

**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 9 September 2013 Fire Authority meeting Members considered the outcomes of engagement on those options and approved a reduced number of options to go out for formal consultation with a view to incremental implementation in line with the Authority's budget shortfalls and staff retirement profile.
2. The outcomes of that consultation are reported in detail elsewhere on this agenda.
3. The options show all of the possible combinations of a variety of changes to operational cover which could be implemented whilst still allowing the Service to meet the Authority's existing Response Standards. A list of the options consulted upon, and a brief analysis of them, is included at Appendix 1.
4. There is a significant budget shortfall predicted for 2015/16 and beyond, detailed in paragraphs 20 to 26. As the start of the 2015/16 financial year is only some 14 months away it is essential that the Authority continues to deliver efficiencies in a timely, and managed, way. Decisions therefore on what options to implement should be taken during the 2013/14 financial year so changes can begin to be implemented during 2014/15 in readiness for 2015/16.
5. The intention is that any implementation would take place in line with the retirement profile and therefore options would be implemented gradually, and sequentially, over a period of time. Members will be aware that it is impossible to predict exactly when operational staff will retire. However, an indicative timescale for implementation, assuming that options in all areas are approved and that staff retire at their earliest possible opportunity, and a list of principles which would be adopted for the sequencing of implementation is included at Appendix 2.

## RECOMMENDATIONS

6. (a) Members approve a number of options to be implemented from those consulted upon;
- (b) Members approve that implementation plans for any approved options will be brought before the Authority for endorsement, prior to any implementation taking place.

## BACKGROUND

7. The options consulted upon have previously been presented to Members in detail with particular focus 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.
8. 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 incidents occur in areas
  - Mapping of where most incidents occur
  - Mapping of the fire engine travel times from stations.
9. The options consulted upon also included a number of suggestions which came forward from staff and the public during the engagement stage earlier in 2013.
10. Whilst there are sixteen different options, detailed in Appendix 1, which were consulted upon, those options are effectively every possible combination of a number of “either or” choices which could be made in each of the three geographical areas. Those choices are as follows.

#### Hull

- Either remove one of the fire engines from East Hull Fire Station or change the crewing of that engine from it being crewed by full time firefighters to it being crewed by on-call firefighters
- Either change the crewing arrangements so that all of the fire engines in Hull are crewed with four firefighters, rather than some by four and some by five or leave those crewing arrangements unchanged

*If the decision is taken to crew all of the fire engines in Hull with four firefighters then there is a further choice in that area;*

- Either permanently crew a Small Fires Unit in Hull or not crew one

#### Immingham

- Either remove one of the fire engines from Immingham West Fire Station or merge Immingham West and Immingham East Fire Stations, at the Immingham East site, and remove one of the fire engines overall

#### Grimsby, Cleethorpes and Waltham

- Either remove one of the fire engines from Cromwell Road Fire Station or merge Cromwell Road Fire Station and Peaks Lane Fire Station at one site in Grimsby (that site could be Peaks Lane Fire Station)
- Either make changes to the arrangements at Cleethorpes Fire Station and Waltham Fire Station or leave the existing arrangements in place.

*If the decision is taken to make changes at Cleethorpes Fire Station and Waltham Fire Station then there is a further choice in that area;*

- Either do not crew the fire engines at Cleethorpes Fire Station and Waltham Fire Station, but relocate two of three remaining fire engines in Grimsby into those areas during the evening or replace the fire engines at Cleethorpes Fire Station and Waltham Fire Station with Small Fires Units

11. The Strategic Plan and Integrated Risk Management Plan clearly lay out the importance of balancing the service delivery resources in Prevention, Protection and Response.
12. Risk to communities has been progressively reduced during the past ten years by highly effective 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.
13. That downward trend in incidents continues. However the risk predictions are calculated assuming that the number of incidents stays the same, therefore 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 preventative work which should give Members confidence in the potential for further incident reductions and associated future reductions in risk.
14. Whilst there is a need to make decisions on which options are to be implemented to ensure that the budget can be balanced in 2015/16, the intention is to gradually, and sequentially, implement approved options in line with the Service retirement profile. Previous improvements in efficiency have been delivered in a timely and managed way to ensure that any changes have been timed to fit with the retirement profile. So, for example, changes have been introduced at a time when crewing has reduced to such a level that the introduction of a change has not created an unnecessarily large surplus of personnel.
15. An indication of how these options might be implemented is included at Appendix 2, although it should be borne in mind that is dependent on the actual retirement date of personnel, which cannot be accurately predicted.
16. If a number of options are approved the intention would be that the sequence of implementation would be determined by officers based on a number of factors, including predicted risk, predicted effect on response standards, the likely effect on staff, for example taking into consideration the residency profile of firefighters and how implementation might minimise the need for staff to travel across the Humber to work, and also the skill sets required on particular stations.
17. Prior to implementation of any approved changes, which will be carried out sequentially and gradually, a paper will be brought before the Authority seeking endorsement of the implementation plan relating to that particular change.
18. There is however a need to start the process of implementation almost immediately. The current position is that due to the fact that more operational staff have retired in 2013/14 than was expected there is currently a small crewing shortfall on fire stations. That shortfall could be immediately remedied by implementation of any one of the options, with any further approved options being implemented over time; in line with the principles laid out in Appendix 2. A paper will be brought before the Authority at the next meeting seeking endorsement of the first implementation plan in line with paragraph 17.

#### STRATEGIC PLAN COMPATIBILITY

19. The Operational Efficiency Programme is consistent with the Authority's Strategic Plan 2013/16, approved on 26 July 2013, which stated "we will continue to review the arrangements to crew our fire engines and the number and disposition of our fire engines, to ensure they reflect the risks we face and levels of incident activity".

## FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

20. 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 £4.1 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 so the actual savings could be considerably less than that maximum figure.
21. The Authority over the period 2011/12 to 2015/16 will have lost circa 27% of its external financing from Government. The expectation is that further reductions will take place beyond 2015/16.
22. The financial projections for the Authority have been updated based on the provisional Local Government Finance Settlement for 2014/15 and 2015/16 announced on 18 December 2013, in broad terms the picture is as follows:-  
  
2014/15 – broadly balanced  
2015/16 - £2.3m deficit  
2016/17 - £5.6m deficit.
23. The Authority should be able to balance the budget for 2014/15. The years 2015/16 onward look far more challenging and therefore further efficiencies will require implementation during 2014/15 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 2014/15 will help balance the budget in future years e.g. £2.3m of efficiencies implemented in 2014/15 would leave a further £3.3m (£5.6m less £2.3m) of efficiencies to be delivered in 2015/16
24. There is some uncertainty around the projection for 2016/17 given that no indication is available from Government on funding for that year at this stage and of course the General Election likely to take place early 2015 could also change the picture either positively or negatively for the 2016/17 year. The projections for 2014/15 and 2015/16 are more certain however as a result of the provisional Local Government Finance Settlement for 2014/15 and 2015/16.
25. The position will be kept under review and updates brought to Members when the settlement has been confirmed.
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 £1.5m will still have to be made by 2016/17. However, there is scope within this programme to deal with the projected budget deficit of £2.3 million in 2015/16 and go some way to dealing with the anticipated budget deficit of £5.6m in 2016/17 if sufficient options are approved for implementation.

## 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 for each option are available on request.
29. 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 stations which may mean, if implemented, that the staff at those stations could be at risk of redundancy in the future. The stated position of the Authority has been make compulsory redundancies as a last resort, relying upon the retirement profile of the Service; this would be the intention during implementation. 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

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 and the likely need to reduce the Wholetime Duty System establishment. Those risks have remained at the same level, and on the Strategic Risk Register, for some time, but that will be reviewed taking into account any options which are approved for implementation by the Authority.

#### HEALTH AND SAFETY IMPLICATIONS

31. A Health and Safety Assessment relating to each option is available on request

#### COMMUNICATION ACTIONS ARISING

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

#### DETAILS OF CONSULTATION

33. Consultation outcomes are reported elsewhere on the agenda.

#### BACKGROUND PAPERS AVAILABLE FOR ACCESS

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

#### RECOMMENDATIONS RESTATED

35. (a) Members approve a number of options to be implemented from those consulted upon
- (b) Members approve that implementation plans for any approved options will be brought before the Authority for endorsement, prior to any implementation taking place.

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