

Audit Commission Consultation Exercise: Performance Assessment Framework 2007/08 and Proposals for Re-categorisation

Report of the Chief Fire Officer

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1 Purpose of Report

This report summarises key areas of the Audit Commission's proposals for the review of fire and rescue authorities (FRAs) during 2007/08, together with proposals for Comprehensive Performance Assessment (CPA) re-categorisation.

2 Recommendations

The Fire Authority is asked to note the contents of this report.

3 Background

The Audit Commission, in November 2006, published their proposals for the *Performance Assessment Framework 2007/08* and for re-categorisation. The Commission are proposing to make minimal changes to the existing performance framework that FRAs experienced during 2006. They are, however, intending to provide an opportunity for re-categorisation to those FRAs that can demonstrate significant and sustained improvement from their 2005 CPA score or any FRA that is deteriorating.

The Commission will target their future audit and inspection activity where it can have greatest effect. The proposals, reflecting the Commission's strategic priorities, are to:

- Promote value for money;
- Improve financial management and financial reporting;



- Encourage improvements in public services that people value by challenging FRAs from the perspective of service users and diverse communities;
- Promote good governance, greater accountability, better decision making and the proper conduct of public business; and
- Stimulate significant improvement in the use of performance information, data quality, data analysis, information management and the public accessibility of relevant information.

This report summarises key aspects of the Commission's consultation document and includes, as an appendix, a response to the proposals prepared by officers.

A copy of the full consultation document can be requested from the Service's Programme Office or alternatively may be downloaded from the Commission at:

<http://www.audit-commission.gov.uk/cpa/fire/downloads/FireConsultation0708.pdf>

4 Consultation Exercise

The consultation exercise commenced in November 2006 and ceased on 8 February 2007. The Commission aim to publish the fire and rescue performance assessment framework for 2007/08 in May 2007 and the agreed methodology for re-categorisation of FRAs in July 2007.

The consultation has sought responses to twelve questions. The questions, together with responses prepared by officers in discussion with the Chair and Vice-Chair of this Fire Authority, are set out within the attached appendix.

5 Key Changes to Performance Assessment Framework

The Commission propose to make minimal changes to the performance assessment framework to enable FRAs to concentrate on delivering sustainable improvements.

The main proposed changes are to:

- Make assessments more proportionate and risk based by taking into account the results of the fire and rescue performance assessment framework 2006/07 when scoping their work;
- Remove the requirement to provide a self-assessment for better performing FRAs;
- Make minor amendments to the key lines of enquiry to take account of learning and feedback;
- Revise the date for which evidence will be considered within the use of resources assessment; and
- Introduce a range of new performance information in the fire and rescue service assessment.



Of particular note to Members are the following key issues extracted from the consultation document:

Use of Resources

The cut-off date for inclusion of evidence in the use of resources assessment would be set at the end of the financial year (31 March 2007). In setting a cut-off date the Commission will take into account outcomes delivered after that date, but the arrangements must have been in place before that date.

Service Assessment

The service assessment for 2007/08 will again be constructed from:

- The performance information element; and
- The Operational Assessment of Service Delivery (OASD) element.

These two elements will continue to be scored separately and the scores then brought together to determine the overall fire and rescue service assessment score. The OASD element was undertaken in Shropshire in 2006 and is not expected to be repeated until 2009, thus the awarded score in respect of the 2006 OASD may remain unchanged for a period of three years. The existing performance indicators used in 2006/07 will be used in 2007/08, together with a small number of supplementary performance indicators (as determined through the consultation process).

Data Quality

The Commission are examining ways to ensure that the data collected by FRAs and used within various assessments are accurate and reliable. Consideration is being given to whether a fuller, more in-depth data quality review is required. The outcome will be announced in the spring of 2007.

Self-Assessment

The production of a direction of travel and use of resources (value for money) self-assessment will only be required for those authorities that score at level 1 (inadequate performance) in the use of resources value for money assessment or 'Not improving adequately/Not improving' in the direction of travel assessment, or both.

Timetable

Table 1 on the following page summarises the proposed performance assessment framework administration for 2007/08.



Table 1
Proposed performance assessment framework timetable for 2007/08

Date(s)	Activity
July to November 2007	Use of resources themes 1 to 4
Mid-October 2007	Submission of Self-assessment (if required)
End of October 2007	Report to those charged with governance issued
November to February 2008	Direction of travel and use of resources theme 5 (value for money)
End of March 2008	Performance assessment framework reported Annual audit and inspection letter issued to FRAs

6 Proposals for Re-categorisation

The Commission do not consider that a universal programme of re-categorisation would be appropriate. Any change of category will follow completion of a corporate assessment (that replicates elements of the 2005 CPA process). Re-categorisations will be targeted at those FRAs that are either deteriorating or that can demonstrate sustainable and significant improvement. In assessing whether a FRA has deteriorated, or significantly and sustainably improved its services, the Commission will take the following into account:

- Direction of travel assessment;
- Use of resources assessment;
- Analysis of changes in performance indicators;
- Fire and rescue service assessment score;
- Aspects of the OASD;
- Evidence from the Department of Communities and Local Government (DCLG) Support Team, where appropriate; and
- Other information available to the Audit Commission

The Commission will establish panels to determine whether any FRA has deteriorated and will also consider applications from those FRAs that can provide evidence that demonstrates significant and sustainable improvement. These panels will be held in August 2007 and March 2008.

7 Financial Implications

There are no financial implications arising from this report. It should, however, be noted that the costs levied by the Audit Commission to undertake audits during 2007/08 are subject to change and will be specified under the Code of Audit Practice.

8 Legal Comment

The Local Government Act 1999 (Part 1) places a responsibility upon the Commission to inspect compliance by best value authorities principally in relation to the duty to secure continuous improvement in the exercise of



functions, having regard to economy, efficiency and effectiveness. FRAs are best value authorities under the Local Government Act 1999.

9 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have determined that there are no discriminatory practices or differential impacts upon specific groups arising from this report, which is for information only. An Initial Equality Impact Assessment has not, therefore, been completed.

10 Appendix

Shropshire and Wrekin Fire Authority Response to Audit Commission (2006), Performance Assessment Framework 2007/08 and proposals for re-categorisation

11 Background Papers

Audit Commission:

(2006).Performance Assessment Framework 2007/08 and proposals for re-categorisation

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk); the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment	*	Operational Assurance	*
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial		Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



Shropshire and Wrekin Fire Authority (SWFA) Response to the Audit Commission Performance Assessment Framework 2007/08

Question 1

Do you agree, partially agree or disagree with our proposals for updating the direction of travel assessment? If you do not agree, what changes should be made?

Fire Authority Response

Agree. The Fire Authority's experience of Direction of Travel was a positive one, maintaining the Key Lines of Enquiry should hopefully ensure future Direction of Travel audits are light touch.

Question 2

Do you agree, partially agree or disagree with our proposals for updating the use of resources assessment? If you do not agree, what changes should be made?

Fire Authority Response

Agree. The Fire Authority feels it is sensible to maintain the Use of Resources Key Lines of Enquiry for the same reason as the Direction of Travel response above. We note, however, the cut-off date and request further clarification as to whether the 2006/07 close down will be included as part of the audit.

SWFA previously highlighted to the Audit Commission and CIPFA (the Chartered Institute of Public Finance and Accountancy) substantial discrepancies in reporting of CIPFA statistics resulting in the Value for Money profile tool being of little value. We would hope the updated version is fully validated prior to use by auditors.

An area of concern that is omitted from the proposed Use of Resources is an assessment of an FRA's measures to reduce emissions, lessening its impact on the environment. The Government has stated that large commercial and public sector organisations must become more energy efficient to help avoid dangerous climate change and has recently launched a consultation on the most cost-effective measures to achieve major emissions reductions. The consultation paper can be found at the following website address:

<http://www.defra.gov.uk/corporate/consult/carbon-emissions/consultation.pdf>



The consultation indicates that it will apply to large local authorities and asks for views on the most cost-effective measures to reduce emissions from large, non-energy intensive organisations by 1.2 million tonnes of carbon a year by 2020. Two options are considered in detail:

- An Energy Performance Commitment and
- A voluntary system of reporting and benchmarking.

It would perhaps be prudent to include environmental measures within the Use of Resources assessment.

Question 3

Do you agree, partially agree or disagree that we should retain the current performance indicators, their treatment and rules for determining the performance indicator score in the fire and rescue service assessment? If you do not agree, what changes should be made?

Fire Authority Response

Partially agree. The Fire Authority fully supports the use of performance indicators, which focus on outcomes. We feel, however, that it is important to highlight to the Commission the following comments regarding the use of the existing seven indicators.

F1 – No issues to raise surrounding the use of this indicator

F2 – No issues to raise surrounding the use of this indicator

F3 – Extra weighting on this indicator seems unreasonable, particularly in view of the small number of fire deaths in less populated authorities, such as Shropshire. For example, one dwelling fire involving multiple deaths could result in this Authority's performance dropping from (4) performing strongly down to (2) adequate performance and as a consequence clearly impact upon our Use of Resources/Direction of Travel scores.

To highlight this SWFA would have to experience 15 fire deaths every 5 years to drop into the lower threshold compared to London, who would have to experience 234 fire deaths during the same period. As a consequence multiple deaths at a single incident have a much greater bearing on a smaller populated FRA's scored judgement. Paradoxically a larger populated FRA is more likely to withstand a larger number of fire deaths before their scored judgement is affected.

The Fire Authority, therefore, feels that the Commission should give consideration to an indicator that measures the number of incidents involving fire deaths rather than the number of fire deaths alone.

F4 – No issues to raise surrounding the use of this indicator



F5 – The Fire Authority reiterates its comments made during the 2006/7 consultation regarding this indicator. F5 – ‘Percentage of accidental dwelling fires confined to room of origin’ should have a sparsity adjustment factored into it. The indicator, by its very nature, disadvantages FRAs covering large rural areas (with consequently longer attendance times) and not adjusting for sparsity would disadvantage these authorities further. In addition, the Fire Authority notes that the upper and lower thresholds are extremely tight, allowing very little room for movement in performance pertaining to this indicator.

F6 – No issue to raise surrounding the use of this indicator

F7 – No issue to raise surrounding the use of this indicator. It is pleasing to note that it is clear from the Commission’s Fire and Rescue Ready Reckoner guidance issued recently that long term performance overrides year on year improvement/ deterioration (page 5).

Question 4

Do you agree, partially agree or disagree that we should include the supplementary performance indicators in the fire and rescue service assessment? If you do not agree, what changes should be made or how should the performance indicators be treated?

Fire Authority Response

Partially agree. Paragraph 29 refers to a ‘small number of supplementary performance indicators’, however, the Fire Authority wishes to raise the following three points:

1. The Fire Authority would question whether it is a small number of indicators, when in actual fact this results in doubling the number of current indicators.
2. Are the indicators actually supplementary? Considering they carry the same weighting as the original seven Key Performance Indicators, terming them supplementary is questionable.
3. To achieve a score of (4) an Authority would still have to ensure that no Key Performance Indicator falls into the lower threshold, even though the amount of indicators has doubled. The Fire Authority feels that tolerance measures should be considered that allow FRAs scope for an indicator to drop into the lower threshold as the number of Key Performance Indicators increases.

Comments on individual indicators

F8(a)/F8(b) – Should F8(a) actually read **non** domestic properties? The Fire Authority feels that false alarms are given sufficient weighting within the existing 7 indicators, notably F6 and, therefore, see the introduction of F8(a)/F8(b) as over complicating and unnecessary. We feel this point is valid when one considers the Government’s drive to reduce the number of performance indicators placed on public sector bodies.



F9 – The Fire Authority seeks further clarification on this indicator. The description indicates ‘the number of calls to’, whereas the source quoted [Best Value Performance Indicator 146(i)] relates to ‘calls **not** attended’.

The Fire Authority feels very strongly that there is only one part of this indicator, which accurately measures performance in the round. Best Value Performance Indicator 146 (ii) ‘the number of malicious calls attended’ takes account of success in terms of both fire safety education and call challenge, i.e. it is the only real measure of outcomes.

For example, an FRA may have a high non-attendance Best Value Performance Indicator 146 (i) due to a policy of proactive call challenge but has done nothing to reduce malicious calls in the first place through education. However, an FRA, which attended no calls to malicious false alarms Best Value Performance Indicator 146 (ii), would seem to be performing well at both call challenge and through education.

Table 1 below is an example of two FRAs using the Commission’s Direction of Travel profile tool.

Table 1

	FRA ‘A’	FRA ‘B’
BVPI 146 (i) malicious calls not attended	0.7	1.4
BVPI 146 (ii) malicious calls attended	0.4	1.1
Total	1.1	2.5

Using Best Value Performance Indicator 146 (i) FRA B outperforms FRA A in terms of call challenge.

Using Best Value Performance Indicator 146 (ii) FRA A outperforms FRA B, as A attends less malicious calls through a programme of call challenge **and** education.

In conclusion Brigade A is a better performer in reducing malicious calls and, as such, this is reflected through Best Value Performance Indicator 146 (ii) rather than Best Value Performance Indicator 146 (i).

F10 – This indicator is too subjective an assessment criterion. How does a FRA prove fires are deliberate or doubtful? The amount of time an FRA would spend determining source of ignition is disproportionate to the benefit of the indicator determining good or poor performance.

F11 – The Fire Authority agrees with the use of this indicator, provided the criteria for inclusion are fully clarified.

F12 – No issue to raise surrounding the use of this indicator

F13(a) – The Fire Authority assumes parts (a), (b) and (c) relate to dwelling fires, which are not referred to in table 6 Best Value Performance Indicator 209 (i) and (ii).



Best Value Performance Indicator 209 (iii) should read 'The percentage of fires attended in dwellings in which a smoke alarm was **not** fitted'.

Of all the supplementary indicators the Fire Authority feels that these are the most important in respect of Community Fire Safety issues. However we feel that the working of the 3 elements of Best Value Performance Indicator 209 do not allow for accurate measurement of performance. Best Value Performance Indicator 209 (iii) - 'The percentage of fires attended in dwellings in which a smoke alarm was not fitted' is the most accurate measurement available, but realistically the measure should focus on dwelling fires, in which **no** working smoke alarm was fitted.

F14 – This indicator causes confusion in terms of the reporting period. The table refers to 2005/06 data, however a public opinion survey was not undertaken during this period. If the Commission is going to use data from the public opinion survey, then it will need to refer to the 2003/04 survey.

The question asked of the public has long been a point of contention and has actually been challenged by Opinion Research Services (ORS), the company commissioned by the majority of Fire and Rescue Services, to undertake the survey.

The question asked is:

"Taking everything into account, how satisfied or dissatisfied are you with the way the Authority runs things."

The options given to the public are as follows:

1. Very satisfied
2. Fairly satisfied
3. Neither
4. Fairly dissatisfied
5. Very dissatisfied

Members of the public, who have never had to call on the Service, will generally tick option 3. A supplementary question then asks:

"Why do you feel this way?"

Common comments include:

"We have never needed to use it, we have no experience of the service, lucky enough not to ever need them, no occasion to use the service firsthand, no direct experience, have no direct experience in order to make a fair comment, etc."

When the final evaluation is taken into consideration, however, options 1 and 2 are classed as positive judgements and 3, 4 and 5 are classed as negative judgements. These judgements are reflected in the final league table position for Best Value Performance Indicator 3 – 'Percentage of citizens satisfied with the overall service provided'. It is clearly questionable as to whether members of the public, who have never had to use the Service, are actually making a negative judgement.

In addition, during 2003/04, public satisfaction results were only made available for 24 FRAs, 10 FRAs did not publish and county FRAs were not included.



Question 5

Do you agree or disagree that we should retain the current matrix for combining the performance indicator element and the OASD (Operational Assessment of Service Delivery) element to form the overall fire and rescue service assessment score? If you disagree, what changes should be made?

Fire Authority Response

Partially Agree. The Fire Authority agrees with the use of the matrix. We have strong concerns, however, that the Operational Assessment of Service Delivery was an assessment of the Service at a single point in time, i.e. October 2006. It appears that this score will now stand for 3 years and, as a consequence, the table combines a static score with changing outcomes over a period of time.

Question 6

Do you agree or disagree that we need to take action to ensure that high quality data is collected by FRAs and used within our assessments? Please state what changes you consider should be made.

Fire Authority Response

Agree. The Authority agrees that high quality data is an important element of measuring performance. Quality data can, however, only be collected, if performance indicator classifications are robust and unambiguous. We would, therefore, urge the Commission to note our comments regarding the supplementary Best Value Performance Indicators.

Question 7

Do you agree, partially agree or disagree with the proposals we have to reduce the workload arising from the performance assessment framework for FRAs? If you do not agree, what changes should be made?

Fire Authority Response

Agree. It is pleasing to see that no major changes have been made to the overarching performance framework, which will hopefully reduce workloads. The Fire Authority recognises that the largest, and least productive, workloads experienced by staff, was during the Operational Assessment of Service Delivery, which we are pleased to see will not be repeated.



Question 8

Do you agree, partially agree or disagree with our strategic regulation approach for re-categorising only those FRAs that are deteriorating or those that can provide evidence that demonstrates significant and sustainable improvement? If you do not agree, please state why?

Fire Authority Response

Agree. The Fire Authority supports the Commission's proposals relating to Comprehensive Performance Assessment re-categorising FRAs.

Question 9

Do you agree, partially agree or disagree with the information the Commission will take into account when determining whether an FRA warrants a corporate assessment? If you don not agree, please state why.

Fire Authority Response

Agree. The Fire Authority supports the Commission's proposals for determining whether an FRA warrants a corporate assessment.

Question 10

Do you agree or disagree with the restructuring of the fire and rescue corporate assessment key lines of enquiry? If you disagree please state why?

Fire Authority Response

Agree. The Fire Authority agrees with the restructuring of the Key Lines of Enquiry from 9 down to 5 and feels that the 5 Key Lines of Enquiry are wholly appropriate.

Question 11

Do you agree or disagree that the OASD (Operational Assessment of Service Delivery) should be refreshed by DCLG (Department for Communities and Local Government) alongside any corporate assessment? If you disagree, please state why?

Fire Authority Response

Agree. If a corporate assessment score is refreshed, it is appropriate and logical to revisit the Operational Assessment of Service Delivery judgement.



Question 12

Do you agree or disagree with our approach to reporting the fire and rescue CPA (Comprehensive Performance Assessment) scores? If you disagree, please state why.

Fire Authority Response

Agree. The Fire Authority agrees and supports the Commission's approach to reporting Comprehensive Performance Assessment scores.

