

OPERATIONAL EFFICIENCY PROGRAMME OPTIONS FOR IMPLEMENTATION

SUMMARY

1. Members have received detailed reports and presentations, at a number of Fire Authority meetings and Member Days, on a range of options for the Operational Efficiency Programme. At the 11 December 2015 Fire Authority meeting Members approved a number of those options to go for formal consultation with a view to implementation in line with the Service's retirement profile.
2. The outcomes of that consultation were reported to the Authority at the meeting on the 18 March 2016, and a summary of the options is included at Appendix 1.
3. Members will be aware that the financial projections for the Authority, detailed at paragraphs 11 to 13 mean that there is still a need to reduce expenditure on operational response.
4. The options consulted upon can reduce the expenditure as required, whilst ensuring that the Service continues to meet the Authority's Response Standards.
5. Taking into account the outcomes of the consultation, and considering the professional views of Officers in the Corporate Management Team, it is not recommended that *all* of the options that could be implemented are actually approved for implementation.
6. This report details the rationale behind the Officer recommendation to only implement the option to merge Immingham East and Immingham West Fire Stations and remove one full-time fire engine, whilst still maintaining both fire stations. It also details the rationale behind not recommending the implementation of any of the options consulted upon at the East Riding Retained Duty System (on-call) stations.

RECOMMENDATIONS

7.
 - (a) Members approve the merger of Immingham East and Immingham West Fire Stations and the removal of one full-time fire engine from Immingham.
 - (b) Members approve that both fire stations are maintained open, and that the two remaining fire engines in Immingham are split between both stations at certain times of the day, dependent on operational and risk considerations.
 - (c) That Members do not approve any of the options to remove fire engines from Brough, Market Weighton, Hornsea or Withernsea.
 - (d) That implementation of any options is carried out in line with the Service's retirement profile without the need to make compulsory redundancies.

BACKGROUND

8. Members have been presented with detailed information relating to the options consulted upon at the 11 December 2015 Fire Authority meeting and Member Days on 27 November 2015, 18 January 2016 and 26 February 2016. That information had a particular focus on the following:-
 - First engine response standard performance
 - Second engine response standard performance
 - Risk predictions
 - Financial impact
9. At the 11 December 2015 Fire Authority meeting Members approved formal consultation on the following options:-
 - Option 1 - Merge the Immingham stations at Immingham East Fire Station and remove one fire engine.
 - Option 2 - Remove one fire engine from Immingham West Fire Station.
 - Option 3 - Remove one fire engine from Market Weighton Fire Station.
 - Option 4 - Remove one fire engine from Brough Fire Station.
 - Option 5 - Remove one fire engine from Hornsea Fire Station.
 - Option 6 - Remove one fire engine from Withernsea Fire Station.

That consultation commenced on 11 January 2016 and the outcomes were presented to the Authority at the 18 March 2016 meeting,

SUMMARY OF CONSULTATION OUTCOMES

10. A detailed analysis of the consultation responses was presented at the 18 March 2016 Authority meeting. However, a few key areas are summarised below where they relate directly to information which Members might specifically consider when choosing one or more options for implementation:
 - (i) There was a strong preference amongst consultees for Option 1 (merging the Immingham Stations and removing one fire engine) to be their first choice (351 chose that option, with the next highest being 26 people who chose Option 2 - removing an engine from Immingham West).
 - (ii) None of the other options were preferred by consultees. The lowest number of people choosing an option to be their first choice was for Option 5 (removing an engine from Hornsea - 7 people).
 - (iii) There was a strong preference amongst consultees for the second choice to be Option 2 (removing an engine from Immingham West) (261 chose it as second choice, with the next highest being the 33 people who chose Option 4 – removing an engine from Brough).
 - (iv) In the areas where there was a choice to be made between two options that couldn't both be delivered the following was noted:
 - There was a strong preference for Option 1 (merging the Immingham stations) over Option 2 (removing an engine from Immingham West) with 368 people choosing Option 1 against 59 people choosing Option 2.
 - There was a preference for Option 4 (removing an engine from Brough) over Option 3 (removing an engine from Market Weighton) with 211 choosing Option 4 against 99 choosing Option 3.

FINANCIAL SITUATION

11. Members have been regularly briefed on the Authority's medium-term financial position, and that information was also shared during the consultation. At that time a shortfall of £2.1m was anticipated by 2019/20, but there was an expectation that we would be able to save around £1m by the Service Redesign Programme, which is looking at all activity away from fire stations.
12. Since that time the Final Local Government Finance Settlement for 2016/17 has been released, and Members decided at the 15 February 2016 meeting of the Authority to increase the precept by 1.25%.
13. As a result, the forecast budget shortfall by 2019/20 is now £2.2m, and assuming we are able to save £1m from the Service Redesign Programme that means we will need to make £1.2m of operational savings. Whilst the option recommended is expected to only save £1.1m, it is anticipated that the remaining £100k can be saved from discretionary spends in other areas.

OFFICER VIEW ON OPERATIONAL IMPACT

14. All of the options which were consulted upon could be implemented within the Authority's Response Standards. The impact on performance against those standards, and the risk and financial impacts, are shown in detail at Appendix 1.
15. It is the opinion of Officers that the most important consideration is the First Engine Response Standard. All of the options, with the exception of Option 2, have a predicted zero impact on performance against that standard.
16. There are two main categories of options which were consulted upon:
 - (i) Removal of a full-time fire engine (Options 1 and 2)
 - (ii) Removal of an on-call fire engine (Options 3, 4, 5 and 6)

The difference in financial savings between the two categories are significant, due to the cost differential between operating full-time fire engines and on-call fire engines.

17. It is the opinion of Officers that it is preferable to remove a full-time fire engine rather than an on-call fire engine for the following reasons:
 - (i) If a full-time engine is removed the savings are such that it would be possible to maintain all of the on-call fire engines consulted upon. This is in contrast to the fact that even if all of the possible options to remove on-call engines were implemented it would still require the removal of a full-time fire engine to achieve the budget savings required.
 - (ii) If a full-time fire engine is removed the savings will be realised more quickly as staff movements can take place to absorb the change across all full-time fire stations. This is in contrast to changes at an on-call station being reliant on the staff leaving that station in isolation. Depending how quickly staff at an on-call station left it could mean that the Authority might have to consider compulsory redundancies at some point in the future.
 - (iii) The removal of one full-time fire engine will have less of a negative impact on the operational resilience of the Service as a whole than the removal of three on-call fire engines, even without considering that further changes would have to be made if only on-call options were implemented.

- (iv) The removal of a full-time fire engine from the Immingham area would have a less negative impact on the geographical spread of fire engines than the options in Hornsea, Withernsea and Market Weighton, due to the proximity of other fire stations. It is felt the option at Brough would have a broadly similar impact.
 - (v) Removing one full-time fire engine from Immingham would still leave two fire engines in the town, and therefore the initial response to dwelling fires or Road Traffic Collisions in the area would be unaffected. This is in contrast to the other options which would all see only one fire engine remaining in the affected towns, with the second fire engine being mobilised from another area.
18. It is the Officer opinion that if a decision is taken to remove one full-time fire engine from Immingham then Option 1 (merging the stations and removing an engine) is preferable to Option 2 (removing an engine from Immingham West), for the following reasons:
- (i) The financial savings are higher.
 - (ii) There would be a reduction in Watch Manager posts, while still maintaining the same number of fire engines.
 - (iii) The same arrangement was successfully implemented in 2014 in Grimsby.
 - (iv) It will make it easier to maintain the specialist skills required in the area, such as Technical Rescue, due to the fact that the two crews needed for the response can train together more easily.
 - (v) The predicted impact on the First Engine Response Standard is zero for Option 1, compared to an increase of 0.09 for Option 2.
 - (vi) Both stations will still remain open, and the crews can be deployed to either as required.
 - (vii) It will increase the ability to enhance the use of Immingham West Fire Station as a training venue, both for our own staff and for the generation of income by the delivery of training to external organisations.

IMPLEMENTATION PLAN

- 19. It is the Authority's stated intention to only consider compulsory redundancies as a last resort. If the recommendations are approved then it will be possible to implement them fully without the need for compulsory redundancies.
- 20. The implementation would be managed in line with the Service retirement profile. That means that the engine would stay available until such a point that crewing won't allow it. However given recent retirements it is likely that will be the case very quickly, although work will be carried out locally to establish the exact date to make the change.
- 21. In the first instance an engine will remain available at each station during night-time sleeping hours, in the same way as has been successfully managed in Grimsby. That will be reviewed periodically to ensure that the engines are located in the most appropriate location at different times of the day, taking into consideration operational demands and risk.

STRATEGIC PLAN COMPATIBILITY

- 22. The Operational Efficiency Programme is consistent with the Authority's Strategic Plan 2015/18, which detailed our Emergency Response Standards.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

23. If all of the options which had the maximum financial savings resulting from them were implemented then the overall saving to the budget would be £1.4 million. However, other factors such as risk and the effect on response standards will be considered by Members, alongside the financial savings, when considering the approval of options for implementation.
24. The financial projections for the Authority have been updated based on the Local Government Finance Settlement for 2016/17 announced on 8 February 2016, in broad terms the picture is as follows:-
- 2016/17 - balanced
 - 2017/18 - £700k deficit
 - 2018/19 - £1.6m deficit
 - 2019/20 - £2.2m deficit.
25. The Authority has set a balanced budget for 2016/17. The years 2017/18 onward look more challenging and therefore further efficiencies will require implementation during 2016/17 in order to assist with the balancing of the budget for the future years. It is worth remembering that any recurring revenue efficiencies implemented in 2016/17 will help balance the budget in future years e.g. £1m of efficiencies implemented in 2016/17 would leave a further £1.2m (£2.2m less £1m) of efficiencies to be delivered before 2019/20.
26. Therefore, whilst significant savings can be made, in time, through the options consulted upon as part of this programme, it is likely that further savings in excess of £1m will still have to be made by 2019/20. However, there is scope within this programme to deal with the projected budget deficit of £700k in 2017/18 and go some way to dealing with the anticipated budget deficit of £2.2m in 2019/20 if options making sufficient savings are approved for implementation. It is expected that if options which save in excess of £1m are approved then the remaining savings needed can be made away from fire station activities via the Service Redesign Programme.

LEGAL IMPLICATIONS

27. There are no direct legal implications arising from a decision to implement options.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

28. Equality Impact Assessments/Equality analysis for each option are available on request.
29. There will be a number of HR implications resulting from the future implementation of any options which can be managed within existing resources. The stated position of the Authority has been only to make compulsory redundancies as a last resort, relying instead upon the retirement profile of the Service; this would be the intention during implementation.

CORPORATE RISK MANAGEMENT IMPLICATIONS

30. The Operational Efficiency Programme is a significant part of the mitigation put in place for the Strategic Risks relating to a reduction in external financial report.

HEALTH AND SAFETY IMPLICATIONS

31. There are no direct Health and Safety implications.

COMMUNICATION ACTIONS ARISING

32. Communication will take place regarding any options that the Authority approve for implementation.

DETAILS OF CONSULTATION

33. Consultation outcomes were reported to the Authority at the 18 March 2016 meeting.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

34. Operational Efficiency Programme documents previously provided to Elected Members.

RECOMMENDATIONS RESTATED

35. (a) Members approve the merger of Immingham East and Immingham West Fire Stations and the removal of one full-time fire engine from Immingham.
- (b) Members approve that both fire stations are maintained open, and that the two remaining fire engines in Immingham are split between both stations at certain times of the day, dependent on operational and risk considerations.
- (c) That Members do not approve any of the options to remove fire engines from Brough, Market Weighton, Hornsea or Withernsea.
- (d) That implementation of any options is carried out in line with the Service's retirement profile without the need to make compulsory redundancies.

C BLACKSELL

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Options consulted upon.

A maximum of four options could be implemented, one in each geographical area.

| Option Number | Description | Approximate Savings | First Engine Impact (%) | Second Engine Impact (%) | Life Risk Impact (%) |
|----------------------------|--|---------------------|-------------------------|--------------------------|----------------------|
| IMMINGHAM | | | | | |
| 1 | Merge Immingham East/West remove 1 full-time engine | £1.1m | 0.00 | -0.41 | 0.004 |
| 2 | Remove 1 full-time engine from Immingham West | £766k | -0.09 | -0.08 | 0.004 |
| CENTRAL EAST RIDING | | | | | |
| 3 | Remove 1 one on-call engine from Market Weighton | £115k | 0.00 | -0.74 | 0.003 |
| 4 | Remove 1 on-call engine from Brough | £109k | 0.00 | -0.41 | 0.001 |
| HORNSEA | | | | | |
| 5 | Remove 1 on-call engine from Hornsea | £110k | 0.00 | -0.82 | 0.002 |
| WITHERNSEA | | | | | |
| 6 | Remove 1 on-call engine from Withernsea | £107k | 0.00 | -0.41 | 0.001 |

