

Public Value Review Update

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260201 or Steve Worrall, Assistant Chief Fire Officer, on 01743 260204.

1 Purpose of Report

This report sets out a summary of progress against the agreed outcomes, as set out within the Fire Authority's Public Value review undertaken in 2010.

2 Recommendations

The Fire Authority is recommended to note progress to date.

3 Background

At the outset of 2010 the Fire Authority commissioned a Public Value review of the Service to assess and address the impact of both the recession and the Coalition Government's austerity measures upon the Service. The Member-led review, through a structured process of staff and public engagement, sought to solicit the views, opinions and support of staff to unite into a single team to form a collective strategy to address the projected budget cuts.

In total 40 Public Value staff engagement sessions took place during 2010 with approximately 95 percent of the Service's 650 staff participating. In addition, a number of Local Joint Committees were also consulted. The staff engagement continued during 2011, with a further 44 sessions taking place to update staff on the progress with the Public Value measures and also to enable an assessment and refresh of the Authority's existing Integrated Risk Management Plan (IRMP).

4 Public Value Outcomes

The Public Value review identified a range of initiatives, which, if successfully managed and implemented, will result in an incremental and controlled 25 percent reduction of Fire Authority's budget over a four-year period (2011-15). These initiatives predominantly take advantage of natural staff turnover to secure savings, whilst maintaining, without significant reduction, frontline services to the community, as detailed within the Authority's IRMP. Essentially, and in accordance with earlier directions from Members, the proposals allow for a gradual budget reduction (estimated in 2010 at £2.7m to £2.9m in cash terms), whilst avoiding compulsory redundancies, maintaining all fire stations and alleviating the necessity for merger with one or more other fire authorities.

The Public Value proposals amount to approximately £2.7m over a four-year period. In addition to the savings initially identified, officers still remain confident that additional savings will be achievable over the same period from the continuing challenge of all contract renewals. As a consequence, it is anticipated that approximately £2.9m will be cut from the annual budget over the four-year period. However, due to unprecedented central government grant reductions (circa 28 percent over the next few years), the impending loss of revenue, through changes to local business rates and benefit payments, coupled with continued economic uncertainty, it is now expected that the necessary budget cuts will amount to at least £4 million per year by 2015/16, that represents 20 percent of the Service's annual budget.

Appended is a summary of the previously agreed four-year Public Value programme. Full details of the review may be viewed at:

<http://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/Public%20Value%20Review%202010.pdf>

5 Public Value Year 1 (2011/12) Review

A review of the Year 1 Public Value measures reveals the following findings:

Financial

The first year of Public Value measures has now been implemented with a total saving of £1.115m realised, compared to the projected £1.148m.

Table 1 overleaf sets out the breakdown of savings.

| Public Value initiatives Year 1 (2011/12) | Forecast Reduction £ | Actual Reduction £ |
|--|---------------------------------|-------------------------------|
| Reduction of 6 Incident Commanders and ancillary costs | 372,000 | 339,000 |
| Removal of 4 wholetime Watch Commanders from Tweedale fire station | 172,000 | 172,000 |
| Removal of 4 Area Support Officers for rural areas | 148,000 | 148,000 |
| Removal of two support staff posts | 50,000 | 50,000 |
| Removal of 5 on-call firefighter posts | 30,000 | 30,000 |
| Reduction in rural firefighting budget | 50,000 | 50,000 |
| Pay budget reductions | 100,000 | 100,000 |
| Renegotiated insurance contracts | 100,000 | 100,000 |
| Reducing or eliminating staff catering | 63,000 | 63,000 |
| Reduction in capital programme | 63,000 | 63,000 |
| Total | £1,148,000 | £1,115,000 |

Table 1: Public Value Savings Year 1

Support Staff

The Service has reduced its support staff establishment by two posts during 2011/12 (from the Programme Office and Community Fire Safety), with a further reduction of two posts planned for 2012/13. The impact of these reductions is currently being addressed through the redistribution of workloads and responsibilities to other staff. Subsequent staff reductions will affect capacity within the support staff.

Operational Staff

Since implementation of the Public Value review, and the consequential recruitment freeze, the wholetime establishment had (by the end of March 2012), reduced by 14 full-time posts. During 2011/12 the planned reduction of 5 retained duty system firefighter posts was achieved, which at this stage has had no significant impact on the availability or response of fire engines to incidents. Notwithstanding this, availability of all Retained stations during 2011/12 fell marginally to 97.83 percent, which represents a decrease of 0.66 percent availability, when compared to the previous 12-month period (2010/11). Availability varies from year to year and it would be too early at this stage to link any fluctuation to the Public Value measures. Wholetime stations remain at 100 percent availability.

The impact of the Public Value measures has been most apparent upon capacity of operational officers to manage day-to-day routine activities etc. Most notably, the removal of the six dedicated incident commander posts has led to disruption of the Service's remaining officers' routine activities through their now attending more incidents on a more regular basis.

The Service now has the lowest number of operational officers (24) within any English fire and rescue service (where the average is 64.6 officers per service).

Integrated Risk Management Plan (IRMP)

The IRMP 2009-12¹ acts as the Fire Authority's overarching strategic plan for reduction of risk through the integration of protection, prevention and response arrangements. The Public Value review has had an impact upon the IRMP in the following areas:

a) Introduction of Shropshire Response Standards²

The IRMP standards (which comprised of 15 complex individual performance standards) were reviewed during the Public Value review and a new simplified, high-level summary standard was developed to help to communicate the current levels of service to the public. The previous IRMP Life Risk Standards continue to be monitored. The summary standard, expressed as a Public Value measure, is:

The first fire engine will arrive at an emergency incident within 15 minutes on 85% of occasions

During 2011/12 this measure was achieved on 90 percent of occasions. Nationally available Government performance data³ indicates the Service has an average attendance time of 8.38 minutes (the national average is 7.04 minutes). Whilst the average attendance time performance appears to be good when compared to the Public Value measure, it is in fact one of the slowest average attendance times in the country. This performance correlates to the large geographical area covered by each of the Service's fire stations: 13,414 hectares per station (compared to the national average of 6,331 hectares per station).

The Service's performance against the Public Value measures is reported quarterly to the Authority's Audit and Performance Management Committee. Performance against the IRMP standards will be reported to the Committee's next meeting (September 2012), following completion of 2011/12 returns

This change has had no impact on operational provision.

b) Relocation of a fire engine from Telford Central to Tweedale Fire Station⁴

During 2007/08 the IRMP led the relocation of one wholtime fire engine from Telford Central to Tweedale Fire Station.

¹ <http://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/2009-12-strategic-plan.pdf>

² *ibid*, p11

³ <http://www.communities.gov.uk/publications/fire/frsresponsetimes>

⁴ <http://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/2009-12-strategic-plan.pdf> p12

The Public Value review resulted in both fire engines being based in Telford Central but one moving to Tweedale during times of high fire risk (currently during evenings and over night), which allowed the deletion of four watch commander posts.

Wholetime fire engines continue to operate from both Telford Central and Tweedale Fire Stations, but with a single watch manager (per watch) across both stations. This offers a more flexible approach to staffing.

This change has had no impact on operational provision.

c) Resilience Officer⁵

During 2008/09 the IRMP included the appointment of a cadre of resilience officers to provide capacity to prepare for and respond to a wide range of potential incidents (terrorist threats, major incidents, natural/environmental disasters etc) that were generally considered to be in excess of day-to-day demands. These officers were deployed to major incidents/events such as the Atherstone fire, Buncefield Oil Refinery fire, Carlisle floods and Gloucestershire floods etc. A more recent example of the type of event that they might have been deployed to occurred on 28 June 2012, when the Service received in excess of 50 emergency calls within the space of a few hours for assistance following heavy rainfall in south Shropshire. The incidents attended by the Service led to the deployment of nine officers, 50 percent in excess of those usually on duty at any one time.

Whilst planning for such eventualities continues, the Public Value review led to the deletion of 25 percent of the Service's operational officers, with the responsibilities for Level 2 Incident Command and the Resilience role falling to the remaining Officers in the service. This has had the effect of reducing the Service's ability to support cross-border and national incidents, whilst also maintaining an effective incident command structure within the County. However, a degree of mitigation has been achieved through the introduction of more structured recall-to-duty arrangements, but these arrangements offer only limited resilience. This change has had an impact on operational provision, but has had no impact of the Fire Authority's Public Value measures or IRMP Response Standards.

d) Risk Analysis⁶

The 2010/11 IRMP Action Plan set an objective to undertake a comprehensive review of all risks across the County. This objective was completed in 2010 and refreshed as part of the Public Value/IRMP staff consultation exercise during 2011. This refresh has had a positive impact on operational provision in terms of ensuring the Service is aware of, and has planned for, the changing risk in the County.

⁵ ibid, p13

⁶ <http://www.shropshirefire.gov.uk/sites/alpha.shropshirefire.gov.uk/files/page/files/2009-10-action-plan.pdf> Page 12

6 Public Value Year 2 Initiatives (2012/13)

The Public Value review has sought to maximise savings through aligning, where possible, initiatives to projected staff turnover whilst limiting the impact on the Fire Authority's IRMP.

This approach does introduce peaks and troughs within the accrued savings, but in doing so removes the need for compulsory redundancies. Hence Year 2 savings amount to approximately half of those achieved in Year 1 reflecting a lower predicted staff turnover for 2012/13. A summary of Year 2 savings is set out in Table 2 below.

The most significant initiative for Year 2 is the cessation of permanent crewing of the Aerial Ladder Platform (ALP). With a gradual wholetime firefighter reduction occurring during Year 1 (8 posts) the ALP ceased to be crewed on a permanent basis as of 1 April 2012. The current crewing arrangement, which is the subject of ongoing evaluation, involves firefighters at Shrewsbury Fire Station 'switch-crewing' between the normally crewed fire engines to the ALP (or Rescue Boat) dependent upon the nature of incident they are summoned to. The vulnerability of this approach occurs when wholetime crews are distant from Shrewsbury Fire Station or committed to other incidents, creating a delay in their return to station to crew the ALP (or Rescue Boat).

| Public Value Initiatives Year 2 (2012/13) | Forecast Reduction £ |
|--|---------------------------------|
| Removal of two support staff posts | 50,000 |
| Removal of 5 on-call firefighter posts | 30,000 |
| Reduction in rural firefighting budget | 50,000 |
| Reduction in Building Maintenance Budget | 50,000 |
| Reduction in capital programme | 90,000 |
| Cessation of permanent crewing of ALP (reduction of 8 posts) | 297,000 |
| Revised Incident Watching Briefs | 30,000 |
| Total | £597,000 |

Table 2: Public Value Savings Year 2

With the ALP not being a front-line appliance (i.e. it is requested by attending crews at an incident as required, rather than being mobilised on the first call from the public) there is minimal impact on operational provision, and no impact on either IRMP Response Standards or Public Value measures.

7 Public Value Years 3 & 4 (2013-15)

The planned Public Value initiatives for years 3 and 4 (see attached Appendix) will continue as planned with no known reason at this stage for any changes. These include the removal of primary crewing from the Rescue Tender (RT), as part of the 2013/14 period.

This change could have an impact on the previous IRMP Response Standards (attendance of the RT at life risk incidents is measured), but proposals are being considered, as part of this project, to look at how that potential impact can be reduced or eliminated. This serves to demonstrate that the Service is putting great effort into preventing impact on its service delivery changes to the people of Shropshire during these difficult times, but that this is getting increasingly difficult to achieve.

With options to capitalise on natural staff turnover now fully accounted for within the Public Value programme, little scope for further staff reductions exists other than through redundancy and/or early retirement arrangements (where appropriate).

Unless a fundamental shift in Government policy occurs to address the imbalance of the current grant distribution formula between rural and mainly urban Authorities it is likely that the Fire Authority will have to consider radical measures to offer to the community a sustainable fire and rescue service into the future.

8 Financial Implications

There are no further financial implications arising from this report.

9 Legal Comment

There are no direct legal implications arising from this report.

10 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have determined 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.

11 Appendix

Summary of Proposed Public Value initiatives 2011/12 – 14/15

12 Background Papers

There are no background papers associated with this report.

Summary of Proposed Public Value Initiatives 2011/12 – 14/15

| 2011/12 Area: | Saving | 2012/13 Area: | Saving | 2013/14 Area: | Saving | 2014/15 Area: | Saving |
|---------------------------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|
| Legacy Inflation | £100,000 | Reduction of 2 Non-Uniform Posts | £50,000 | End to permanent crewing of RT (from 01/01/2014) | £80,000 | End to permanent crewing of RT (from 01/04/2014) | £217,00 |
| Insurance Premium Reductions | £100,000 | Reduction of 5 RDS Posts | £30,000 | Reduction of 2 Non-Uniform Posts | £50,000 | Reduction of 2 Non-Uniform Posts | £50,000 |
| Reduction of 2 Non-Uniform Posts | £50,000 | Reduction in RDS budget | £50,000 | Reduction of 5 RDS Posts | £30,000 | Reduction of 5 RDS Posts | £30,000 |
| Reduction of 5 RDS Posts | £30,000 | Reduction in Capital Programme | £90,000 | Reduction in Smoke Alarm Budget | £75,000 | Reduction in Capital Programme | £125,000 |
| Reduction of 4 planned DST officers | £148,000 | Reduction in Building Maintenance Budget | £50,000 | Reduction of 1 Training Instructor post | £43,000 | | |
| Reduction of 4 WT watch managers | £172,000 | Revised Relief Crew Policy | £30,000 | Reduction in Capital Programme | £160,000 | | |
| Reduction of 6 Incident Command posts | £372,000 | Cessation of permanent crewing of ALP | £297,000 | Reduction in Building Maintenance Budget | £50,000 | | |
| Removal of station messing | £61,000 | | | Reduction of 1 Brigade Manager post | £100,00 | | |
| Reduction in RDS budget | £50,000 | | | | | | |
| Reduction in Capital Programme | £63,000 | | | | | | |
| Saving: | £1,146,000 | | £597,000 | | £588,000 | | £422,000 |
| Accumulative Savings: | £1,146,000 | | £1,743,000 | | £2,331,000 | | £2,753,000 |

Key to abbreviations:

ALP Aerial Ladder Platform
DST District Support Officers
RDS Retained Duty System personnel

RT Rescue Tender
WT Wholetime Duty personnel