

Governance, Audit and Scrutiny Committee
11 June 2013

Report by the Assistant Chief
Officer and Director of Safety

OPERATIONAL EFFICIENCY PROGRAMME: OPTIONS FOR ENGAGEMENT

REPORT EXECUTIVE SUMMARY

Members will be aware that a number of options were developed which could improve the efficiency of operational response by reducing the cost of the provision whilst still ensuring the Service can meet the Authorities response standards.

The details of those options were presented to Authority Members at a number of Member Days during 2012/13.

A paper summarising those options was put before the Authority on 10 May 2013, and the Authority approved that a wide range of options go out for engagement with staff, Representative Bodies, stakeholders and the public.

The options which are shown at Appendix 1 cannot all be implemented, as any decision to implement one may have an effect on other options. The options are split into geographical groupings, within those groupings normally only one option could be implemented.

Whilst there may be a small number of options that that Authority might wish to implement regardless of the financial situation, it is envisaged that the majority of options would only be implemented when the financial situation dictates that they need to be. Therefore engagement on a wide range of options will enable the Authority to determine what may need to be implemented some time in the future, dependent on finances, which will support effective planning.

Although there will be a need to make decisions during 2013/14 as to what options would be implemented, in order to achieve a balanced budget, it is not envisaged that any implementation would need to take place before 2014/15.

The intention would be that any implementation would take place in line with the retirement profile and therefore it is likely that options would not necessarily be implemented at the same time but that they may be implemented gradually, and sequentially, over a longer period of time. Members will be aware that there may in the future be a mechanism for offering enhanced voluntary redundancy packages to operational staff which may help facilitate future implementation in the medium term.

RECOMMENDATIONS

1. Members consider this report.

REPORT DETAIL

2. The options were presented to the Authority in detail with particular focus on providing information regarding the effect of implementing the options on the following:-
 - First engine response standard performance.
 - Second engine response standard performance.
 - Risk of dwelling fire fatalities
 - Risk of fire fatalities in other buildings
 - Risk of special service fatalities
 - Finances
3. Further information on each option was also provided which included
 - General service wide information
 - Station specific information
 - The effect on the workload of other stations
 - The peak times that fires occur in station areas
 - Mapping of where the most fires occur
 - Mapping of the fire engine travel times from stations
4. A number of analytical tools were used to model the effects of each option. Two key ones used were Fire Services Emergency Toolkit (FSEC) and Active Phoenix. FSEC is the only modelling system recognised and supported by the Government and was also independently validated by Mott Macdonald. The Incident Recording System data which is used by that system has also been audited locally by Internal Audit. FSEC predicts the change in risk to the public. Active Phoenix is used to predict the effect of changes to operational cover on achievement of the Authority's response standards and also the workload of other fire engines across the Service area.
5. If, as is anticipated, most options would only ever be implemented if there was a financial need to do so then it is likely that consideration will need to be given to the balance of key pieces of information.
 - Predicted effect on community risk
 - Predicted effect on response standards
 - Financial impact
 - Views of stakeholders
6. The Strategic Plan (SP) and Integrated Risk Management Plan (IRMP) clearly lay out the importance of balancing the service delivery resources in Prevention, Protection and Response, and also developing service delivery arrangements around Preparedness and Recovery in line with the Service Vision.
7. Risk to communities has been progressively reduced during the past ten years by highly effective fire prevention work. This has seen an almost halving of emergency calls but very little reduction in the number of fire engines deployed. Whilst many of the options are predicted to increase risk those predicted increases would still mean that the risk would be below the level considered acceptable ten years ago.
8. That downward trend in incidents continues and Appendix 2 shows the resulting risk reductions from 2004 onwards and the predicted effect on risk of two of the options with the most negative impact. If the trend of incidents continues downwards then

risk will also continue to reduce as a result and could in time be reduced to a level less than the current level even if options are implemented. HFRS will continue to support fire prevention work which should give Members confidence in the potential for further incident reductions and the Authority may also wish to reinvest some savings from implementing options in increasing prevention resources in areas where changes have been made.

9. At the Member Day on 15th March 2013 Authority Members requested that officers expressed their professional opinion as to which, if any, of the options were not considered to be suitable for implementation regardless of the fact that they could be implemented within the existing response standards. Officers expressed a view at that day, and subsequently, that there were eight, of the thirty four possible, options which were not considered suitable for implementation.
10. The Authority approved that all of the options, with the exception of those which officers did not consider suitable, were published for engagement.

STRATEGIC PLAN COMPATIBILITY

11. The Operational Efficiency Programme is consistent with the Strategic Plan 2011-14 in which there was a commitment to “Reviewing the disposition of response resources”, “Reviewing our response resources to ensure they are proportional and balanced with our prevention and protection activities” and “Reviewing the crewing arrangements of our fire stations and emergency vehicles to ensure they reflect levels of risk and activity”.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

12. The CSR period 2011/12 to 2014/15 has resulted in a reduction in external support from Government of £5.3m.
13. Coupled with this there have been constraints on the ability to raise income through Council tax/precept. A series of council tax/precept freeze schemes have been operated by Government during 2011/12, 2012/13 and 2013/14. As part of this the Authority has therefore frozen its precept for the three years in question.
14. More recently the Chancellor, in the March 2013 budget, has indicated a further possible 1% reduction in funding for local government in 2014/15. Further details are awaited on how this will be implemented and its effect on the Fire and Rescue Service.
15. The outlook for the next CSR period for 2015/16 onwards remains extremely challenging. A reasonable assumption at this stage is that at best the trajectory of the first CSR will continue into the next CSR for 2015/16 onwards. This would therefore mean that a further circa £5m of funding would be lost by the close of 2018/19.
16. The projections contained within the Authority’s Medium Term Financial Plan (MTFP) which was considered at the February 2013 Fire Authority were as follows:-

2013/14 balanced budget
2014/15 £1.6m deficit
2015/16 £3.0m deficit
17. Work is on-going to refine the projections for 2014/15 and 2015/16 in light of new information. Critical to this will be the Spending Review announcements for the 2015/16 financial year which are anticipated during June 2013.

18. In essence, the quantum of reductions that the Authority is likely to have to make over the next few years is in little doubt but the precise timing will only become clearer when clarity has been brought to issues such as the additional 1% reduction for 2014/15, the 2015/16 spending review announcements and council tax/precept mechanism for the years 2014/15 onwards.
19. Details will be brought back to Members at the earliest opportunity once updated information has been made available. There will be a report to the September 2013 Fire Authority meeting which will project forward the Authority's financial position for the 2014/15, 2015/16 and 2016/17 financial years.

LEGAL IMPLICATIONS

20. At this stage, other than highlighted elsewhere, there are no direct legal implications arising from a decision to go out to engagement.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

21. An Equality Impact Assessment of any options would be undertaken prior to being brought before Members for approval to go out to formal consultation. That assessment would take into account any relevant views expressed by stakeholders during the engagement phase.
22. There will be a number of HR implications resulting from the future implementation of any options. There are some options, particularly those which involve Cleethorpes, Waltham and Goole stations which would mean, if implemented, that the staff at those stations may be at risk of redundancy. The stated position of the Authority has been to avoid any redundancies so far as possible, relying upon the retirement profile of the Service. The ability to offer voluntary redundancy and/or early retirement is still being progressed nationally and regulations have been promised for some time from the Employers side of the LGA.

CORPORATE RISK MANAGEMENT IMPLICATIONS

23. The operational efficiency programme is a significant part of the mitigation put in place for the Strategic Risk relating to a reduction in external financial report, and the risk relating to the likely need to reduce the WDS establishment.

HEALTH AND SAFETY IMPLICATIONS

24. None arising directly, although an assessment would be undertaken prior to any options going out to formal consultation. Any views expressed regarding Health and Safety implications, particularly by HFRS staff, during the engagement phase would be considered during that assessment.

COMMUNICATION ACTIONS ARISING

25. Communication is currently taking place to inform staff, Representative Bodies, stakeholders and the public of the options which could be implemented.

DETAILS OF CONSULTATION

26. The work to develop the options was undertaken confidentially including elected Members, CMT, Change Board and the Organisational Intelligence Unit, who carried out the statistical analysis. Options will go out to public engagement before any decisions are taken to formally consult on implementing any of the options.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

27. Business Case for each option and Siren Extra which summarises the options.

RECOMMENDATIONS RESTATED

28. Members consider this report.

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