against all strategic objectives, action plans, audit recommendations and initiatives.

- 18 However, actual performance in some areas is not among the best. Accidental domestic fires remain an area of concern for the Authority. The number of deaths from such fires increased in 2007/08 but is now falling below average. Sickness absence remains high in spite of comprehensive absence management. The Authority recognises that there is more work required linking initiatives to outcomes and improvement in service priorities.

Service assessment

- 19 The Commission has undertaken a fire and rescue service assessment of the Authority. The assessment focused on service delivery and looked at the effectiveness of the service as experienced by recipients of the service. The assessment was constructed from two elements.
- The performance information element (an analysis of outcome focused best value performance indicators selected from those nationally available to assess the outcome of the services delivered by the authority).
 - The operational assessment of service delivery element (provided to the Commission by the Department of Communities and Local Government (DCLG)).
- 20 The assessments for Avon Fire Authority are provided in Table 1.

Table 1

Element	Assessment
Performance information	3 out of 4
Operational assessment of service delivery	3 out of 4
Overall fire and rescue service assessment	3 – Performing well – consistently above minimum requirements

Source: Audit Commission

- 21 DCLG's 2006 operational assessment of service delivery assessed the planning and delivery of emergency response. The following text was provided by DCLG as part of their assessment of Avon Fire and Rescue Service.

How is Avon Fire Authority performing?

- 22 Avon Fire and Rescue Service is performing well in all areas of service delivery from risk analysis to its emergency response. It has clearly defined objectives and is structured in a way that helps service delivery. The reduction of risk is a clear priority for the Service and this is evidenced in corporate plans and its integrated risk management plan. The Service provides direction on how to best address risk, both within the organisation and in collaboration with its partners. It operates a range of effective prevention initiatives, and has a strong commitment to partnership working. Operational policies and procedures are detailed and incorporate safe systems of work. Call management arrangements are efficient, and there are good learning opportunities for control staff. Overall, the Service is performing well and has effective performance management arrangements to support service delivery in place.

The audit of the accounts and value for money

- 23** Your appointed auditor, Stephen Malyn, reported separately to the Fire Authority's Special Purposes Committee on the issues arising from our 2007/08 audit and issued an audit report in September 2008, providing:
- an unqualified opinion on your accounts; and
 - an unqualified conclusion on your value for money (VFM) arrangements to say that these arrangements are adequate.

Accounts

- 24** There were no significant matters arising from the audit. Some relatively minor issues were identified and the Authority has agreed to review them in 2008/09.

Use of Resources

- 25** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Authority and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support Authority priorities).
 - Financial standing (including the strength of the Authority's financial position).
 - Internal control (including how effectively the Authority maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Authority balances the costs and quality of its services).
- 26** For the purposes of the CPA we have assessed the Authority's arrangements for use of resources in these five areas as follows.

Table 2

Element	Assessment
Financial reporting	3 out of 4
Financial management	3 out of 4
Financial standing	3 out of 4
Internal control	2 out of 4
Value for money	2 out of 4
Overall assessment of the Audit Commission	3 out of 4

(Note: 1 – lowest, 4 = highest)

- 27 Our overall score 3 indicates that the Authority performs 'consistently above minimum requirements - performing well.'
- 28 The key messages from the audit, as reflected in the above individual assessments, are summarised as follows:
- financial reporting: arrangements for the production of the accounts remain sound, and accounts are produced on a timely basis;
 - financial management: the Authority has a sound record of performance against budgets and the key elements of the business and financial planning processes are in place.
 - financial standing: the Authority has a good history of managing its spending;
 - internal control: the Authority has put in place new arrangements to improve risk management, and while improvements have been observed they now need to become fully embedded.
 - value for money: the Authority has introduced several new and innovative practices to help manage and improve value for money. These now need to feed through to an improvement in their performance compared to other Fire Authorities for national indicators.

Partnership working

- 29 The Authority takes its community safety role very seriously, and is extensively and enthusiastically involved in many external partnerships and other joint working arrangements. This form of working has become increasingly important in response to corporate requirements and the effective delivery of its Integrated Risk Management Plan (IRMP).

- 30 The Authority has made significant improvement in managing its partnerships within a more robust governance framework. There is now a clear strategic direction which is mirrored throughout the organisation. The Authority is ensuring that partnership arrangements are tailored to local need and priorities to deliver the best outcomes for local communities. This will be integrated with the current service review of Community Safety.
- 31 The Authority has made focused commitment to raising its profile with its key delivery partners to achieve LAA and community targets. Senior managers now sit on or chair all key partnerships and partners clearly recognise and value the Authority's contribution to the wider community safety agenda.
- 32 Roles and responsibilities for partnership working are now better focused and understood within the service. The corporate structure has been realigned to reflect the importance of partnership working to the delivery of corporate aims and objectives. Members are now receiving regular briefings on service activities and challenges to enhance robust decision making.
- 33 However, although the Authority has a strong commitment to improving the quality of life across its communities, it is still at an early stage in collecting and using community intelligence and data effectively and consistently with its community safety partners, to drive its priorities or support shared risk management for partnership activities. Partners are now working jointly to address this.
- 34 The Authority is currently developing financial modelling for partnership working but recognises that it has more to do on this and in evaluating the benefits and outcomes of partnership working to demonstrate value for money.
- 35 Although the Authority has used external funding to provide specific training for partnership working, skills training and wider partner training and awareness is still developing within the organisation.
- 36 Although there are clear signs that the Authority has made significant changes in the way it manages partnerships, we have identified important areas that should be addressed to secure the necessary improvement. We recommend that the Authority should:
 - ensure that better and continuously improving information about communities is used in a systematic way to set priorities;
 - establish clear success criteria and SMART targets for significant partnerships, to be included in performance management at all levels and monitored by the Partnership Forum;
 - continue to develop robust and sustainable financial modelling, cost analysis and benchmarking for partnership working. These should be integrated into the partnership framework and management arrangements where appropriate; and
 - tailor the training and awareness programme for officers and members, to embed the appropriate skills and knowledge and to support succession planning.

Looking ahead

- 37** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 38** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 39** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspect of each area's Local Area Agreement.

Closing remarks

- 40 This letter has been discussed and agreed with officers. A copy of the letter will be presented at the full Authority on 27 March 2009. Copies need to be provided to all Authority members.
- 41 Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Authority during the year.

Table 3 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Best Value Performance Plan	December 2007
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Use of Resources	December 2008
Partnership Working	Final draft February 2009
Annual audit and inspection letter	March 2009

- 42 The Authority has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Authority's staff for their support and cooperation during the audit.

Availability of this letter

- 43 This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Authority's website.

Phil Suter
Comprehensive Area Assessment Lead

March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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