

## Audit Commission Value for Money Profile Tool

### Report of the Chief Fire Officer

For further information about this report please contact Alan Taylor, Chief Fire Officer, on 01743 260201.

### 1 Purpose of Report

This report provides Members with details of a 'value for money profile tool' recently provided by the Audit Commission to support their auditors in undertaking this year's 'use of resources' and 'direction of travel' audits which form important parts of the fire and rescue performance assessment for 2007.

### 2 Recommendations

The Committee is asked to:

- a) Note the findings of an analysis conducted by officers of the 'value for money profile tool' developed and provided by the Audit Commission;
- b) Identify areas where they feel that further more detailed analysis would be beneficial; and
- c) Determine whether they would wish the findings of the analysis to be forwarded to the Audit Commission to assist with improvement of the 'value for money profile tool.'

### 3 Background

Members may recall that, during early 2006, officers carried out a detailed analysis of 2005/06 statistics on expenditure, budgets, appliances, fire stations etc, using information provided by the Chartered Institute of Public Finance and Accountancy (CIPFA). The significant findings of the analysis were reported to the full Fire Authority in June 2006. The Authority then delegated to the Strategy and Resources Committee responsibility for considering in detail those areas where the expenditure of the Fire Authority was above that of similar Fire and Rescue Authorities (FRAs), and for determining a course of action.



In seeking to meet the requirements of the Fire Authority, the Strategy and Resources Committee sought to take advantage of a 'value for money profile tool' produced by the Audit Commission using updated 2005/06 CIPFA statistics. The tool was useful in confirming to Members of the Committee that the Fire Authority's resource allocation was not out of line with other FRAs; that total employee expenses were low (due to the extensive employment of Retained personnel); and, that expenditure on training and non-employee expenses were high. Unfortunately, however, the detailed analysis also revealed discrepancies in the CIPFA statistics supporting the value for money tool, which meant that it would not be prudent to use the tool for actually seeking improvements in value for money. As such, the Committee required that the Chief Fire Officer (CFO) wrote to both CIPFA and the Audit Commission to highlight the discrepancies and express their disappointment at being unable to use the benchmarking information to drive improvements in value for money.

At the following meeting of the Strategy and Resources Committee in November 2006, responses from both the Audit Commission and CIPFA to the CFO's correspondence were presented to Members. In brief, the Audit Commission stressed that the value for money tool was intended to provide a starting point for the forthcoming audit and not a definitive assessment on its own. They did, however, recognise Member's concerns with the validity of CIPFA statistics. CIPFA, in their response, also highlighted that in their view "the toolkit should be viewed merely as a starting point" and confirmed that although they could not offer an immediate solution they had "a network of interested parties working hard to get it right."

Provisional statistics for 2006/07 have now been received from CIPFA and an analysis of these was considered by the Strategy and Resources Committee during May 2007. Unfortunately, the statistics have yet to be confirmed by CIPFA and it remains unclear as to whether the anomalies highlighted with earlier year's statistics have been rectified. What is clear, however, is that the Audit Commission have once again used the CIPFA statistics to produce a revised 'value for money profile tool' to be used by auditors during their forthcoming 'use of resources' and 'direction of travel' audits as part of the fire and rescue service performance assessment for 2007. The profile tool is described below:

#### **4 Value for Money Profile Tool**

The Audit Commission have recently made available two new data tools which they intend to use to support their work with FRAs and which will provide a starting point for their performance assessments in the current year. The first is a performance information profile tool which, as the name implies, draws together performance information that is relevant to improvement and current performance. An analysis of this tool is described in a separate paper to the Committee.



The second tool is the 'fire value for money profile tool' which is available on the Audit Commission web site at

<http://firevfm.audit-commission.gov.uk/HomePage.aspx>

and has been produced to "help support auditors by acting as a first filter to help identify the key issues facing a particular authority." The Audit Commission also anticipate that "fire authorities can use the tool to review their own performance" and state that "the tool presents information about fire and rescue authorities' spending plans and performance graphically, and uses charts to help identify the distinctive features of planned spending."

It is claimed that both tools are an improvement on those used in previous years but recognised that there is still room for improvement. Suggestions for improvement, either with regard to the data used in the tools or the analysis provided, are welcomed by the Audit Commission.

## 5 Analysis of the Tool

In the introduction and preamble to the tool the Audit Commission once again confirms its limitations with the following statement:

**"The tool provides a starting point for discussions on value for money, not a definitive answer. The indicators selected for use in this tool are intended to give an overall picture of performance without giving particular weight to anyone particular aspect. It is emphasised that the tool is only one source of evidence and should not be considered in isolation."**

The indicators selected by the Audit Commission are listed below and a full analysis of each is included as an Appendix to this report. The Appendix includes the chart for each indicator, followed by the brief commentary of the Audit Commission and, finally, the comments of officers conducting the analysis on behalf of the Committee.

### **Overall Value for Money**

Cost per head of population  
Cost per head of population and index of social deprivation  
Fire authority council tax precept  
Efficiency savings as a proportion of expenditure

### **Community Fire Safety Value for Money**

Impact of fire prevention activity  
Accidental dwelling fires  
Home fire risk assessments and the change in accidental dwelling fires  
Smoke alarm installations and the change in primary fires  
Community fire safety expenditure and the change in road traffic accidents



## **Fire-fighting and Rescue Operations Value for Money**

Operational appliances and the number of fire stations

Crewing levels

Average costs of whole-time firefighters

Reallocated expenditure set against total expenditure

In view of the findings of the analysis, it is anticipated that Members of the Committee will generally be disappointed with the value for money profile tool. The un-evidenced generalisations which are made throughout; the fact that time-limited Best Value Performance Indicator data is used to compare improvement; the doubts over the validity of the financial information used; and, perhaps most importantly, the credibility of some of the comparisons chosen, means that a good opportunity for identifying areas where value for money can be improved appears, once again, to have been missed.

Members are requested to identify any areas where they feel that further more in depth analysis is required. Also, to consider whether they wish the findings detailed in this report to be forwarded to the Audit Commission for use in improving the value for money profile tools.

## **6 Financial Implications**

None, other than those contained within the report and its associated Appendix.

## **7 Legal Comment**

There are no legal implications arising directly from this report.

## **8 Equality Impact Assessment**

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

## **9 Appendix**

Analysis of Audit Commission Value for Money Profile Tool



## 10 Background Papers

Shropshire and Wrekin Fire Authority Meeting, 14 June 2006 – Report 9 – Chartered Institute of Finance and Accountancy Benchmarking of Expenditure.

Strategy and Resources Committee Meeting, 21 September 2006 – Report 11 – Audit Commission Value for Money and Direction of Travel Profile Tools.

Strategy and Resources Committee Meeting, 16 November 2006 – Paper 3 – Minutes of Strategy and Resources Committee meeting 21 September 2006.

Strategy and Resources Committee Meeting, 24 May 2007 – Paper 7 – CIPFA (Chartered Institute of Finance and Accountancy) Statistics Analysis.

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.

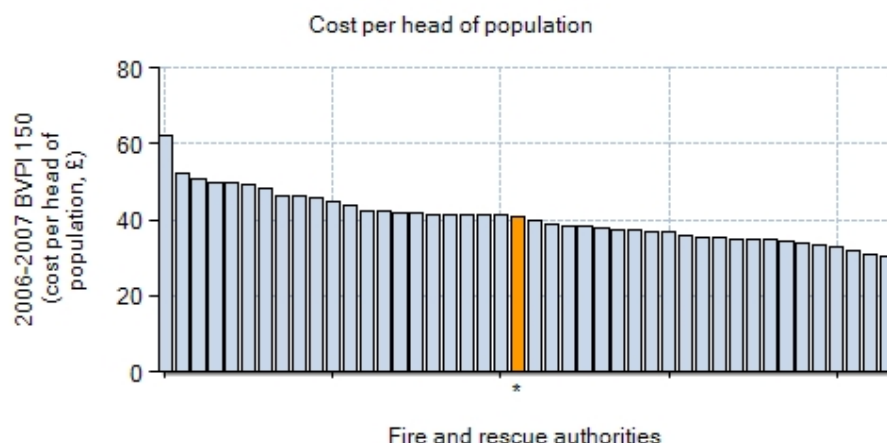
Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment	*	Operational Assurance	
Efficiency Savings	*	Retained	
Environmental		Risk and Insurance	
Financial	*	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	*



## Analysis of Audit Commission Value for Money Profile Tool

### Overall Value for Money

Cost per head of population



The chart is the traditional way in which costs are assessed in the fire and rescue service as it has been an established BVPI (BVPI 150) for many years. It is the total cost of all the FRAs services per head of population. It is simple and well-understood but it should not be viewed in isolation of the local context in which the FRA operates. There is a strong correlation between costs and deprivation. Moreover, some predominantly rural authorities are served primarily by retained fire-fighters and retained cover is considerably less expensive than full-time fire stations.

#### Comment

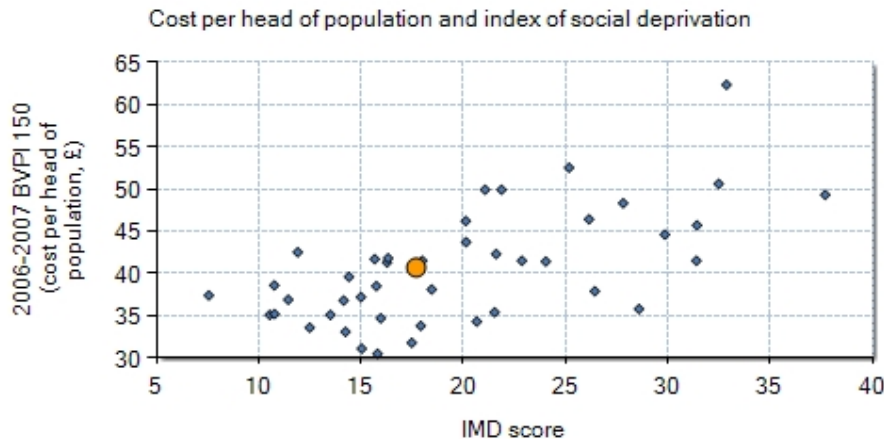
It is agreed that this is the traditional way in which costs are assessed and also that this indicator should not be viewed in isolation. For example, Shropshire and Wrekin Fire Authority (SWFA) has for many years highlighted the fact that sparsity has a large impact upon the cost of providing a fire and rescue service, but that this is not recognised within the Formula Spending Share (FSS).

No evidence is provided to support the assertion that there is a strong correlation between costs and deprivation. Whilst it is agreed that the following chart does show a correlation between costs and deprivation, further analysis reveals that the coefficient of determination for the chart is 0.41, which indicates that deprivation (IMD) only accounts for approximately 40% of the variation in costs.

The final sentence appears to imply that retained cover can only be provided in predominantly rural areas. This of course is not the case as is demonstrated by the fact that SWFA deploy retained appliances in both Shrewsbury (population 100,000) and Telford (population 160,000). What is undoubtedly true is that retained cover is considerably less expensive than wholetime (approximately one eighth of the cost per appliance). The fact that 23 out of SWFA's 28 fire appliances are crewed by retained personnel is undoubtedly a major factor in maintaining below average costs despite the large size and rural nature of the county.

## Overall Value for Money

Cost per head of population and index of social deprivation



This chart maps cost per head against the level of deprivation (IMD score for the authority). Although deprivation is the greatest indicator of fire risk in an area there may be specific local risks that also need to be considered. These include a high level of chemical plants (as measured by CLG statistics on COMAH sites) and an unusually high proportion of elderly people.

### Comment

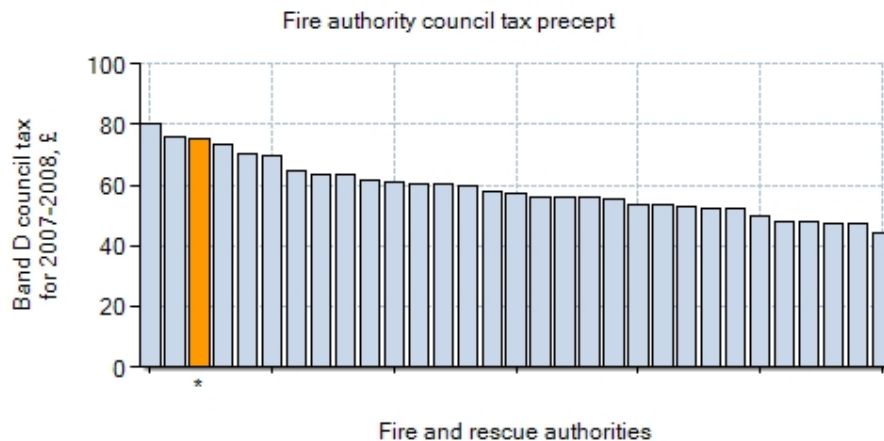
As described earlier, it can be determined from this chart that the index of multiple deprivation (IMD) for an area accounts for approximately 40% of the variation in costs.

Whilst this does show a reasonable correlation between current spend and IMD it would also be useful for similar comparisons to be available for other factors. For example, the Fire Service Emergency Cover (FSEC) model, produced at great expense by Government, shows very clear correlations between the risk of death or injury from fire and the elderly population and level of rented accommodation. It is perhaps a shame that these comparisons have not been made on a national scale, particularly as the whole focus of modernisation has been upon reducing fire deaths and injuries as opposed to protecting buildings or dealing with nuisance fires as was the case in the past.

Furthermore, the limitations of the above comparison are clearly demonstrated by considering two Fire and Rescue Authorities (FRAs) shown in the chart; both with relatively high IMD levels. In one case an IMD level of 28.59 leads to an expenditure level of £35.80 per person, whilst a slightly higher figure of 32.88 in another FRA leads to costs per head almost 75% higher of £62.30.

## Overall Value for Money

### Fire authority council tax precept



The chart compares the council tax precepts of each FRA to reflect the actual cost of the service to the local community. Since CLG funding is largely risk-based the residual cost recovered in council tax can be viewed as a proxy for cost per head adjusted for the level of fire risk. Thus, in some respects it may be a more accurate indicator of relative cost than BVPI 150. This chart excludes county FRAs where there is no precept requirement.

#### Comment

It is strongly refuted that council tax precept levels in any way provide a more accurate indicator of relative costs than BVPI 150. In their White Paper published in 2003 entitled 'Our Fire and Rescue Service,' Government themselves very clearly recognised (pp.13-14) that resources were not always allocated on the basis of need. They showed very clearly that "we devote many more resources to protecting buildings in city centres (where deaths are low) compared to what we devote to residential areas (where deaths are much higher)" and confirmed that "this must change."

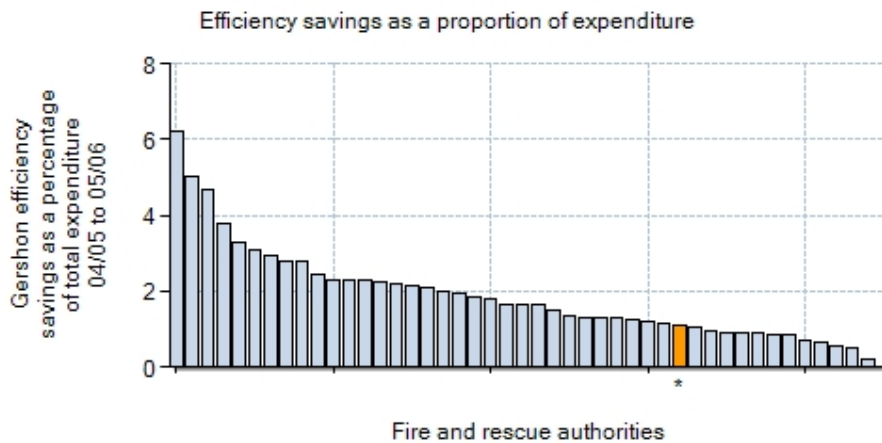
Changes to the Formula Spending Share (FSS) first introduced in 2006/07 went some way towards achieving this by, amongst other things, doing away with funding on the basis of the old national standards of fire cover, by recognising the increasing role of community fire safety work (particularly for those over 65 years of age) and by introducing a measure of funding based upon the level of property and societal risk in an area. Unfortunately for SWFA, the changes did not include the introduction of a fixed element for sparsity which had been discussed at the consultation stage.

More importantly, however, the distribution of funding based upon risk is currently far from being achieved due to the effect of flooring. As clearly described within SWFA's Medium Term Financial Plan 2007/08 to 2009/10 (pp.25-30), Shropshire's grant increase for 2006/07 was reduced from 18.2% to 3.3%, and for the current year has again been reduced from 14.27% to 3.73% due solely to flooring. In financial terms this means that whilst the (risk based) formula determined that SWFA should have received an increase in their grant for 2007/08 from £6.9 to £7.9 million, in reality this increase was reduced by £730,000 mainly to fund a £16 million shortfall to keep two large metropolitan authorities above the floor level. Thus, it can be demonstrated very clearly that CLG funding is **not** largely risk based, and that this has a large detriment to council taxpayers of Shropshire as shown in the chart above.



## Overall Value for Money

Efficiency savings as a proportion of expenditure



The chart expresses the sum of the last 3 years Gershon efficiency savings declared in backward-looking efficiency statements as a percentage of expenditure per head of population. Some FRAs have implemented integrated risk management plans (IRMPs) that have delivered savings in excess of 10% of their budgets, usually through switching resources from response to prevention and providing the speed of response remains adequate this is a good indication of improved value for money. However, it can be difficult for a rural authority with few whole-time appliances to make the level of savings achieved in more urban areas.

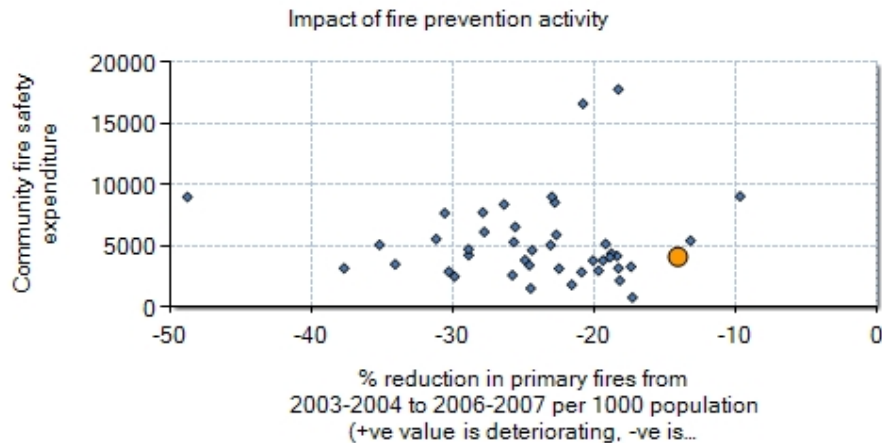
### Comment

This chart does not appear to be accurate. At a meeting of SWFA on 18 July 2007 the Treasurer reported annual cashable efficiency gains of £346,000 for 2006/07 and cumulative cashable efficiency gains of £688,000 representing approximately 1.8% and 3.6% respectively of total expenditure. This means that SWFA are on target to achieve their disaggregated share of the national fire service target for efficiencies i.e., £930,000 (5.67%) between 2004/05 and 2007/08.

It is pleasing to note that the Audit Commission have recognised that rural authorities with few wholtime appliances will find it more difficult to achieve savings than their counterparts in more urban areas. This was also recognised within the very first Fire and Rescue Service National Framework 2004-05 which stated that "the Government also recognised that the costs and savings of modernisation could fall unevenly across fire and rescue authorities." This imbalance has, unfortunately, never been quantified and was not even referred to in the 2006-08 version of the National Framework.

## Community Fire Safety Value for Money

### Impact of fire prevention activity



This chart in this section assesses the impact of fire prevention by comparing CFS expenditure per head with the reduction in primary fires over the past 4 years. This gives an indication of whether or not the large sums that most FRAs have re-directed in CFS in recent years have been properly targeted to maximise impact. Nationally, there have been significant falls in incident levels but this chart answers the question 'at what cost?'

#### Comment

There appear to be two major difficulties with the information portrayed in this chart. Firstly, the period over which the reduction in primary fires is measured appears to be very limited considering that this has been reported on as a BVPI since 2001/02. Secondly, it is clear from the chart that the methods of calculating and reporting of expenditure on Community Fire Safety varies greatly between FRSS. With regard to the reporting against primary fires, the fact that the full 6 years of reporting is not used penalises SWFA quite strongly in the chart provided. Using CLG published BVPI data Shropshire's performance is as shown below:

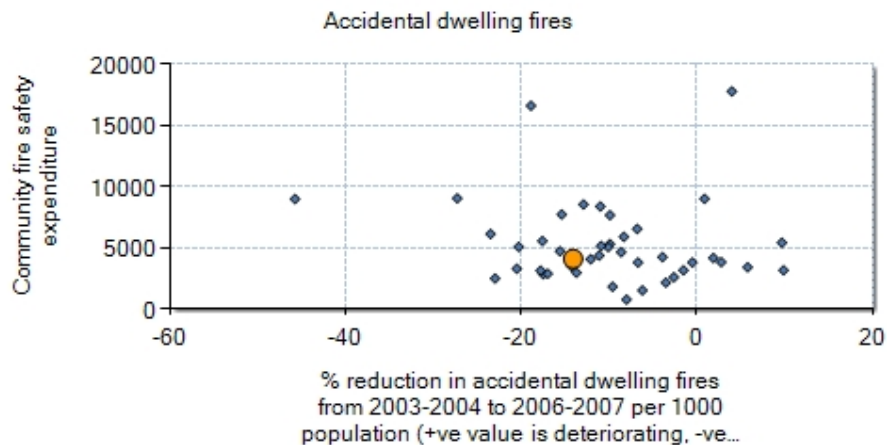
Year	BV 142(ii) No. of primary fires per 10,000 population	% reduction on previous year	Cumulative reduction from 2001/02	Cumulative reduction from 2003/04
2001/02	36.2			
2002/03	32.6	9.9%	9.9%	
2003/04	28.7	12.0%	20.7%	
2004/05	26.5	7.7%	26.8%	7.7%
2005/06	24.9	6%	31.2%	13.2%
2006/07	25.0	-0.4%	30.9%	12.9%

Thus, it can be seen that SWFAs early commitment to CFS means that the greatest part of its achievement to date in reducing primary fires was achieved in the period prior to that used in the chart above. This is further confirmed in the Audit Commission's Performance Information Profile tool which shows that Shropshire has been consistently in the 2<sup>nd</sup> quartile for primary fires since 2004/05.

With regard to expenditure on CFS, it is extremely unlikely that a spread of £745 (Surrey i.e., less than 75 pence per person) to £17,756 (County Durham and Darlington i.e., £17.76 pence per person) is accurate or realistic. Variations in reporting and the unverified nature of the CIPFA statistics clearly continues to present problems for worthwhile benchmarking.

## Community Fire Safety Value for Money

### Accidental dwelling fires



The chart in this section concentrates specifically upon the reduction in accidental dwelling fires. This will help assess whether the FRA has a suitably balanced strategy that has achieved impact in reducing accidental as well as deliberate fires.

#### Comment

As with the previous chart, the timescales for measuring improvement and the very wide variations in CFS expenditure raise issues of validity with this comparison.

CLG published data demonstrates the following reductions in dwelling fires in Shropshire:

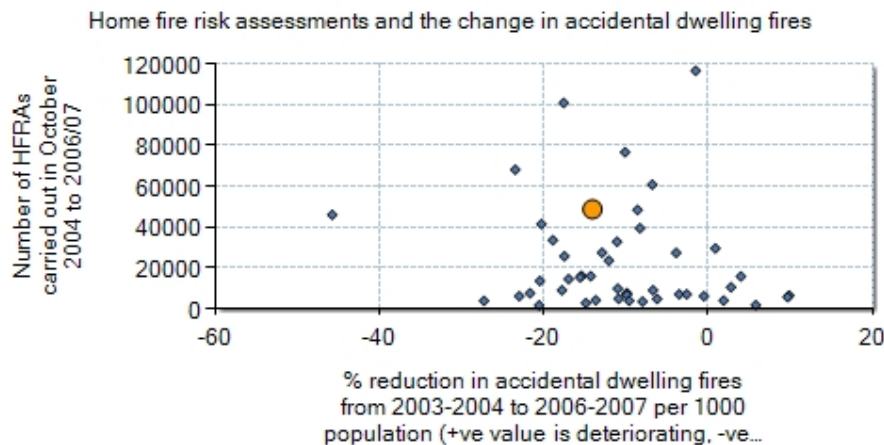
Year	BV 142(iii) No. of accidental fires in dwellings per 10,000 dwellings	% reduction on previous year	Cumulative reduction from 2001/02	Cumulative reduction from 2003/04
2001/02	17.9			
2002/03	15.3	14.5%	14.5%	
2003/04	14.9	2.6%	16.8%	
2004/05	15.0	-0.7%	16.2%	-0.7%
2005/06	14.4	4.0%	19.6%	3.4%
2006/07	13.1	9%	26.8%	12.1%

This demonstrates clearly that the use of 2003/04 as the starting point for measuring reductions in accidental dwelling fires will penalise Shropshire and other FRAs who commenced CFS activities many years before this date. This is further demonstrated by the Audit Commission's Performance Information Profile tool which shows that (after adjustment for deprivation) SWFA have been in the second quartile of performance for each of the last four years.

As with the previous chart analysing the reduction in primary fires against CFS expenditure, the validity of the expenditure statistics is extremely questionable.

## Community Fire Safety Value for Money

Home fire risk assessments and the change in accidental dwelling fires



The chart in this section compares the reduction in accidental dwelling fires with the number of home fire risk assessments carried out to assess the impact of HFRAs in particular. This is because HFRAs generally represent the most resource-intensive aspect of CFS work and it is important that they are targeted at high-risk properties rather than concentrated in areas where access is easiest.

### Comment

Once again, the use of a restricted time period for measuring the reduction in accidental dwelling fires means that the benchmarking results achieved are similarly limited. As long ago as 2002, Professor Sir George Bain recognised, in his 'Independent Review of the Fire Service,' that some fire authorities had made an earlier start to modernisation than others, when he stated "we have found clear evidence of fire authorities promoting change and innovation against the obstacles of unhelpful legislation ..... Individual Chief Officers have achieved improvements on the ground without the support they deserve." It is unfortunate that the value for money profile tool generally fails to recognise this fact, and thus provides a somewhat inaccurate picture of improvement.

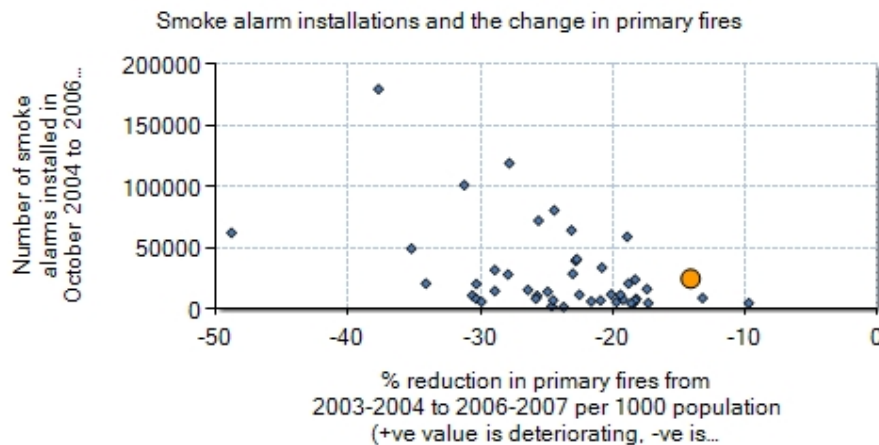
With regard to the numbers of home fire risk assessments (HFRAs) it is a little unclear as to what period of measurement is used. The chart above appears to indicate a period of 4 years from 2003/04 to 2006/07 whilst the more detailed supporting table indicates HFRAs carried out from October 2004 to 2006/07.

Although the above chart does not take into account the variation of resources in FRAs for actually undertaking the HFRAs, some interesting findings can be drawn from the more detailed statistics provided in support of the value for money profile tool, for example:

Authority Name	No. of HFRAs Oct 2004 to 2006/07	No. of FT firefighters at 31/3/07	No. of HFRAs per FT firefighter
London Fire and Emergency Planning Authority	60,824	5,934	10
Shropshire and Wrekin Fire Authority	48,767	207	235

## Community Fire Safety Value for Money

### Smoke alarm installations and the change in primary fires



The chart in this section compares the reduction in primary fires with the number of smoke alarms installed. A working smoke detector will usually allow a resident to prevent a fire developing and avoid a call on the fire service's resources. Thus, we would expect the more smoke detectors are installed, the fewer the number of both deliberate and accidental fires.

#### Comment

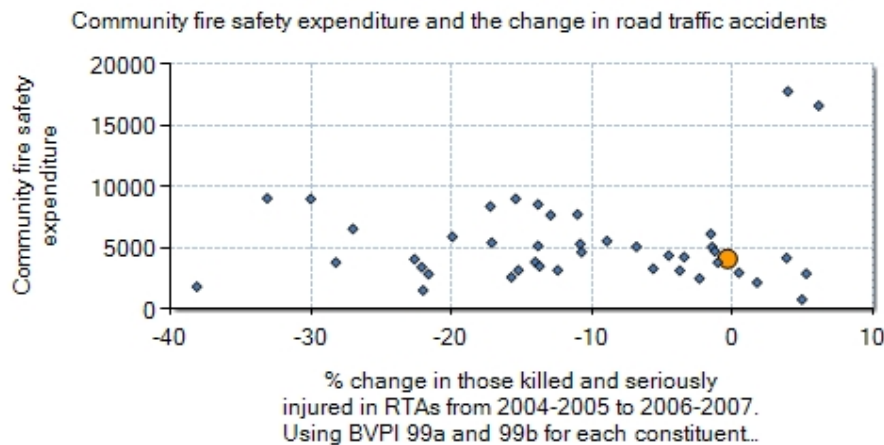
Unfortunately this comparison is virtually meaningless. It appears that there is complete misunderstanding of the meaning of the term 'primary fire.' Primary fires do not relate solely to dwellings, but cover a much wider range of premises and assets including, for example, commercial buildings, farms, cars, vans, lorries, trains, trees, fields, post boxes and even in some cases grass.

Perhaps the best way of illustrating the difference is through BVPIs reported by CLG. From the most recent CLG validated figures, Shropshire attended 1,122 primary fires during 2005/06 of which only 271 (24%) were dwelling fires. Thus, it can clearly be seen that there is not too good a link between the installation of smoke detectors and the reduction of primary fires.

Additionally, it may be worth noting that even if this comparison was (as may have been intended) between the reduction in dwelling fires and the number of smoke alarms installed, some of the additional assumptions made may also not be correct. The best advice to the public in case of fire has long been that they get out, stay out and get the fire service out. Through our performance management systems in Shropshire we have noted in recent years a very large increase in the number of dwelling fires where we make an attendance, but do not have to take any further action. In the first three months of 2007, two thirds of the dwelling fires attended by our crews have been 'out on arrival.' It would seem that the public are listening to our fire safety advice which has led to large reductions in injuries and property damage, but not necessarily to such a large drop in actual calls for our assistance.

## Community Fire Safety Value for Money

Community fire safety expenditure and the change in road traffic accidents



The chart in this section compares community fire safety (CFS) expenditure per head with the change in those killed or seriously injured in road traffic accidents, reflecting the fact that some FRAs deal with many more road traffic accidents (RTAs) than fires. The incident levels are collected at local authority level through BVPIs 99a and 99b. The chart shows the position within each constituent authority for BVPI 99a to help the FRA assess whether its partnerships are working better in one area than another. There is a national target for a 40% reduction RTAs from the 1996/98 baseline by 2010. This chart doesn't purport to show this change but rather shows the change that might be attributed to the work of the fire services in partnership with others.

### Comment

Once again it is very difficult to find any useful information that can be drawn from this chart. The major questions appear to be:

How many FRAs actually include expenditure on Road Traffic Collisions (RTCs) attendance or reduction within their CFS expenditure? This is certainly not the case in Shropshire where a separate RTC reduction budget has been established to enable improved cost/benefit work to be undertaken.

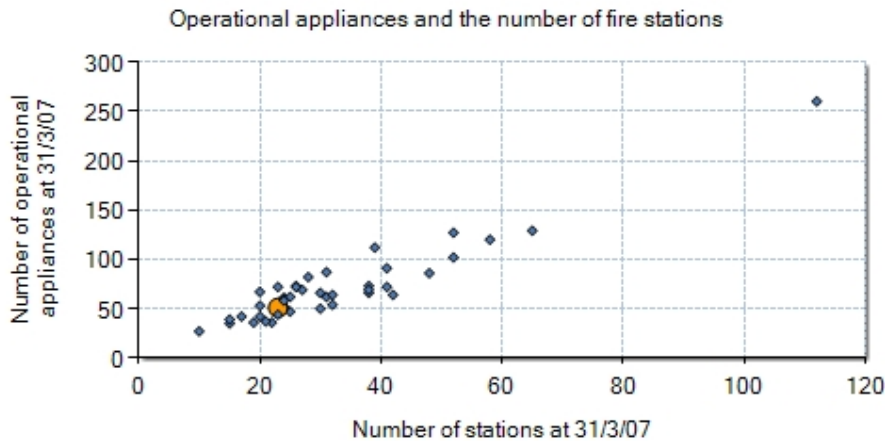
Do any FRAs really deal with more RTCs than fires?

How are the figures for BVPI 99a used in the chart determined? SFRS covers the constituent authorities of Shropshire County Council and the Borough of Telford and Wrekin and from our own knowledge of the successes involved in each of these authorities it is difficult to determine how the very low figure shown in the chart is achieved.

How does the chart purport to show "the change that might be attributed to the work of the fire services in partnership with others?"

## Fire-fighting and Rescue Operations Value for Money

Operational appliances and the number of fire stations



The first chart in this section provides a general indication of whether or not the number of operational appliances is appropriate by relating them to the number of stations. The information could be used to assist reviews of fire cover in the IRMP and identify scope for sharing specialist appliances with neighbouring authorities for example.

### Comment

It is very difficult to find any value at all in this comparison. How it can be used in any way at all to assist a review of fire cover through IRMP is unclear as is its use in identifying scope for sharing special appliances.

Shropshire's figure shown in the chart of 51 appliances can be used as a good example of why this comparison is actually meaningless. The figures could easily relate to 51 appliances all crewed by wholetime personnel, in which case the annual cost purely of providing these resources would be expected to be in the region of £50 million.

Alternatively, the 51 appliances could be 25 retained appliances and 25 support vehicles such as Ford Rangers. In this case the crewing costs are reduced to well below £3million. In actuality Shropshire's figure is made up of 5 wholetime appliances, 23 Retained, 2 permanently crewed specials and a number of other emergency vehicles which are cost effectively crewed by Retained personnel only when they are required.

There are very many much more useful comparisons of fire stations and appliances which could be made; just a few are listed below:

Population per appliance

Population per wholetime appliance

Population per retained appliance

Population per station (wholetime and retained)

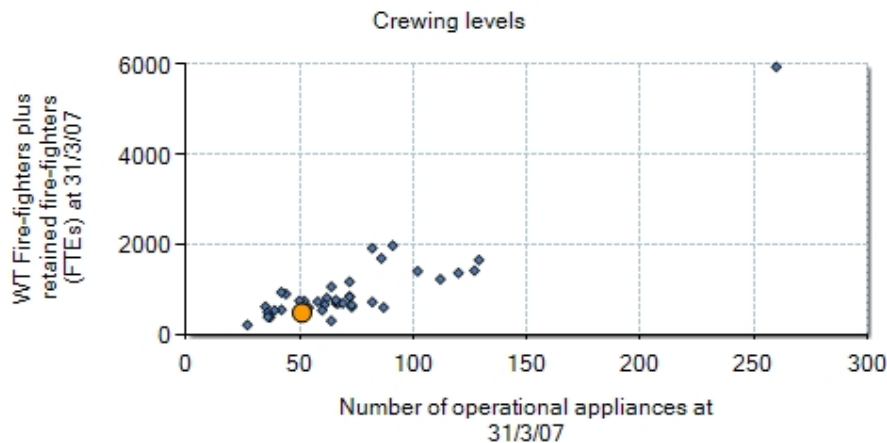
Hectares per station

Hectares per appliance (wholetime and retained) etc etc



## Fire-fighting and Rescue Operations Value for Money

### Crewing levels



The second chart in this section is designed to assess crewing levels through comparing operational fire-fighter and operational appliance numbers. Many FRAs have made significant savings by reducing their ridership factor (essentially an allowance for unproductive time) or by reducing crewing levels on two-appliance stations to 4 and 4.

#### Comment

Once again the comparison provided by this chart and the supporting data is, unfortunately, meaningless. The fact that the number of operational appliances used includes such a wide range of different resources, crewed in so many different ways, means that there is virtually no link to the crewing levels and ridership factor, which the chart purports to be comparing.

A brief examination of some of the 51 operational appliances shown for SWFA illustrates the point as follows:

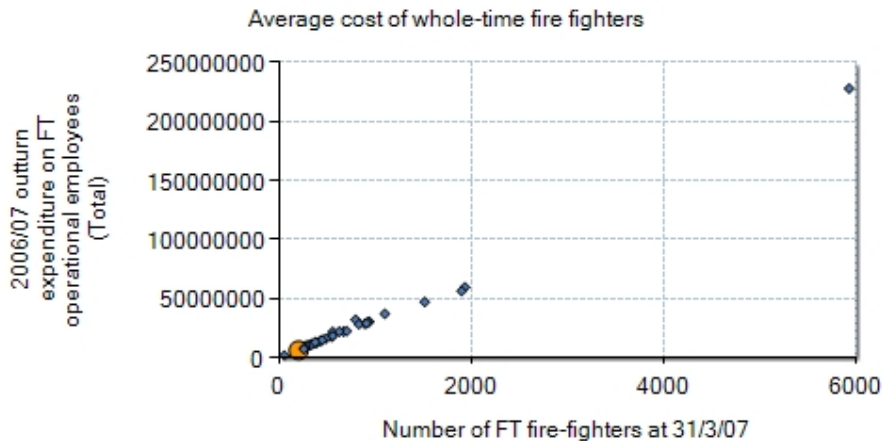
- 5 wholtime pumping appliances crewed at all times
- 23 retained pumping appliances
- 2 aerial appliances, one of which is crewed at all times
- 1 heavy rescue tender crewed at all times
- 5 Ford Rangers crewed by retained when required e.g. New Dimension incidents
- 1 Incident Response Unit crewed by wholtime only when required
- 1 High Volume Pump crewed by retained only when required
- 1 Heavy Pumping Unit crewed by retained only when required
- 1 Mini pumping unit crewed by retained only when required
- 1 Environment unit crewed by retained only when required
- 1 Boat crewed by wholtime only when required
- 1 Boat towing vehicle crewed by wholtime only when required
- Etc etc etc

Once again there are many other comparisons which could have provided much more useful information e.g., population per wholtime (or retained) pumping appliance, hectares per wholtime (or retained) pumping appliance, balance between wholtime and retained firefighters etc, etc.



## Fire-fighting and Rescue Operations Value for Money

Average cost of whole-time fire fighters



The third chart in this section is an indication of the average cost per whole-time fire-fighter. Although whole-time fire-fighters are generally paid according to national terms and conditions the impact of moving from rank to role structures has led to significant variations in average costs. Some FRAs have removed layers of management and made significant savings, whereas others have found negotiations over rank to role have increased costs, at least whilst pay protection arrangements are in place.

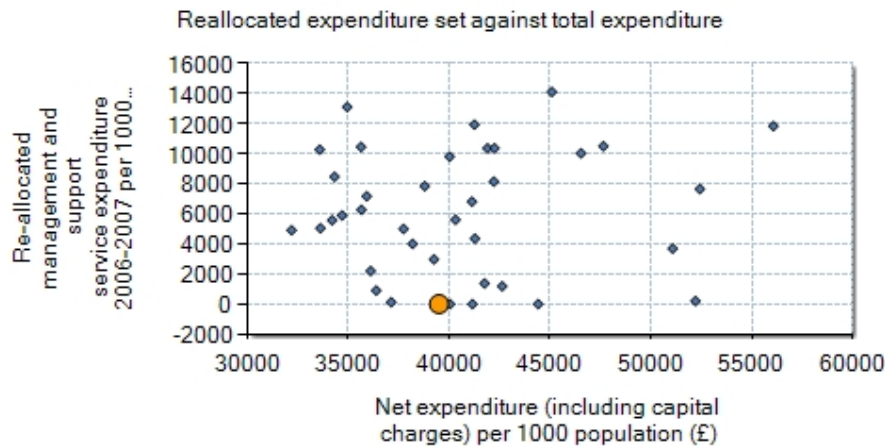
### Comment

As can be seen from the chart, this comparison is again of very little value. This is a shame when there are clearly many useful comparisons that can be made with regard to the cost of various types of human resource. Some examples that may have provided much more useful comparative information are as follows:

- Number and cost of wholetime firefighters per 1,000 population
- Number and cost of retained firefighters per 1,000 population
- Total cost of all firefighters per 1,000 population
- Number and cost of officer resources per 1,000 population
- Number and cost of non-operational personnel per 1,000 population
- Etc , etc

## Support Services Value for Money

Reallocated expenditure set against total expenditure



The cost-effectiveness of support services can be measured by the percentage of expenditure that management and support service expenditure represents. Many FRAs provide most of their support services in-house or through a lead authority and have not formally considered whether these arrangements offer value for money. Others have undertaken best value and service reviews, outsourced support services and collaborated with other FRAs to exploit economies of scale. The local auditor will have a view on the performance of support services and Use of Resources scores for financial reporting, financial management and internal control will also help indicate the effectiveness of some support services (e.g. accountancy, internal audit).

### Comment

It is clear that this would provide a good benchmarking measurement which we would find quite useful. SWFA have been commended by auditors on a number of occasions in the past for the level of outsourcing that has been achieved. For example, the following table (which was reported to SWFA in June 2006 following an analysis of CIPFA statistics) demonstrates the low cost per 1,000 population of 'other staff' and 'support services' in Shropshire.

	Cost per '000 Pop. SWFA  £	Cost per '000 Pop. All Authorities  £	Cost per '000 Pop. CFA's  £	Cash equivalent of the difference All Authorities £000	Cash Equivalent of the difference CFA's  £000
Other Staff	2,919	3,361	3,295	198	168
Support Services	349	722	430	167	36

What is unfortunate about this comparison is that there appears to be some inconsistency in reporting, which very regrettably includes our own figures on this occasion. It appears to be the case that our finance department have not reported against this heading on the CIPFA statistics for many years and that, until now at least; there has never been any benchmarking in this specific area. It is, however, noticeable that five other FRAs appear to have adopted the same approach on not reporting these figures.