

AGENDA MANAGEMENT SHEET

Name of Committee **Community Protection Overview and Scrutiny Committee**

Date of Committee **25th July 2006**

Report Title **Community Protection Directorate Efficiency Saving Option**

Summary Report outlining the Efficiency Saving Option prepared by the Fire and Rescue Service

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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Councillor Richard Chattaway and Councillor Dave Shilton
- Cabinet Member Councillor Richard Hobbs
- Chief Executive Jim Graham

- | | | |
|--------------------------|-------------------------------------|----------------|
| Legal | <input checked="" type="checkbox"/> | Jane Pollard |
| Finance | <input checked="" type="checkbox"/> | Oliver Winters |
| Other Chief Officers | <input type="checkbox"/> | |
| District Councils | <input type="checkbox"/> | |
| Health Authority | <input type="checkbox"/> | |
| Police | <input type="checkbox"/> | |
| Other Bodies/Individuals | <input type="checkbox"/> | |

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

- | | |
|---|-------------------------------------|
| Further consideration by this Committee | <input type="checkbox"/> |
| To Council | <input type="checkbox"/> |
| To Cabinet | <input checked="" type="checkbox"/> |
| To an O and S Committee | <input type="checkbox"/> |
| To an Area Committee | <input type="checkbox"/> |
| Further Consultation | <input type="checkbox"/> |

Agenda No.

Community Protection Overview and Scrutiny Committee

25 July 2006

Community Protection Directorate Efficiency Saving Option

Report of the Strategic Director of Community Protection and County Fire Officer

Recommendation:

The Committee is requested to consider the efficiency option and make recommendations to Cabinet accordingly.

1. Introduction

- 1.1 Following the formulation of potential efficiency savings, a paper put forward to the Crime and Safety Overview and Scrutiny Committee held on 2nd May 2006 discussed a range of initiatives designed to enable the release of funds in order to meet budgetary pressures resulting from the County Council's 2.5% top slice. Members had requested the paper to facilitate discussion around the range of options available to the Fire and Rescue Authority for realising savings over the medium term.
- 1.2 Following further research into ways in which the organisation can continue to provide an efficient, cost effective service and yet meet the required efficiency savings, the Strategic Director and County Fire Officer is able to present an option that would achieve savings circa £500K.

2. Background

- 2.1 In line with other Directorates, Community Protection must make provision for a 2.5% top slice during 2006/07 equating to £493K. In addition, it is possible that the Directorate will be subject to this top slice saving for the following two years 2007/08 and 2008/09 equating to a total saving of £1,479K.
- 2.2 Further to this, the Fire and Rescue Service is required to realise efficiency gains prescribed by the Department for Communities and Local Government (DCLG). These gains amount to approximately £1,042K spanning the 2004/05 – 2007/08 period, however, do not equate to a budgetary reduction but are instead utilised to fund the Service's modernisation agenda.

3. Community Protection resources

3.1 Current financial resources 2006/07

Table: 1

Subjective	£000's	%
Direct Employees	13,703	57
Indirect Employees	486	2
Pensions	2,560	11
Premises	804	3
Transport	1,463	6
Supplies & Services	2,249	9
Support	983	4
Capital Charges	2,413	10
Income	(533)	(2)
Net Expenditure 2006/07	24,128	100
Less Efficiency Savings	(493)	
Net Budget 2006/07	23,635	

Table: 2

Activity	£000's	%
Service Delivery	10,000	41
Service Support	6,128	25
Pensions	2,543	11
Community Safety	1,405	6
Communications & IT	978	4
Fire Control	696	3
Notional Asset Rentals	2,378	10
Net Expenditure 2006/07	24,128	100
Less Efficiency Savings	(493)	
Net Budget 2006/07	23,635	

3.2 Current operational resources

Table: 3

	Station	W/time Staff	RDS Staff (ea. 80 hr Contract)	F/fighting Appliance Allocation	H.P.
Shift Duty Stn.s	Nuneaton	52		2	
	Rugby	52		2	
	Leamington	64		2	1
	Stratford	28	16	2	
Sub total		196	16	8	1
Day Crewed Stn.s	Bedworth	12	12	2	
	Coleshill	16	16	2	
	Atherstone	12	12	2	
Sub total		40	40	6	0
RDS Stn.s	Polesworth		12	1	
	Brinklow		12	1	
	Kenilworth		14	1	
	Warwick		14	1	
	Southam		13	1	
	Fenny		12	1	
	Shipston		15	1	
	Bidford		12	1	
	Alcester		12	1	
	Studley		11	1	
	Henley		12	1	
	Wellesbourne		12	1	
Sub total			151	12	0
Grand Total		236	207	26	1

3.3 The table identifies that the Service currently utilise one hydraulic platform (HP) based at Leamington Spa providing high reach firefighting and rescue capability. In order to guarantee the operational availability of the hydraulic platform, each watch at Leamington Spa is supplemented with 3 additional firefighters equating to 12 across all four watches.

3.4 To enhance this provision, the Service has entered into an agreement with the West Midlands Fire Service (WMFS) who for an annual charge of £132K provide aerial cover to the North of the County.

4. Efficiency option

- 4.1 The Authority's Integrated Risk Management Plan (IRMP) commits the Service to reducing risk through prevention, protection and intervention initiatives. In meeting this commitment statutory duties contained within the Fire and Rescue Services Act 2004 and objectives defined by the Fire and Rescue National Framework have influenced the path to modernisation and the way in which the Service is now shaping up to engage new challenges.
- 4.2 The Service has recently conducted investigations into the provision and use of hybrid appliances, these are effectively a combination of a standard pumping appliance and a hydraulic platform and can be simultaneously utilised in either capacity.
- 4.3 Following detailed analysis into capability and associated specification issues, it is clear that the Service would benefit both operationally and financially from the purchase of 2 hybrid appliances. It is proposed that the aerial contract with WMFS is terminated and that the North and South of the County would each be provided with 1 hybrid appliance, therefore maintaining and improving the aerial provision within Warwickshire.
- 4.4 The hybrid appliances are crewed in the same way as a standard pumping appliance and would therefore replace one standard appliance in the North, and one standard appliance plus the hydraulic platform in the South of the County. The earliest date of delivery is expected to be September 2007 followed by approximately 4 weeks of familiarisation prior to being operationally active.

5. Efficiency savings

- 5.1 The termination of the contract with WMFS would realise efficiency savings in the region of £132K per annum starting with a part year saving in 2006/07.
- 5.2 The purchase of 2 hybrid appliances would see the reduction of 12 wholetime firefighter posts at Leamington Spa realising efficiency savings in the region of £372K per annum starting with a part year saving in 2007/08.
- 5.3 The total saving amounts to £504K, however, would be decreased by training costs not expected to be significant.

Table: 4

	2006/7 £'000	2007/8 £'000	2008/9 £'000	Assumption
Cancellation of contract with WMFS	22	132	132	Give 6 months notice in August 2006
Replace Leamington HP and appliance with hybrid	0	186	372	Hybrid appliance in use from October 2007
Total Saving	22	318	504	

6. Comprehensive Performance Assessment (CPA)

- 6.1 Last year the Fire and Rescue Service was assessed separately under CPA and received an overall rating of 'Good'. The Service will undergo a further review this year with particular emphasis on direction of travel, use of resources (including value for money) and operational assurance.
- 6.2 The proposal outlined above meets all of these criteria and will therefore significantly contribute to the outcome of the forthcoming assessment, and fulfil principles of operational efficiency set out within the Authority's IRMP.

7. County Fire Officers Professional Opinion

- 7.1 In taking this matter forward there was great concern that any ad-hoc reduction in resources or changes to the location of resources within the County would have a detrimental effect on the overall response cover arrangements. As a result the level of risk faced by the community could be increased and firefighter safety could be compromised.
- 7.2 To mitigate against these eventualities the Service developed a new model for service delivery that was based on guaranteed availability of resources when required. Against this background a review of risk within the County was undertaken, which indicated that there are opportunities to reduce and relocate resources and continue to meet the response standards set out in the Fire and Rescue Authority's Integrated Risk Management Plan. As part of this analysis a number of innovative and imaginative options were identified that would provide Warwickshire with strategically located resources with guaranteed availability.
- 7.3 The options covered the location of resources and the crewing arrangements that could be applied. Whilst focused on the response options consideration was also given to the provision of resources to deliver the preventative agenda set out within the IRMP, the Fire and Rescue Services Act 2004 and the National Framework Document 2006/08. This work contributes to a sustainable vision for the Service upon which the next IRMP is to be constructed.
- 7.4 The implementation of the outcome of this review, however, would present members with a number of challenges that would require their detailed assessment of the initial proposals and possibly the generation of alternative solutions. The consideration of the options will take some time to complete. In the meantime this paper presents an option that satisfies the County Councils Budget Resolution dealing with Directorate top sliced efficiency gains for the year 2006/07 without significantly impacting on the location of fire stations or the provision of pumping appliances. This option is consistent with the outcome of the review process.
- 7.5 However, members are advised that the implications for the Fire and Rescue Service of future budget reductions are that there will be an impact on the number of fire stations and their location within the County within the framework of the review. Further reductions will also need to be considered within the context of the Integrated Risk Management Plan 2007/10, which is currently being prepared.

7.6 The move to replace the HP at Leamington with a hybrid does not significantly affect the provision of fire cover in Warwickshire; it does however reduce the number of wholetime personnel. Whilst members have still to make decisions on future savings targets for the Service it is felt necessary to hold the 12 posts removed from Leamington on the establishment, although unfunded at this time.

8. Recommendation

8.1 The Committee is requested to consider the efficiency option and make recommendations to Cabinet accordingly.

William Brown
Strategic Director of Community Protection and County Fire Officer

July 2006