

Annual Audit and Inspection Letter

Buckinghamshire and Milton Keynes Fire Authority

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Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

Status of our reports

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

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

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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 2007 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 Members. We want the letter to tell the public served by the 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 as follows.
 - The Authority is providing better fire and rescue services; it is improving well.
 - It has continued to make good progress in improving its key priority areas and in delivering wider community outcomes.
 - It is responding effectively to emergency incidents and is achieving better levels of service performance.
 - It has shown strong performance in again reducing primary and accidental dwelling fires, and adopting a local risk-based emergency response to incidents where lives are at risk and road traffic accidents (as a result there was a 42 per cent fall in casualties and fatalities).
 - More joint initiatives with other organisations are under way, and the Authority responded well to the widespread flooding in the summer of 2007 by assisting two other services in other parts of the country.
 - Overall costs compare well with other authorities and are well-managed.
 - The Authority continues to build on its strong base of previous success in working with partners in the community and other fire authorities.
 - A targeted recruitment campaign to fill capacity gaps at retained stations exceeded the targets set.
 - More capacity to deliver community safety initiatives has been created through partnership and better quality joint information: further opportunities are being pursued through the Buckinghamshire Pathfinder project, which aims to bring about closer working between the different local authorities in the county.
 - The Authority continues to ensure that it is fit for purpose to meet both current priorities and future community needs. The recent Senior Management Team review led to the service reconfiguring functions and realigning senior manager responsibilities in line with the focus on prevention and community safety activities, and so that the service can contribute to wider community partnerships.

Action needed by the Authority

- 4 Key actions for the Authority include:
 - embed the performance management culture across the organisation;
 - implement the new partnership framework within the Authority and with partners to gain optimum benefits and sustainable value for money;
 - address areas of weaker performance to ensure all outcomes and performance are cost effective;
 - improve financial and risk management procedures; and
 - ensure that the service has the right structure to run the business and to meet future demands and community needs.

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 weak 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 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.
- 8 Buckinghamshire and Milton Keynes Fire Authority has made good progress over the last year in improving its key priority areas and in delivering wider community outcomes. Community safety initiatives have been effectively targeted at areas of most need and are having a demonstrable impact. As a result there has been a reduction in primary, accidental dwelling and deliberate fires. There also has been a significant reduction in fatalities and casualties. Effective action has been taken to reduce unwanted fire signals. The quality of services for hard to reach and minority groups has been actively improved.
- 9 Good value for money is provided by the service and costs compare favourably. There are ambitious plans in place to further improve value for money. The Authority has continued to build on its well established approach to working with its community partners. Plans to address identified corporate weaknesses and build capacity have been executed in a timely and effective manner and are a notable achievement. Good progress is being made in moving towards a more outward focus to further improve outcomes for local people.

Our overall assessment for the Authority

Table 1 CPA scorecard

Element	Assessment
Direction of travel	
Direction of travel judgement	3 - Improving well
Overall <i>(On a scale across excellent, good, fair, weak and poor)</i>	<i>Weak overall performance (July 2005 assessment)</i>
Overall service assessment	
Performance indicators	1 out of 4
Operational assessment of service delivery	3 out of 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

- 10 In 2005, the Authority was assessed as weak for CPA purposes. Since then the Authority has been working hard to improve 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?

- 11 The Authority has continued to make good overall progress against the delivery of its three revised strategic aims, which focus on effective response, improving community safety and building resilience. In the last year there has been good progress in preventing fires with the number of primary and accidental dwelling fires reduced. Operational response to incidents has also improved. The Authority has taken effective action to reduce the number of false alarms generated by automatic fire detection equipment in premises, reducing the number of multiple attendances by crews to these alarms. After a year's trial, the Authority has adopted local risk based emergency response standards for incidents which are a risk to life and road traffic collisions, and has performed well against these. In 2006/07 there was a 42 per cent reduction in casualties and fatalities. The Authority responded well to national emergencies in supporting two other fire authorities in parts of the country affected by floods in the summer of 2007. However, local risk based emergency response standards are not yet in place for all incident categories.

- 12 The Authority has continued to build on its range of community-based initiatives with partners to drive prevention work targeted at high risk communities and individuals. The client base for the best practice joint Home Fire Risk Checks has been extended to include people receiving housing benefits and undergoing alcohol counselling. A new joint initiative has been introduced to identify and secure empty properties at risk of arson in two districts. The Authority and its partners are better placed to target work as a Vulnerable Localities Index (VLI) has been developed incorporating deprivation, community safety and partner agency data. The VLI is being used to direct operational fire fighters and will be used to inform joint plans with partners. This partnership approach to community safety is having a demonstrable impact by improving the performance of most indicators in this area, particularly accidental dwelling fires. However, the impact of the Authority's initiatives to raise road safety awareness and reduce road traffic accidents and injuries is less clear.
- 13 The Authority has found new ways of improving the quality of services for all its citizens:
- it has installed smoke alarms and sprinkler systems for people with disabilities and in homeless hostels;
 - a range of schemes to engage young people, designed to prevent or reduce risks to them and improve their life chances and skills have been delivered;
 - a mobile resource centre has recently been introduced to attend local events raising awareness of safety issues. It has been so successful that a second vehicle is to be introduced; and
 - there are effective relationships with race equality groups and community representatives in High Wycombe. A community room has been provided at Wycombe fire station as a valued neutral space; fire and rescue issues are also promoted on local radio during Ramadan; the Authority's website now contains multilingual advice on all aspects of home safety.
- 14 The Authority continues to perform well in achieving, managing and improving value for money. It has remained a low cost authority comparing favourably with other fire authorities nationally and there is a positive relationship overall between cost and performance. Critical to its success in achieving value for money has been the strong focus on community safety delivered in partnership, which has delivered demonstrable benefits to those most in need. Systems and processes to manage and improve value for money work well and have been further developed. The Authority has ambitious plans to improve value for money by better use of its staff and assets, increasing its focus on community safety, and enhancing partnership working for service delivery.
- 15 Compared with other authorities, performance is favourable in some key areas, and is better than the national average for deaths, injuries, false alarms and deliberate fires.

- 16 Progress is being made in addressing areas of weaker national comparative performance. While performance is below average for primary and accidental dwelling fires, it has steadily improved over the last three years. Other areas of below average comparative performance, such as malicious calls, are being addressed through better data recording and more robust challenge of calls made to the service. However the Authority's ranking in the 2006/07 best value satisfaction survey was below average, so more needs to be done to understand the factors influencing public satisfaction and perceptions of the service.
- 17 The corporate commitment to integrate diversity into day-to-day service delivery still needs to be translated into effective overall outcomes. The Authority has had some success in having a more representative workforce. It has increased workforce diversity among non-operational staff, and it compares favourably with other fire authorities for the percentage of top 5 per cent earners from diverse backgrounds. As a result of the ongoing work on equalities and diversity with the Regional Management Board (RMB) and a local review of equalities, members and officers are more aware of the weaknesses to be addressed. However this organisational commitment and investment is not yet reflected in positive overall outcomes. The Authority has remained at level two of the equalities standard and has yet to succeed in increasing workforce diversity for operational staff eg the overall percentage of women firefighters and BME employees. However we note that this reflects the position nationally, where successes in recruitment take time to be reflected in a long-established workforce.

Will performance keep improving?

- 18 Improvement plans have had an impact on improving capacity to deliver services. The focus of the Authority's improvement planning has been to address corporate weaknesses identified in its CPA inspection in 2005, where overall performance was assessed as 'weak'. In August 2007 the Authority took part in an Audit Commission CPA re-inspection pilot. This looked at how the Audit Commission could carry out updated assessments of fire and rescue services. The pilot recognised the good progress made in building corporate capacity: as a result, key corporate management processes e.g. financial risk, performance and project management have been considerably improved. The Authority recognises that some of these processes eg project management still need to be embedded, but overall the Authority is much better placed to use its resources effectively to improve services.

- 19 Performance and data quality management has continued to improve. A data cleansing exercise was undertaken last year. This looked at the reliability of the key information used to manage the Authority and revealed that it has understated its performance in some areas. As a result arrangements are now in place to capture and record data more accurately and to identify community safety activity more transparently. The Authority is better placed to target its resources more effectively with partners. The performance management framework has been further enhanced through the HOWARD monitoring system, which monitors station level performance against contribution to strategic objectives and priorities. Members are more engaged in performance management and are increasing the robustness of their challenge, as reflected by the decision to relocate the Urban Search and Rescue Site from Beaconsfield to Aylesbury on value for money grounds.
- 20 Improvement is still needed in some areas:
- a performance management culture needs to be embedded across the organisation;
 - an appraisal system and revised job descriptions to support a performance management and value for money culture needs to be rolled out across the organisation;
 - while a partnership framework has been developed it remains to be piloted and implemented; and
 - although this has been done in some areas, the Authority does not yet consistently evaluate the benefits being delivered by its projects and initiatives.
- 21 Improvement plans have been considerably strengthened. The Authority has developed community-focused aims and objectives which now set the direction for the Integrated Risk Management Plan (IRMP) action plan. This measures progress against its agenda for change, modernisation and improvement, explaining in detail what the service is doing to develop its services for the future. Plans to improve value for money are being implemented through an efficiency action plan. The IRMP 2007/08 action plan was developed with staff engagement. Within the overall planning framework, Individual Station Plans are now in place for all whole time and day crewed stations, and the process will be extended to include all retained stations. There are also plans to bring about cultural change throughout the organisation.
- 22 Responses to external challenge continue to be positive. The Authority is acting promptly to address some of the key weaknesses identified by the CPA pilot re-inspection. Stakeholder consultation is being improved by involving key partners in the next planning round for the IRMP action plan, and a consultation and engagement strategy is being developed to improve its impact. Member roles and leadership issues identified in the report are being addressed through a review of senior management team structures and a workshop with Lead Members and officers. The refreshed IRMP action plan being developed for 2008/09 will reflect these developments, with a focus on embedding community safety throughout the organisation by better use of staff.

- 23 The Authority is aware that improvement planning has still to address some important areas, eg developing indicators of success which would effectively measure the delivery of some of the Authority's objectives, such as developing stronger and more cohesive communities. While financial plans link well with the Authority's improvement plans, for some supporting plans links are still to be clearly articulated and effectively integrated, eg between the Authority's procurement and human resource strategies. At a strategic level priorities have not yet been expressed explicitly, which would help the Authority to deal with its capacity issues. As a result, future challenges such as the population increase in Milton Keynes have not received full strategic consideration.
- 24 Capacity to deliver services continues to be built up. The review of property and consultancy services has strengthened the corporate approach to procurement and asset management, with well-informed plans in the process of being implemented or developed. A three-year recruitment campaign to fill capacity gaps at retained stations - which aims to achieve 95 per cent complement - has exceeded its first year targets. The availability of fire engines has also improved by 4.6 per cent. The Authority continues to invest in information communications technology to improve capacity and implementation of the incident recording system is on track. Workforce planning over the longer term is still to be developed, particularly working with partners. Work is ongoing to improve internal communication; but upward feedback mechanisms are still to be developed to ensure systematic learning from staff.
- 25 The Authority continues to build on partnership working from a strong base. It is contributing to achieving the Regional Management Board priorities and is working collaboratively on training and emergency work streams, but this is at an early stage. It has already benefited through collaboration with partners eg in procurement, where savings on uniforms have been made. Capacity to deliver community safety initiatives has been enhanced through the appointment of both dedicated specialist officers and shared posts with partners to deal with road safety and anti-social behaviour. There is also a renewed focus on building partnership capacity in community safety by improving the quality of joint information for example:
- an integrated risk database;
 - developing four key themes in the Community Safety Strategy which have a better fit with partners' priorities; and
 - opportunities to enhance value for money through joint working are being pursued through the Buckinghamshire Pathfinder project which is developing business cases for better joint working options.

Service assessment

- 26 The Audit 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 as follows.
- The first element uses performance information produced by all fire authorities concentrating on ten key indicators of performance. These are used to compare authorities against targets for performance and with other authorities.
 - The Government's operational assessment of service delivery.
- 27 The results of the assessment for the Authority are set out below.

Table 2 Fire and rescue service assessment

Element	Assessment
Performance indicator	1 out of 4
Operational assessment of service delivery	3 out of 4
Overall fire and rescue service assessment	2 - Adequate performance – only at minimum requirements

Source: Audit Commission

- 28 The Government's 2006 operational assessment of service delivery assessed how well the Authority planned for emergencies and responded to them. It has summarised its assessment as:

Buckinghamshire Fire and Rescue Service is performing well in all areas of service delivery from its analysis of risk through to its emergency response services. There is positive new leadership within the Service. Key appointments have been made, and the Service is working hard to improve service delivery as part of their improvement planning process. Performance management and morale has significantly improved, and staff are working confidently towards achieving local aims and objectives for service delivery. The Service is performing particularly well in relation to planning, developing and maintaining operational competence in key areas including incident command, information handling and partnership working. The Service operates a range of effective community safety initiatives, and these are also designed to bring about greater community cohesion within the Authority's area.

Service delivery - performance indicators

- 29 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.

Table 3

Performance indicator	Direction of travel from 2006 to 2007	Position
Primary fires	Fewer fires	Below lower threshold
Accidental fires	Fewer fires	Below lower threshold
Deaths from fires	About the same	Above upper threshold
Injuries from fires	Fewer injuries	Between thresholds
Accidental house fires confined to one room	More fires	Above upper threshold
False alarms raised by automatic alarm systems	Fewer false alarms	Below lower threshold
Deliberate primary fires	Fewer fires	Above upper threshold
Calls to malicious false alarms	More false alarms	Between thresholds
Fires attended where no smoke alarm fitted	Fewer fires	Between thresholds
Non-domestic property fires	More fires	Below lower threshold

(Note: best performance is above the upper threshold)

The audit of the accounts and value for money

Accounts audit and value for money conclusion

- 30 Earlier this year we reported on the results of our audit work for 2006/07 as follows.
- 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 on 14 September 2007.
 - 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.
 - We completed our audit work on the best value performance plan for which no issues arose.
- 31 We were pleased to provide an unqualified value for money conclusion: in 2005/06 we had qualified the conclusion because of weaknesses in budget monitoring arrangements.

Use of resources

- 32 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 (ie 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 4 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 out of 4
Financial management - including how budgets are set and spending is controlled and how the money is used to deliver plans and priorities.	2 out of 4
Financial standing - whether the Council has the money to carry out its plans and to pay for its liabilities.	2 out of 4

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The five areas or themes	Scored assessment
Internal control - the checks and balances that ensure business is conducted properly.	2 out of 4
Value for money - whether the Council is spending taxpayers resources well, improving services at less cost.	3 out of 4
Audit Commission's overall use of resources assessment - only at minimum requirements.	2 out of 4

- 33 The Audit Commission's overall use of resources assessment is that the Authority is operating at minimum requirements. The final score has not changed since last year, but within it the score for financial reporting has increased from a level 2 to a level 3. The findings are summarised below.

Financial reporting

- 34 The accounts for 2006/07 were received in accordance with required timescales, supported by reasonable working papers. Only a small number of non-trivial items were identified during the audit and we were able to give an unqualified opinion in line with the deadline set out in the Accounts and Audit Regulations.
- 35 Accounts and electors' rights are published, and the 2006/07 annual accounts and 2006 Annual Audit Letter were available on the Authority's website. Details of forthcoming meetings; agenda papers and minutes once approved are also available on the Authority's website.
- 36 We increased the score in this area from last year because the draft accounts presented to members were accompanied by an explanatory paper highlighting key issues; the final version was also accompanied by a shorter report with the Authority's response to audit issues raised.

Financial management

- 37 Last year we assessed this as level 2, and said that to reach level 3 the Authority would need to embed the level 2 criteria and:
- more effectively link the medium-term financial strategy (MTFS) to other internal strategies/ plans as appropriate, such as human resources, IT, IRMP, BVPP;
 - integrate business planning with financial planning so that it drives the medium-term financial strategy, which in turn links to detailed budget decisions;
 - improve budget monitoring and management arrangements; and
 - base capital investment and disposal decisions on thorough option appraisal and whole life costing.

- 38 This year we found that although all the specific points listed above had been addressed, several of the level 2 criteria were not yet embedded. In view of this the score remained the same.

Financial standing

- 39 This reflects that no significant overspends or material variances have occurred in recent years and that the necessary policies are in place. We reported last year that to improve further the Authority needed to show that its reserves and balances policy is based on a thorough understanding of its needs and risks. This is starting to be done but was not embedded during 2006/07: this is why the score in this area is the same as last year.

Internal control

- 40 We have assessed internal control as having the same score as last year. This is because in the 2005/06 letter we reported that to improve the score the Authority needed to embed the level 2 criteria and address specific challenges. In 2006/07 we found that these issues had been dealt with and that the Authority was able to:
- show that members and officers with specific responsibility for business risk management have received risk management awareness training;
 - ensure that the IRMP action plan is based on a thorough analysis of risk; and
 - undertake a formal assessment of compliance with the Civil Contingencies Act and report to members with remedial action agreed to address residual risks.
- 41 However these areas remained outstanding, for the Authority to:
- undertake an assessment of standards of conduct, including how effectively members are complying with the code of conduct, the number and types of complaints received, and takes action as appropriate; and
 - show that a strong counter fraud culture is supported and promoted by members and senior officers, as evidenced by proactive counter fraud and corruption work, which is determined by a formal risk assessment and is adequately resourced.
- 42 Progress had also been made in embedding the level 2 criteria, but this was not consistently the case. Overall the score therefore remained the same.

Value for money

- 43 In our 2005/06 letter we assessed the Authority as doing well in this area, and this continues to be the case. We reported that to improve further the Authority needed to:
- embed the new partnership framework within the organisation and with partners to gain optimum benefits and sustainable value for money;
 - continue to work in areas of below average performance to ensure all outcomes and performance are cost effective;
 - ensure that the capital programme is fully integrated within budget management and closely linked to value for money and efficiency targets;
 - ensure that plans focus on outcomes linked to service objectives. Annual action plans should include SMART targets for the achievement of service objectives; and
 - review job descriptions to reflect the changes in the organisational structure and the shift from rank to role. Individuals and the Authority need clarity in what roles and responsibilities are to ensure the Authority is operating effectively.
- 44 Although there were improvements across these areas, some of them are still outstanding, so we have assessed value for money at the same score as last year. There is more detail covering these themes in the direction of travel section of this letter.

Senior management team review

- 45 In April 2007, the Assistant Chief Fire Officer (Corporate Services) was appointed as Deputy Chief Fire Officer - a post which had been vacant for two years. The decision was made that before appointing a replacement Director of Corporate Services, it was necessary to review the management structure to establish whether or not the existing structure - even with the extra capacity of a DCFO - was now fit for purpose. A recent CPA re-categorisation pilot had also commented on the size, structure and imbalance of portfolios at senior manager level. Areas addressed included:
- leadership and governance;
 - roles and responsibilities;
 - portfolios - workloads and capacity;
 - succession planning; and
 - culture and values.

- 46 The review identified that current roles and portfolios did not adequately reflect the desired focus of the organisation. Stated priorities of the service were not clearly mirrored in the shape or size of directorates, eg community fire safety and prevention - the key thrust of the modernisation agenda - lacked prominence within operational delivery.
- 47 It was not clear who was responsible for some areas of work, what roles were involved, or how they worked together on overall service direction and outcomes. This resulted in the three directorates tending to work in isolation. The balance of the workload between the directorates and within the management team as a whole was imbalanced.
- 48 The organisation has been internally focused over the last two years, ensuring that it had robust processes and practices to support appropriate service delivery. Partnership working to improve community safety and service delivery on the ground was well developed and embedded, but less so at a strategic level. Responsibility for key strategic partnerships seemed unfocused with no clear lead within the senior management team.
- 49 Communications were muddled and ineffective, especially between senior and middle management levels: eg the Managers Forum and Senior Management Team lacked focus and had no real remit to take any decisive action. As a result Directors and senior managers were often unable to delegate.
- 50 Effective and robust performance management was absent in much of the organisation with poor performance being neither understood nor challenged. There was a lack of competence or understanding of how to manage performance at either individual or service level.
- 51 Middle managers were keen to take on more responsibility and to embrace change but did not have the skills or authority to do so. The organisation had become risk averse, unable to provide effective or timely challenge, or suggest innovation for fear of blame. Generic management competences have not yet been identified or implemented to enable more flexible resource management across directorates and to improve succession planning.
- 52 The Comprehensive Area Assessment (CAA) replacing the CPA will mean that the service needs to engage more with partners on wider community issues to support, influence and secure the wider agenda for the well-being of local people. The delegation of responsibilities in the senior management team did not yet reflect this need.

53 The Authority is already addressing the areas for improvement highlighted by the review:

- ensuring that the new structure reflected both the current and future needs of the service and community;
- ensuring Directors' portfolios include cross-cutting remits as well as function responsibility, improving working across the organisation;
- embedding partnership throughout the organisation;
- effectively cascading performance management throughout the organisation, with SMART targets applied at individual, team and function level and clearly linked to service priorities;
- structuring the Directors' Group to reflect local focus and priorities e.g. more emphasis on community fire safety;
- developing and introducing generic management competences to increase capacity and flexibility; and
- developing a clear understanding throughout the whole organisation of the key service priorities, how they will be delivered, and by whom.

Looking ahead

- 54** The way in which public services perform is looked at by a range of independent inspectorates. Working together, these inspectorates are developing a new way to assess performance. This is called Comprehensive Area Assessment (CAA). CAA will look at the prospects for local areas and the quality of life for the people living there. It will put people who use services and local tax payers at the centre of the new assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable.
- 55** Public bodies work together to provide a range of services for the community. They operate alongside each other within a common strategy led by local government, known as a *sustainable community strategy*. A local area agreement (LAA) is a three-year agreement between a local area and central government. The LAA describes how local priorities will be met by delivering local solutions. CAA will recognise the importance of local partnership and the relationship with central government and within this the key role played by local government in leading and shaping the communities they serve.
- 56** CAA will reduce inspection and will join up the range of inspection activity more effectively. The key components of CAA will be:
- for areas, a joint inspectorate annual area risk assessment of the prospects for the local area and for the quality of life of local people and reporting of comparative performance on the new national indicator set; and
 - for authorities, a joint inspectorate annual direction of travel assessment and an annual use of resources assessment. The auditors' use of resources judgements will continue with a widened scope covering issues such as commissioning and the sustainable use of resources.
- 57** 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 Local Area Agreements.

Closing remarks

- 58 This letter has been discussed and agreed with the Chief Fire Officer and Treasurer. A copy of the letter will be presented at the Overview, Performance and Audit committee on 5 March 2008: copies need to be provided to all Authority members.
- 59 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 5 Reports issued

Report	Date of issue
Audit and inspection plan	March 2006
Interim audit memorandum	August 2007
Annual governance report	September 2007
Opinion on financial statements	September 2007
Value for money conclusion	September 2007
Senior management team review	October 2007
Final accounts memorandum	November 2007

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

Availability of this letter

- 61 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
Relationship Manager

19 February 2008