

AUDIT AND PERFORMANCE REVIEW COMMITTEE
(Devon and Somerset Fire and Rescue Authority)

17 November 2010

Present:-

Councillors Dyke (Chairman), Burridge-Clayton, Gribble, Mills, Radford, Viney and Way

***APRC/15. Minutes**

RESOLVED that the Minutes of the meeting held on 29 September 2010 be signed as a correct record.

***APRC/16. Declarations of Interest**

Members of the Committee were asked to consider whether they had any personal/personal and prejudicial interests in items as set out on the agenda for this meeting and declare any such interests at this time.

No interests were declared.

***APRC/17. Performance Report: April to September 2010**

The Committee considered a report of the Deputy Chief Fire Officer (APRC/10/8) that detailed the performance and progress made by the Service as measured by the Corporate Plan goals, activities and targets for the second quarter of the year (April to September 2010). The report highlighted the key issues and areas of focus in terms of performance as determined by the Service Improvement Group (SIG), namely:

- Accidental dwelling fires;
- Deliberate fires;
- Emergency response standards;
- Equality and diversity targets;
- Sickness absence;
- Retained availability data;
- Finance.

Each of these areas was considered by the Committee in depth as below:

Accidental Dwelling Fires

There had been a steady increase in the number of accidental dwelling fires from April to June 2010, with 43% of these incidents being caused by cooking, although performance had now improved since September 2010. In the period April to September 2010, 40% of accidental dwelling fires had no firefighting action, however, with the majority of fires (89%) having no fire damage or a very limited spread of damage.

Deliberate fires

The Committee received for information a presentation given by the Arson Reduction Manager in respect of deliberate fires. The view was that 47% of fires attended were thought to be “deliberate” i.e., caused deliberately by a person and as a result these incidents were recorded via the Incident Recording System (IRS). It was noted that there had been an increase in the number of deliberate primary fires (excluding vehicles) across the Service area from 188 in 2009/10 to 204 for the same period in 2010/11. There had also been a small increase in the number of deliberate secondary fires (excluding vehicles) over the same period. In view of the current economic climate, the increase in deliberate fires was anticipated and work was being undertaken to address this actively.

Emergency response standards

In relation to the standards for dwelling fires, out of 447 dwelling fires inside the 10 minute areas, 84.6% had an appliance attend within 10 minutes against a target of 85.5%. The target for attendance within 10 minutes and with a crew of 9 had been set at 73.8% although during the recording period of the report only 70.9% of attendances had achieved the full standard. There were four areas that could impact on performance in this respect (call handling; retained firefighters getting to the station; turn out times; and travelling times to incident) and the Response and Resilience Manager would be examining potential policy and procedural issues to seek to improve performance in relation to these targets.

In relation to the targets for Road Traffic Collisions (RTCs), the performance was recorded as:

- for appliance attendance within 15 minutes, 76.3% against a target of 77.3%;
- on single lane carriageways requiring first attendance in 15 minutes and 2 appliances with 8 crew in 18 minutes, 66.9% against a target of 62.5%; and
- on multi-lane carriageways requiring first appliance attendance within 15 minutes and 3 appliances with 10 crew within 18 minutes, 38.3% against a target of 44.44%

It was noted that call handling could take longer for RTCs due to delays in identifying the correct location, either because of contradictory information or lack of knowledge of the location by the caller.

Equality and diversity targets

It was noted that, while the Equality Framework for the Fire & Rescue Service would remain in place, the Government was to remove the national targets within the National Equality and Diversity Strategy. In the absence of such national targets, however, relevant and intelligent performance indicators would be developed to measure the effectiveness of Service strategy in recruiting from under-represented groups. It was also noted that the new Public Sector Equality Duty to be implemented in 2011 would place an emphasis on transparency of data to enable communities to directly challenge public bodies on performance.

Sickness absence

Current sickness rates were below the same period last year and were on track to remain below the year-end target of 9 days/shifts lost per person.

Retained availability data

Reference was made to the introduction of the Gartan availability system which provided a simpler, more flexible means of determining availability and which would assist in the effective management of available operational resources.

Finance

The target within the current Annual Corporate Plan 2010/11 to 2012/13 was to manage expenditure within a tolerance of -1%. Proactive management within the current year to ease budgetary issues in future years, however, meant that an underspend greater than 1% was predicted and consequently it was felt that expenditure target in the current Annual Corporate Plan should be removed.

Reference was also made to aged debt and it was noted that, of the total amount of aged debt over 85 days, 73% related to two debtors. Following previous questions by the Resources Committee, debt recovery continued to be closely monitored.

RESOLVED

- (a) that, in relation to the following targets in the Corporate Plan as indicated:
 - (i) the Human Resources Management and Development Committee be asked to recommend that the Authority removes the equality and diversity targets as and when these are abolished by the Department for Communities and Local Government;
 - (ii) the Resources Committee be asked to recommend that the Authority removes the -1% tolerance target for the expenditure on budget measure for the current financial year;
- (b) that, subject to (a) above, the report be noted.

***APRC/18. Audit Progress Report**

The Committee received for information an Audit Progress Summary (to 9 November 2010), as prepared by the Audit Commission.

The summary report included details of reports issued by the Audit Commission since the previous meeting, including:

- Unqualified opinion and Value for Money (VFM) conclusion on the 2009/10 accounts;
- an Audit of the Authority's financial statements 2009/10 and its preparedness for the introduction of the International Financial Reporting Standards (IFRS); and
- the Annual audit letter 2009/10

It was noted that the Audit Commission had issued an unqualified opinion in relation to the Authority's 2009/10 financial statements and its arrangements for securing economy, efficiency and effectiveness in the use of its resources.

The Audit Progress Summary also indicated work in progress (including the ongoing review of preparedness for IFRS) together with recent Audit Commission events and national reports.

***APRC/19. International Financial Reporting Standards (IFRS) - Update**

The Committee received for information a report of the Treasurer (APRC/10/9) setting out the progress made in respect of implementation of the new International Financial Reporting Standards (IFRS).

Although considerable work had been completed and progress made towards IFRS compliance, there was still a significant amount of work to be undertaken to complete a satisfactory first set of accounts under IFRS.

***APRC/20. Audit and Review Six Monthly Report**

The Committee received for information a report of the Deputy Chief Fire Officer (APRC/10/10) on progress made against the approved 2010/11 Audit Review Plan and which provided assurance statements for the completed audits, together with the key/high risk findings of the sickness management, procurement protection, operational data and combination benefits audit reviews. The report also included the recommendations made by the Service Audit and Review Team and the agreed management actions.

In considering the completed audits, the Chairman commented in particular on the findings from the combination benefits review. A number of salient learning points had been identified and, while certain benefits identified in the business case had yet to be fully realised (e.g. sharing of best practice on community safety initiatives), the forecast financial saving from combination to be achieved by April 2012 was, at an estimated £3.54m, considerably greater than the £590,000 originally calculated.

RESOLVED that the section of report APRC/10/10 dealing with the Combination Benefits Review, as appended to these minutes, be referred to the full Authority for consideration and comment and that future reports on realisation of combination benefits be submitted as appropriate to future meetings of the Authority.

***APRC/21. Six Monthly Internal Audit Monitoring Report**

The Committee received for information the six monthly Internal Audit Monitoring Report for the Devon and Somerset Fire and Rescue Service as prepared by the Audit Manager for the Devon Audit Partnership and summarising work carried out against the agreed internal audit plan for the first six months of 2010/11.

***DENOTED DELEGATED MATTER WITH POWER TO ACT**

The meeting started at 10.00hours and finished at 12.20hours

**APPENDIX TO THE MINUTES OF THE MEETING OF THE AUDIT AND PERFORMANCE
REVIEW COMMITTEE 17 NOVEMBER 2010**

5.5 Combination Benefits Review

The Combination business case identified that the full realisation of all benefits recorded would take up to 5 years to embed into the newly created combined organisation.

The current review has been completed 3 years into combination. The Audit & Review Team are pleased to report that the following benefits would appear to have been realised or have made significant progress:

- The forecast is for a financial saving of £3.64 million to have been delivered by April 2012. This is significantly more (£590,000) than the original benefit calculation. * The figures are subject to scrutiny by the Devon Audit Partnership.
- From the stats collated, Community Safety activities are increasing. This includes Home Fire Safety visits but excludes provision of domestic smoke alarms.
- Support Services have successfully been combined.
- Efficiencies are being realised in the production of new policies
- Improvements in fleet and stores management have contributed to improvements in vehicle servicing downtime and the increased availability of appliances.
- Career development opportunities have increased following the roll out of new HR initiatives.
- Improved retention of retained staff.
- Improved financial reporting
- A year on year increase in training income

One of the most apparent learning points to come out of the review related to the project management of the combination. The review identified that a comprehensive project team was put in place to manage the process up until the point of combination. However, as at April 2007, the project team was dismantled. This has resulted in a lack of drive and co-ordination to ensure the benefits identified pre-combination are realised and implemented to agreed timescales.

The Audit & Review Team identified the following areas where the identified benefit in the business case has yet to be fully realised:

- Sharing of information / best practice across Community Safety activities. However, plans are being put in place now to ensure that this does happen. The Community Safety Manager has made significant progress in embedding a system for recording and analysing partnership activities.
- The IRMP return for 2009-10 shows a 6% reduction in the provision of smoke alarms in comparison with the previous year.
- At the time of this review, the Partnership Framework and Register are still a work in progress. It is therefore too early for the organisation to demonstrate that it is working effectively in partnership to deliver better outcomes.
- The Audit & Review team could not find any evidence of how the combined authority had identified areas of under-resource and following combination, matched resources and skills to pro-actively meet this need. The arrangements have until now been more reactive, however a more pro-active approach is now being taken to maximise resource. An example of this is the ongoing service delivery review.

- The Service Information Point (SIP) was established to help the policy harmonisation team to coordinate the delivery of harmonised policies. It was identified that priority was given to high risk policies. One key omission from this process resulted in no timetables or deadlines being agreed at the time of combination to complete the policy harmonisation process. As a result, approx 55% of policies are still to be harmonised 3 years post combination. This has a direct reflection on staff's perception as to what stage in combination DSFRS has achieved.
- A central procurement team is in place with 8 team members, however only 2 Officers focus exclusively on procurement strategy and initiatives. The concern is that this focus is spread too thinly and full benefits of economies of scale will not be met within 5 years.
- There is currently no stand-alone Integrated Risk Management Plan (IRMP) for DSFRS in place. The essence of the IRMP has been included within the corporate plans since combination but not as a separate document.
- At the time of combination, adequate resources were not put in place to embed the Fire Service Emergency Cover (FSEC) system to its full potential. The focus on FSEC has re-emerged since the SMB re-structure and the Risk Management Team now has the flexibility to focus on FSEC. In 2010/11 the FSEC team has been re-focused and re-sized in line with the original intentions at combination. A target for a DSFRS Risk Map has been set for June 2010.

The Audit & Review Team have presented a full combination benefits report to the Senior Management Board who are committed to ensuring all benefits are realised within the 5 year time frame.

The Audit & Review Team are pleased to report that there is sufficient evidence to demonstrate that progress is being made to ensure all benefits are realised.