

Annual Audit and Inspection Letter

March 2007



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Royal Berkshire Fire Authority

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As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

Status of our reports

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

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Our overall summary

- 1 This letter provides an overall summary of the Audit Commission's assessment of the Authority. It draws on work carried out in 2006 on fire and rescue services provided by the Authority and the way it runs its business.
- 2 The letter is addressed to the Authority and in particular it has been written for Councillors. We want the letter to tell the public, who are served by Authority, and other stakeholders about the Authority's performance, so it is also made available as a public document.
- 3 The main messages for the Authority included in this report are:
 - the Authority is providing better fire and rescue services;
 - on front line work, answering 999 calls and fire prevention, the Authority performs strongly;
 - although performance has improved, the number of accidental fires and false alarms caused by automatic alarm systems are high. The level of house fires confined to one room is low; and
 - the Authority has adequate arrangements for running its business and managing its resources but some areas need to be strengthened.

Action needed by the Authority

- 4 Members need to focus on the following.
 - Ensure that the Authority has set out clear plans to improve operational performance.
 - Make sure that partnerships are helping the Authority to deliver its services and priorities.
 - Deliver the benefits identified in completed value for money reviews.
 - Watch the plans for improving the equality standards rating of the Authority.
 - Getting involved in business risk management.
 - Strengthen internal control - the system of checks and balances needed to safeguard taxpayers' money.
 - Oversee the arrangements that ensure internal controls are working properly.
 - Make sure that value for money is considered at all levels of the Authority.

How is the Authority performing?

- 5 In 2005 the Audit Commission carried out assessments of the way fire and rescue authorities were run and the way they delivered their services. These corporate performance assessments (CPA) looked at the overall management of fire and rescue services; they did not look at the way authorities responded to emergency incidents.
- 6 In July 2005 the Audit Commission assessed the Authority as *good* for CPA purposes (on a scale ranging across: excellent, good, fair, weak and poor). These assessments will not be updated for all authorities but may be updated for some where it appears that there has been a significant change in the level of performance.
- 7 The Commission has also recently 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. There are two elements to the assessment: using performance information and the assessment of service delivery. The results of the assessment of service delivery are set out in a report called *Fire and Rescue, Operational Assessment of Service Delivery, Royal Berkshire Fire Authority*.
- 8 Royal Berkshire Fire Authority has a good record of improvement in its priority areas and in making an effective contribution to wider community outcomes. The Operational Service Assessment rated it as performing strongly in prevention and protection and operational preparedness and well in risk analysis, call management and incident support and emergency response.
- 9 It has shown strong performance in reducing fire deaths, primary and deliberate fires. However, performance needs to be improved for accidental fires and false alarms. The Authority's overall costs compare well with other similar authorities and are well managed. There is a robust process for reducing risk and managing performance and a good balance between prevention and protection. It has built on previous successes in working with partners in the community and other fire authorities. It has developed initiatives directly targeted at those groups most at risk and those causing criminal damage or displaying anti-social behaviour.
- 10 The Authority has sufficient overall capacity to deliver its objectives and has put robust plans in place for further developing capacity and delivering its planned improvements.

Our overall assessment for the Authority

Table 1 CPA scorecard

Element	Assessment
Direction of travel	
Direction of travel judgement	3 - Improving well
Overall (On a scale across excellent, good, fair, weak and poor)	Good overall performance (July 2005 assessment)
Overall service assessment	
Performance indicators	1
Operational assessment of service delivery	4
Overall fire and rescue service assessment	2 - adequate performance

(Note: 1=lowest, 4=highest)

The improvement since last year - our direction of travel report

- 11 In 2005, the Authority was assessed as *good* for CPA purposes. Since this assessment the Authority has been working hard to improve further what it does. We have assessed that the Authority is improving well (on a scale ranging from: not adequately, adequately, well to strongly).

Has the service improved?

- 12 The Authority has a clear vision: *a safer Berkshire*. Since its 2005 assessment, the Authority has reviewed its strategic goals and prioritised its objectives more clearly; that is, it has looked carefully at what it is trying to do and achieve, and what is most important. The Authority wants to :
- minimise loss of life, injury and damage from fire;
 - reduce the number of deaths, injuries and damage caused by other hazards and to give help in other in other emergencies;
 - increase understanding of community safety;

- treat people equally and fairly;
- keep improving what it does; and
- be a good employer.

13 The Government is responsible for setting out what it wants fire and rescue services to do and to achieve. This is set out in the Fire and Rescue National Framework. The Authority has made good progress doing what is expected in the Framework.

For example:

- The Authority must have an Integrated Risk Management Plan (IRMP). This is a plan which sets out how the Authority is going to reduce the number and effect of fires, road accidents and other emergencies; to provide a safer Berkshire and make the best use of the money it spends on fire and rescue. The Authority developed its plan and made sure that it linked into the way it runs its business. This ensured that the Authority had the right processes and the money needed to carry out the IRMP.
- The Authority has to use the Integrated Personal Development System (IPDS). This is a system for recruiting, training and developing people so that they have the right skills to do a good job. The Authority used IPDS to develop a better workforce for example by running more flexible duty systems for fire-fighters.
- Some work on fire and rescue is best looked at on a regional basis and the Government has set up Regional Management Boards (RMB) that lead on such work. Berkshire falls in the area covered by the South East RMB. The Authority is an active member of the group. For example it leads on staffing, training and other workforce issues.

14 What the Authority wants to achieve, its priorities, were clearly linked into its Integrated Risk Management Plan (IRMP) and into its finances, through its Medium Term Financial Plan (MTFP). The MTFP looks at the money the Authority expects to spend on services in the coming five years and the money it is likely to receive.

15 The Government has looked at the way the Authority runs its front line services. The results are set out in a report called *Fire and Rescue, Operational Assessment of Service Delivery, Royal Berkshire Fire Authority*.

- 16 The assessment rated the Authority as performing *strongly overall* and reported as follows:

Risk analysis	Performing well
Prevention and protection	Performing strongly
Operational preparedness	Performing strongly
Call management and incident support	Performing well
Emergency response	Performing well

- 17 The Authority continued to improve its performance management arrangements. Performance management is used by the Authority to help it to manage its services and to secure improvement. Performance management involves using measures or indicators of performance to understand the level of service being achieved and then setting a target for the level of improvement desired. All of this depends on the Authority's ability to calculate accurate and reliable indicators.
- 18 The Authority uses a computer based system called PB Views to help it to set targets and to look at whether they are being met. If there is a problem meeting a target, PB Views helps to identify it so that something can be done sooner rather than later.
- 19 Risk management of the way the Authority runs its business has been improved. Risk management is another tool the Authority uses to make best use of its resources. This involves identifying the obstacles that might prevent the Authority from achieving its priorities for delivering services and then developing ways to ensure these are avoided as far as possible.
- 20 The Authority puts its community safety work where it has most impact. It collects details and facts about the different parts of Berkshire, using information like:
- fires and accidents that have occurred;
 - locations where fires or accidents are more likely to occur; and
 - places that cannot be reached quickly from local fire stations.
- 21 It then uses this range of information to focus its community safety activities.
- 22 The Authority tells people about the dangers of fire and the way the fire service is run. It works with schools, businesses, residents and community groups to spread the message about fire safety. It runs events with other organisations aimed at young people to talk to them about hoax calls and car crashes. This has helped to reduce the number of fires. For example deliberate fires have been cut by over a third. There has also been a big fall in hoax calls.

- 23 Automatic fire alarm systems are mainly used in buildings to give an early warning of a possible fire. They warn people that they need to leave the building immediately and call out fire service. Many of these are false alarms. A fifth of all emergency calls received by the Authority come from Automatic fire alarm systems. The Authority has been looking at how the impact of these calls can be reduced. It has had some success in cutting their number and the cost of responding to them. But there is scope to do more.
- 24 The Authority has to ensure that there are sufficient fire-fighters ready and waiting to respond to emergency calls. Recruiting and keeping the fire-fighters it needs has been a problem in the past. The Authority tried different ideas which helped it to deal with the problem.

For example:

- The Authority employs full and part-time fire-fighters. It also uses retained fire-fighters who carry out fire-fighting duties in addition to their usual job outside of the fire service. In the past, on joining the fire service, these different groups of fire-fighters have been trained to different standards. All fire-fighters now receive the same basic training on entering the service. As a result fire-fighters can be moved around more easily and this provides greater flexibility in the way fire crews are made up.
 - The way fire-fighters are used across the County is monitored carefully on a daily basis and is forecast for the coming 30 days. The aim is to ensure that all fire engines waiting to meet emergency calls will have a full crew of five fire-fighters if called out. The daily monitoring and forecasting systems are used to move fire-fighters to where they are needed most, and to meet planned or unexpected shortfalls. Additional back up is provided for example through overtime working or by full time fire-fighters providing retained cover.
- 25 The performance the Authority achieves can be looked at using a range of measures or performance indicators and targets for performance. These can be used to see how its performance is changing and how it compares to other similar fire authorities. Based on the key performance indicators used for fire and rescue authorities, the Authority is generally improving its performance. It has shown strong performance in reducing fire deaths, primary and deliberate fires, however, performance needs to be improved for accidental fires and false alarms.
- 26 Fires in buildings and vehicles, fires involving casualties or fires that need to be dealt with by five or more fire engines are known as primary fires. The number of primary fire fell in 2005/06. Compared to other similar fire authorities the number of people who died in house fires was relatively low.
- 27 The Authority's performance information for the first half of 2006/07 shows that performance is improving in areas where it did not compare to the best fire and rescue authorities in 2005/06 For example the number of false alarms in commercial buildings is falling and the level of primary fires continues to fall.

- 28 The Authority has a good understanding of its costs and how they relate to the level of service it achieves. Its performance is good in a number of areas even though it spends less than similar fire authorities. Because it has good information on the costs and related performance it can change the way it spends its money to focus on priorities and risk areas. This has allowed spending to be shifted from responding to emergencies to work that prevents the call outs and to working with the community on fire safety.
- 29 The Authority works well with other public sector organisations and gets extra money from a range of sources, such as through local area agreements with Berkshire councils, to support the services it provides.
- 30 The Authority has improved the way it works with the different people it serves and the different people it comes into contact with.

For example:

- It carries out equality impact assessments – these look at the way the Authority runs its services or how it wants to change them, and how those services or changes affect different people. Their purpose is to make sure that no groups of people are treated unfairly or unfavourably because of the way the Authority works.
 - People who work for the Authority receive training to help them to recognise differences in people; how to act fairly and how to deal with their different needs.
 - The Authority talks to the people it serves to ask them about their different needs for example using surveys or by meetings.
 - It is easier to get information from the Authority's website.
- 31 The Authority also wants to make sure that it treats its own staff fairly and that anyone who wants to work for the Authority has a fair chance of getting a job. It knows it needs to do more to encourage more people from different backgrounds to become senior managers and to recruit more female fire-fighters and people who are disabled.
 - 32 The Commission for Race Equality has established an equality standard for local government. This allows organisations to assess how well they deal with issues of inequality. Based on the Commission's framework the Authority achieves a level 2 rating for its arrangements. The scale ranges from level 1 to level 5, the highest rating.

Will performance keep improving?

- 33 The Authority is well placed to improve the fire and rescue services it provides to people in Berkshire.
- 34 Business planning continues to be strong. The Authority has set out clearly what it wants to achieve overall and for each of the services that it runs. These key objectives and service priorities are backed up by clear and measurable targets. The Authority has a medium term financial plan which is linked into the business plans.

- 35 The Authority has also completed a number of value for money reviews. These look at the way parts of the business are run and how much they cost. The aim is to see if they can be run for less money or if services can be improved for the same money. The results of these reviews will lead to improvements.

For example:

- the Authority has reviewed the way it reduces accidental dwelling fires. Now the Service is using partnership funding to carry out home fire risk checks, install smoke detectors and run community and school safety campaigns. Partner organisations can refer residents to each other when a particular need for a service is identified. So, for example, carers can refer residents to the Fire Service for a home fire risk check to be carried out, and the Fire Service can refer residents at risk of suffering a burglary to the Police. All activities are recorded on the FireWatch system so that the Authority can assess, by location, if they are having an impact on reducing fires and also can help more vulnerable people continue to live in their own homes rather than go into care.
- 36 The Authority has the capacity to deliver its future plans; that is the people, money, buildings and equipment it needs. Better use will be made of the people employed because of the more flexible staffing arrangements that have been introduced. More fire-fighters have been trained to work on community fire safety initiatives. The workforce has a better understanding of what the Authority is trying to do and where they fit in. The Authority looks carefully at staff sickness levels and these are running at relatively low levels as a result. It makes good use of the money it has by working in partnerships with other organisations and by buying goods and services at the best prices.
- 37 The Authority recognises that there are still areas which need addressing. It needs to make sure that working in partnerships improves services and makes good use of the money spent with the partnerships. It also needs to be sure that the strong approach to performance management is reflected in the day to day management of all staff.
- 38 The Authority plans to improve its equality standards rating to the highest level in stages and is aiming to get to level 3 in 2007.

Service assessment

- 39 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. There are two elements to the assessment:
- the first uses performance information that is produced by all fire authorities and this concentrates on seven key indicators of performance. These are used to compare authorities against targets for performance and with other authorities; and
 - the Government's operational assessment of service delivery.

- 40 The results of the assessment for the Authority are set out below.

Figure 2 Fire and rescue service assessment

Element	Assessment
Operational assessment of service delivery	4
Performance indicators	1
Overall fire and rescue service assessment	2 - Adequate performance – only at minimum requirements

(Note: 1=lowest, 4=highest)

Service delivery - operational assessment

- 41 The Government's operational assessment of service delivery assessed how well the Authority planned for emergencies and responded to them. It has summarised its assessment as:
- Royal Berkshire Fire and Rescue Service (RBFRS) is performing strongly in the areas of Prevention and Protection and Operational Preparedness. It is performing well in the areas of Risk Analysis, Call Management and Incident Support and Emergency Response. There are real strengths within Risk Analysis, which would be further enhanced by development in certain areas of policy. Within Prevention and Protection, RBFRS uses a comprehensive range of partnership initiatives directly targeted at those groups most at risk from fire, and those causing criminal damage or displaying anti-social behaviour. There are notable processes in Operational Preparedness to collate and disseminate risk information, and robust systems for controlling and reviewing documentation, monitoring performance and for audit and review. RBFRS provides the technical infrastructure, systems and human resource requirements to support Call Management and Incident Support and displays a clear strength in response and resource deployment within Emergency Response. Effective monitoring enables the Service to meet response times with the most appropriate resources. Overall, RBFRS is performing strongly, having maintained a clear focus on operational service delivery.*

Service delivery - performance indicators

- 42 The operational assessment of performance based on performance indicators gives the Authority a low overall score because four indicators fall below the lower threshold of performance. However performance has improved or stayed the same for most indicators. These indicators are as follows.

Performance indicator	Direction of travel from 2005 to 2006	Position
Primary fires	Reducing	Between thresholds
Accidental fires	Reducing	Below lower threshold
Deaths from fires	Small increase	Above upper threshold
Injuries from fires	Increasing	Between thresholds
Accidental house fires confined to one room	About the same	Below lower threshold
False alarms raised by automatic alarm systems	About the same	Below lower threshold
Deliberate primary fires	Reducing	Above upper threshold

(Note: best performance is above the upper threshold)

Financial management and value for money

- 43 Earlier this year we reported on the results of our audit work for 2005/06:
- we found that the Authority’s accounts reported fairly on its finances and financial position. This enabled us to issue an unqualified audit opinion on the accounts;
 - we looked at how the Authority manages the resources at its disposal, in particular how performance is managed and finances are controlled. Our opinion on the Authority’s arrangements (our value for money conclusion) was also unqualified; and
 - we completed our audit work on the best value performance plan for which no issues arose.
- 44 The overall assessment of the Authority’s performance set out in the first part of this letter draws on our audit work. In particular we assess whether the Authority has adequate arrangements to manage its resources (i.e. our value for money conclusion work). We also look in more depth at five areas or themes (our use of resources assessment). Each of these areas or themes is assessed and this leads to the Audit Commission’s overall score shown in table 2 (on a 1 to 4 scale)

Table 2 Use of Resources assessment

The five areas or themes	Scored assessment
Financial reporting - including how the accounts are prepared and then presented to the public.	3
Financial management - including how budgets are set and spending is controlled and how the money is used to deliver plans and priorities.	2
Financial standing - whether the Council has the money to carry out its plans and to pay for its liabilities.	3
Internal control - the checks and balances that ensure business is conducted properly	2
Value for money - whether the Council is spending taxpayers resources well, improving services at less cost.	3
Audit Commission’s overall use of resources assessment - consistently above minimum requirements.	3

- 45 The Audit Commission's overall use of resources assessment is that the Authority is operating above minimum requirements.
- 46 The detailed findings have been reported separately with the headlines further summarised below. With the exception of the value for money theme, all work was completed in 2006 and I am aware that progress has since been made in advance of our next assessment to be reported next year.

Financial reporting

- 47 The financial statements are produced to a good standard and well within deadlines. For 2005/06 no material errors were identified and an unqualified opinion issued. Steps are being taken to publish a summary of the accounts.

Financial management

- 48 The Authority has ensured that its medium term financial plan, budgets and capital programme are soundly based and designed to deliver strategic priorities. Budget management is sound.
- 49 The Authority has recognised it needed to develop its approaches to managing its assets.

Financial standing

- 50 The financial position is challenging but the approach is sound and balances are in line with an appropriate risk assessment reported to members.

Internal control

- 51 Risk management within the Authority (as opposed to the IRMP) needs fuller member involvement. The Authority should also continue to develop its service continuity framework in line with the required timetable to comply with the Civil Contingencies Act.
- 52 Systems of internal control need to be improved by developing processes for producing the statement of internal control (SIC), ensuring adequate internal audit input and also by ensuring that the requirements of an Audit Committee are met.
- 53 The Authority should also ensure it actively promotes probity and propriety, including provision of training.

Value for money

- 54 The balance between costs and performance is positive. There are good examples of collaborative and partnership working to improve services for the community and achieve value for money overall. The Authority is self-aware of the areas needing more attention and refinement, primarily in embedding a culture of value for money at all levels and aspects of activity of the organisation and in ensuring that individual performance is robustly managed to secure community outcomes.

Conclusion

- 55 This letter has been discussed and agreed with the Chief Fire Officer and the Treasurer. A copy of the letter will be presented to the Executive on 21 May 2007 and the Authority on 27 June 2007.
- 56 The Authority has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the Authority's assistance and co-operation.

Availability of this letter

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

Mick West
District Auditor
March 2007