

Report of the Scrutiny and Performance Committee meeting held on 12th June 2008

Present: Councillors B Boddington, M Collins (Chairman), R Moss-Eccardt, R Pegram (substituting for Councillor L W McGuire), M Smith, and H Williams

Apologies: Councillors G Harper and L W McGuire

This report contains items considered by the Committee which are submitted to the Fire Authority for information. The following matter was also considered by the Committee and a separate report is included on the Fire Authority's agenda for decision:

- **Single Equality Scheme 2008 - 11 and Corporate Equality Plan**

1. **FIRE AUTHORITY PERFORMANCE UPDATE 2007/08
BEST VALUE PERFORMANCE PLAN 2007/08**

The Committee has approved the Fire Authority's Best Value Performance Plan 2007/08. It has also considered an update on performance to the end of March 2008 on progress made against the corporate priorities for the financial year for 2007/08. The targets for 2008/09 were calculated and agreed with a member of the Policy and Finance Committee as agreed by that Committee in February 2007.

The Committee has discussed progress against Corporate Priorities for 2007/08 as follows:

- **Reduce the number of deaths and injuries as a result of accidental dwelling fires (BVPI 143(i) and (ii))** - Although the number of deaths has decreased from 4 to 2 in comparison with 2006/07 the small numbers involved mean that this indicator is very volatile. The increased number of injuries from dwelling fires (from 26 to 44 per 100,000 population) is a cause of concern but may have been caused by the inclusion of persons referred to hospital for precautionary checks.

- **Reduce the number of arson related fires by 10% by 2010 (BVPI 206(i) - (iv))**- The implementation of the Arson Task Force had brought about significant improvements and numbers against all 4 indicators have reduced and are below target.
- **Implementation of Firelink and FireControl** - Firelink is on target with radios installed in vehicles with roll-out expected in January 2009. The FireControl project had been scrutinized by CLG and found to be on track.
- **Skills Gap Analysis** - The training programme for Watch Managers and above is underway. The Integrated Personnel Development System 2 was being rolled out.
- **Implementation of New Incident Recording System (IRS)** - The Service has decided to implement the IRS one year earlier than the national target of April 2009. The system was implemented on 1st April 2008 and is working well although there were some teething issues. Members have asked that their thanks and appreciation be conveyed to Rick Hylton who had led the project. Members also suggested that the Service seek Beacon Status for the project to obtain funding to showcase the IRS to other fire and rescue services.
- **Implement and further develop a Performance Appraisal System** - Considerable progress had been made in the last 4 months and objectives are being set for most staff.
- **Further develop a Performance Management Framework** - A new corporate management cycle had been agreed, a Programme manager appointed and improved systems for the management of the Authority's objectives are being implemented.
- **Equality Impact assessments** - Progress has been made in all areas and the focus was now on embedding the new arrangements.

The Committee also discussed performance against BVPIs for 2007/08 and noted:

- **BV 142 The number of accidental fires per 10,000 dwellings** - there has been a disappointing increase in dwelling fires, but analysis has identified that there has been a decrease in private dwellings fires and an increase in sheltered accommodation.
- **BV144 The % of accidental fires confined to room of origin** - good performance on this indicator reflects the success in installing fire alarms and responding promptly and effectively to fires.

- **BV 149 Unwanted Fire Signals** - there has been a reduction in UFS as a consequence of new procedures introduced in September 2007 but the Service is 46th out of 46 Fire and Rescue Services on this indicator. Members have supported actions to reduce the number of UFS and the approach of continuing to respond to UFS. The development of a more risk-based approach has also been suggested.
- **BV12 Sickness Absence** - management action is being taken to seek a reduction in the un-acceptably high levels of sickness with the Service.

The Committee discussed the possible impact of the worsening economic climate on the demands placed on the Fire and Rescue Service and that some increases on some indicators may be expected.

2. INTERNAL AUDIT ANNUAL REPORT 2007/08

The Committee has noted the Internal Audit Annual Report 2007/08 which includes an opinion of the overall adequacy and effectiveness of the Fire Authority's internal control processes. The report summarizes audit activity during last year and sets out the main issues arising. It also sets out the audit plan for the current year. Members were pleased to note the overall opinion of the Internal Auditor that *"Cambridgeshire and Peterborough Fire Authority has adequate and effective management, and governance processes to manage its achievement of the authority's objectives"*.

For 2007/08, the Internal Audit Services were provided by Tribal Business Assurance on a contractual basis to the Fire Authority, the first year of a three year contract. The Director of Resources has advised that he is pleased with the operation of the contract and the quality of work undertaken.

Internal audit has identified the following areas where only limited assurance of the effectiveness of internal controls could be given. The Committee has been advised of action to address the issues identified, namely:

- weaknesses in Payroll due to insufficient separation of duties arising from the small number of people involved have been addressed through a restructuring of the service.
- difficulties in the control mechanisms for fuel stocks held at fire stations were to be addressed by running down stocks of fuel held at fire stations. This measure has been reversed temporarily due to the current possibility of fuel shortages

Members were pleased to note that Procurement, which had been an area subject to previous concerns owing to resilience within the team, has now been assessed by the auditors as providing Substantial levels of assurance.

All Auditor recommendations relating to high-risk areas have been addressed. An exception report will be made to the Committee in October on any outstanding recommendations which have not been implemented.

The Committee has expressed its thanks and appreciation to the Fire Authority's Treasurer for the favourable report on the control mechanisms in place.

3. REVIEW OF INTERNAL AUDIT EFFECTIVENESS 2007/08

The Committee has noted a report on a review the effectiveness of the internal audit function for 2007/08, which it is required to undertake under the Accounts and Audit Regulations. The review of effectiveness was considered in conjunction with the Corporate Governance Statement also considered at the same meeting.

The Committee has noted performance against the following key measures of effectiveness designed to measure outputs and outcomes, as well as the timeliness of the audit processes :

- Full completion of the annual audit plan – 100% complete;
- Issuing final audit reports within 2 weeks of the formal management response – 100% complete;
- Achieving 90% acceptance of audit recommendations – Achieved; all 49 recommendations were accepted;
- Achieving 90% implementation of high-risk recommendations within 12 months – No high risk recommendations were identified in 2007/08. All of the 10 of the important recommendations have a planned implementation date within 12 months with 5 scheduled for completion by the end of June 2008;
- Achieving 75% implementation of all recommendations within 12 months – All recommendations with the exception of those relating to Payroll (commencing June 2008) will be implemented within 12 months..

The newly appointed internal auditor is also subject to their own independent service review that is shared with clients. This review has been used as a qualitative measure in measuring the effectiveness of the audit.

The Director of Resources advised that to date the quality of service received has been good with a risk-based approach applied to the internal audit reviews.

4. INTERNAL AUDIT PLAN 2008/09 – 2010/11

The Committee has considered a report which summarizes audit activity proposed for the period 2008/09 to 2010/11. The audit plan has been developed in consultation with the Treasurer to the Fire Authority, after considering the associated risk factors and management systems of the Fire Authority.

The Plan provides for a three year plan of activity using a risk based approach, with a review of core systems being undertaken annually. A total of 205 audit days is projected.

5. CORPORATE GOVERNANCE STATEMENT 2007/08

The Committee has considered the draft Corporate Governance Statement (CGS) for 2007/08. The CGS replaces the former Statement of Internal Control.

Regulation 4 of the Accounts and Audit Regulations (2003) as amended by the Accounts and Audit Regulations 2006 require the Fire Authority, as a public body, to conduct a review at least once a year of the effectiveness of its system of internal control and publish an annual statement with its financial statements.

The Statement brings together and evidences the various sources of assurance within the Authority and captures how the organization currently ensures its objectives and obligations are met.

For 2007/08, Internal Audit have focused their review of effectiveness of internal control on the key systems of internal control. The Authority was also subject to an external assessment by the British Standards Institute into the controls it had implemented with regard to Information Security Management (BS5750). The Authority also received a Comprehensive Performance Assessment for Use of Resources and Value for Money.

Internal Audit also undertook a comprehensive review of the Authority's controls against Corporate Governance and Risk Management in March 2007, making 6 recommendations for improvement. All recommendations were considered with improvement controls implemented for 4 out of the 6.

The Statement includes the following significant Governance issues which are to be addressed over the coming year:

- the need to embed Programme and Project management throughout the Service.
- undertake a full review of the Authority's Business Continuity function and responsibilities under the Civil Contingencies Act
- embed a Partnership Strategy to ensure that all partnership activities were appropriate and contributed to the Authority's key objectives.

The CGS will be reviewed by the Authority's external auditors (PricewaterhouseCoopers) as part of its audit of the Statement of Accounts for 2007/08.

6. FIRE AUTHORITY PROGRAMME MANAGEMENT – MONITORING REPORT

The Committee has considered a report which provides an overview of the application of Programme and Project Management to support delivery of the Strategic Planning process and on progress against the agreed corporate priorities for 2008/09.

Historically, the service has adopted a project management approach to deliver strategic projects, but without a structured programme/project management framework to coordinate, communicate, align, manage and control the project resources and activities involved.

The introduction of Programme management will provide coordinated organization, direction and implementation of a portfolio of projects, and activities, identified through the Corporate Planning process, and business process reviews that together, if completed successfully, will achieve the required strategic outcomes and benefits.

The Fire Authority has recently implemented programme management as a tool for managing its strategic projects, which cascade down from the Corporate Plan approved by the Authority in February 2008 and these had been included within the structured programme for 2008/09. A proportionate approach is used in the application of Programme management methodologies based on PRINCE and MSP.

The Chief Fire Officer leads the Programme Board in the role of Programme Sponsor, and is supported by a nominated Programme Manager. The Programme Board meets every 4 weeks and monitors the progress of projects, managed programme issues and risks, considers and approves project investment requests, and defines and tracks progress of benefits realization.

The Committee has also considered the current status of projects directly linked to delivery of Corporate Priorities for 2008/09. This reports progress against the following Corporate priorities:

- Cambridge Parkside Development
- Incident Recording System Implementation
- Implementation of Operational Training Strategy
- FireControl/Firelink projects

Progress with the following projects which are about to start will also be monitored:

- PRID
- Review of Resources
- Review of ResourceLink

- Review of Command and Control
- Provision of Retained Duty System

The Committee has noted that the only area flagged as requiring urgent investigation is in relation the FireControl project where the absence of information from Communities and Local Government (CLG) has meant that one of the milestones has been missed. However, Cambridgeshire is one of the last Authorities to move to a new Regional Control Centre and any delay will impact elsewhere before it applies here. The issue is not a matter of current concern but it will be kept under review.

A copy of the latest available report on the status of projects is attached as an Appendix to this report. An oral update will be given on any issues arising.

CHAIRMAN

BIBLIOGRAPHY

Source Documents	Location	Contact
Agenda, reports and minutes of the Scrutiny & Performance Committee – 12/06/08	Hinchingsbrooke Cottage Brampton Road Huntingdon	Michael Brown 01480 444572 michael.brown@cambsfire.gov.uk