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## **Comprehensive Area Assessment and Fire and Rescue Authorities**

### **Decisions**

1. Members are invited to:
  - a) Consider the proposed model for assessment of Fire and Rescue Authorities under Comprehensive Area Assessment as set out in the Audit Commission consultation;
  - b) Consider whether the Audit Commission's draft key lines of enquiry for the managing performance theme, attached at appendix A, are appropriate for Fire and Rescue Authorities; and
  - c) Agree to the high level comments set out in paragraph 16 as the basis of the fire specific input to the overall LGA's response to the consultation.

### **Actions**

2. LGA to action as required.

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## Comprehensive Area Assessment and Fire and Rescue Authorities

### Summary

1. This paper describes the proposed model for assessment of Fire and Rescue Authorities (FRAs) under Comprehensive Area Assessment (CAA) as set out in the Audit Commission consultation. It goes on to suggest an approach to developing a policy line on the FRA specific issues contained in the consultation, to inform the overall LGA response. Members are asked to consider whether the Audit Commission's draft key lines of enquiry for the managing performance theme, attached at appendix A, are appropriate and to agree to the approach set out at paragraph 16.

### Background

2. On 29 July 2008 the Audit Commission and the other inspectorates published their second joint consultation paper setting out proposals for CAA, which will be introduced with effect from April 2009. The consultation closes on 20 October 2008 and the document can be accessed on the Audit Commission website at: <http://www.audit-commission.gov.uk/caa/consultation.asp>

The LGA has sought to influence the development of these proposals – this process has been led by the Audit Commission in conjunction with the other inspectorates.

3. CAA will assess those outcomes delivered by councils working alone or in partnership e.g. health and well-being, community safety, children's and older people's services, etc. CAA will replace CPA, Children's services JARs, APA of services for children and young people and social services star ratings. Performance frameworks for specific services (e.g. schools, colleges, police, probation and health and social care) will continue. For FRAs, all audit and inspection activity will be undertaken within the context of the CAA framework.
4. CAA represents a fundamental change in the way councils and their partners are assessed. It involves a forward looking assessment of the prospects for the future achievement of shared priorities by the council and other local partners.

### CAA overview

5. CAA is a joint inspectorate assessment. Inspectorates will share information at national and local level, CAA leads (appointed by the Audit Commission) will help co-ordinate local assessments and local teams. CAA will be based on a more on-going relationship between inspectorates and localities (replacing the inspection "event").
6. Inspectorates will gather evidence from a range of sources – including the national indicator set – throughout the year. CAA will draw as far as possible on the

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information used by councils and partners to manage their own performance – taking full account of robust and evidence-based self assessments. The Inspectorates will only undertake additional work to fill evidence gaps where necessary. The evidence base will be updated throughout the year.

7. The Area Assessment is a qualitative assessment focusing on the prospects for future improvement. It will take the LAA as its starting point but will not be constrained by it.
8. The Inspectorates will use “flags” to draw attention to performance issues. A red flag will indicate that significant concerns about outcomes, performance or future prospects are not being adequately addressed. A red flag would not be raised if the council and its partners are effectively tackling the issue. The Inspectorates will develop a formal procedure to allow challenge to the award of red flags. Green flags will indicate where others have something to learn from innovative or exceptional success in an area.
9. In terms of reporting CAA, the Inspectorates will publish, annually a joint report of the area assessment for each area covered by an LAA as a concise summary with a longer more detailed report with links to underlying information. A prototype reporting tool is available on the Audit Commission’s website. Red and Green flags will be used to draw attention to performance issues – links will be made to the appropriate organisational assessments to support accountability. The organisational assessment for councils and FRAs will be published at the same time.
10. The LGA has said that that it believes that the overall proposals in the consultation paper are ambitious and reflect what the sector has been calling for, but time will tell whether the principles that underpin CAA can be turned into practice.
11. This will require fire and rescue authorities, as well as councils, to seize the opportunity and become a confident, self determining sector that drives its own improvement through increased self-awareness, self-assessment and robust performance management. The second paper under this item explores the issues around sector led improvement for FRAs in greater detail.

#### Specific proposals for FRAs

12. For Fire and Rescue Authorities, CAA will comprise two main components – an Organisational Assessment – with a sector-led service assessment informing it – and via the Area Assessment, the FRA’s contribution to the LAA and wider community priorities.

#### a) Organisational Assessment

There will be a single, scored, organisational assessment for fire and rescue authorities, as well as councils. It will comprise **two assessments –managing performance and use of resources** – into a single judgement of organisational effectiveness. The organisational assessment will reflect how well the FRA is

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delivering the priorities and objectives set out in the National Framework. It is worth noting that there is specific mention in the consultation paper that consideration will be given to how well equality and diversity are integrated into all aspects of the service.

**Managing performance** – will be tailored to reflect the specific performance and service delivery priorities within the sector. This theme has two key lines of enquiry:

- How well is the FRA delivering its priority services, outcomes and improvements that are important to local people?
- Does the organisation have the leadership, capacity, and capability it needs to deliver future improvement?

The Audit Commission will draw on a range of evidence when undertaking the managing performance assessment, including the new sector-led self and peer assessment of operational service delivery.

The Chief Fire and Rescue Advisor's team, in conjunction with CFOA, is currently developing a new operational assessment of service delivery (OASD) toolkit. FRAs will assess the operational performance of the fire and rescue service using this toolkit (or an equally robust method) and their assessment will be subject to peer review. A robust peer review process is being developed by stakeholders alongside the formal proposals for CAA. The OASD process is intended to assist in the identification of the strengths and areas for development of a fire and rescue service, and to inform the service delivery improvement agenda. The draft OASD toolkit will go out to consultation before the end of 2008.

**Use of Resources** – will focus on how well the FRA delivers value for money in the use of resources. This comprises the **three themes of managing finances, governing the business and managing resources**. The assessment of the managing resources theme will be introduced on a staged basis for FRAs and will subsequently be carried out on the basis of risk. The consultation document observes that this theme will be particularly important for FRAs because it will look at a range of workforce development issues including improving shift patterns.

The methodology for this assessment has already been published separately by the Audit Commission in May 2008. The approach taken will be similar across councils, primary care trusts, police authorities and FRAs.

#### **Reporting the organisational assessment for FRAs**

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The organisational assessment will be reported in a single short report to be published with and at the same time as the area assessment. It will encompass how effective the organisation is in:

- Delivering against the priorities and objectives in the National Framework
- Demonstrating measurable impact from its fire prevention and community protection activities
- Operational preparedness and delivering emergency response
- Resilience and large scale civil protection arrangements
- Contributing to the LAAs outcomes
- Delivering value for money in use of resources

#### **b) Area Assessment**

The Area Assessment will focus on the outcomes and the prospects for future improvement in an area and the contribution of partners. It will therefore look at how well the FRA, working in effective partnership, is contributing to delivering outcomes in the partnership context, and the likelihood of future improvement. Consideration will be given to the specific challenges and opportunities for the fire and rescue service within the local partnership, focusing on the specific areas where the FRA has an important contributory role e.g. involving local communities in developing fire prevention and protection priorities.

The Audit Commission will draw on a range of evidence including the organisational assessment; performance data in the National Indicator Set and the conclusions from the peer assessment of operational service delivery.

#### **LGA response**

13. Overall, the LGA believes that the proposals for CAA are moving in the right direction and is pleased that the Audit Commission has responded to some of the issues raised previously by the LGA, in particular:
- A simpler framework with only two assessments – the area and organisational assessment
  - The forward looking nature of the area assessment and no longer referring to it as a “risk” assessment
  - Replacing the originally proposed Direction of Travel assessment by the “managing performance” assessment
  - The greater emphasis on robust local performance management information as an important starting point for CAA.

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14. The LGA will be submitting a single formal response to the consultation which will include comments on the specific proposals for FRAs, prior to the consultation deadline of 20 October. The response will most likely comprise general high level comments and an annex answering the 15 questions posed in the consultation document.

15. Members are now asked to consider:

a) What high level comments relating to the proposals for FRAs they want to contribute to the overall LGA response, with suggestions at paragraph 16 below; and

b) Their response to the fire specific question in the consultation document, 7b, whether they agree with the Audit Commission's draft key lines of enquiry for the managing performance theme for FRAs. The draft key lines of enquiry are attached at appendix A for members to consider.

16. The following points are suggested as the basis of the fire specific input to the LGA's consultation response:

#### General

Although the paper refers throughout to 'the fire and rescue service', it is the Fire and Rescue Authority as the governance body of the fire and rescue service that is subject to CAA.

#### Organisational assessment

KLOEs – The key lines of enquiry are broadly in the right direction. However we would welcome a discussion on the more detailed guidance to be published by the Audit Commission for its own staff to ensure that the approach is focused and relevant.

Scoring – The consultation paper sets out three alternative options for bringing the managing performance and use of resources scores together in a single score for the organisational assessment. Subject to further comments from the sector our initial view is to support the third option which would entail not having a single organisational assessment score. Bringing scores together in an artificial way adds little value and could mask areas of high or poor performance.

We do not consider that scoring is necessary for self assessment because the main purpose is self awareness. As the findings from the self assessment component will be used to inform the overall organisational assessment which will be scored, there is a

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danger that also scoring the self assessment could result in two different results, opening up the potential for dispute.

#### Area assessment

The LGA agrees with overall premise that the area assessment should consider the contribution the FRA is making to the local partnership and how that is translating into improved service outcomes. There must be a wider recognition across the sector that fire and rescue services have an important contribution to make across a range of local partnership priorities. The areas listed in the consultation are by no means exhaustive, as FRAs are in many cases contributing to a range of priorities and outcomes beyond the safer and stronger theme. The area assessment should be a means of collecting innovative practice by FRAs in partnership working to be shared more widely as part of improvement planning.

Going forward, there is an important role for the LGA in communicating to the sector and to the Audit Commission the wider contribution that FRAs can play in achieving a broad range of local partnership priorities.

#### Burdens

The LGA welcomes the statement that the Audit Commission will adopt a proportionate and risk based approach to assessment activity. Whether CAA will actually deliver a reduced burden in practice, allowing scarce resources to be re-directed towards delivering improved outcomes, remains to be seen. We would like more detail on how the Audit Commission will make a risk based and proportionate regime a reality.

The LGA also welcomes the statement about not duplicating assessments, especially where evidence is available from a peer assessment, but we remain concerned that FRAs will be asked to provide the same information on several occasions to different sources. We would like the Audit Commission and CLG to explore how they will ensure FRAs are not asked for the same information on more than one occasion.

It is essential that FRAs that engage in multiple Local Area Agreements do not incur any additional burdens as result of the new assessment process and we would welcome more detail on how the contribution of a FRA to multiple LAAs will be assessed.

#### **Next steps**

17. The LGA has asked its membership for comments on the Audit Commission consultation paper to inform its overall response. It is proposed that this issue is discussed at the next Fire Services Forum meeting on 10 October to elicit any additional comments from FRAs. Members of the FSMC are invited to submit any

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further comments by email to Emma Varley. These views will inform the overall LGA response which is being overseen by the Improvement Board.

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