

Report of Chief Fire Officer

7. Closer Working with Warwickshire Fire and Rescue Service

Purpose of report

1. To provide the Committee with an update on the project approach and progress made to date in assessing the benefits and options for closer working with Warwickshire Fire and Rescue Service.
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Recommendation

It is recommended that the project approach and progress made in assessing the benefits and options for closer working be noted.

Introduction and Background

2. As Members are aware the Authority continues to face a challenging financial situation. Whilst we will have made savings of £6.2m to the end of 2016/17 (74% without impacting on front line response to the public), projections indicate that further savings of £2.5m - £3.5m may be needed over the following three years to 2019/20.
3. We know from Government (and those that aspire to be in government) announcements that restrictions on public sector funding are likely to continue until at least 2020, and it therefore appears inevitable that the Authority will need to find further significant savings beyond those currently envisaged. Unless alternatives are identified, it is inevitable those savings will impact to a greater or lesser degree on front line service delivery.
4. One of the alternatives is closer working with other organisations, such as neighbouring Fire and Rescue Services. The 'Sir Ken Knight Review' published last year recommended that where Fire and Rescue Authorities can provide business cases for local collaborative solutions showing clear, achievable efficiencies, central government should step forward to provide financial support for transition. In addition, the Fire Minister has also set out the challenge for Fire and Rescue Authorities to engage in greater collaboration.

5. At its meeting on 11 December 2013, the Authority considered a proposal for future collaborative working with Warwickshire Fire and Rescue Service (WFRS) and agreed that a joint officer team be established with WFRS to examine the feasibility and potential benefits of collaboration.

Project Approach

6. A Project Team was established in January 2014 comprising officers from HWFRS, WFRS and Warwickshire County Council (WCC). A Project Board is also in place to provide strategic guidance to the project leads.
7. The Project Board has developed and agreed a vision for exploring the options for closer working:

“To deliver a sustainable, resilient and more cost effective fire & rescue service (FRS) for the communities of Herefordshire, Warwickshire and Worcestershire”
8. The vision is included in the project Terms of Reference which are set out at Appendix 1. These have been approved by the Project Board comprising officers and Members of both authorities. It recognises that the key objective of collaboration is to ensure that we are able to maintain, and where possible improve upon, the high quality of service provision across the three Counties whilst also driving down costs.
9. A detailed set of benefits will be developed as the project is refined. The primary outcomes of the project will be to achieve:
 - Continued delivery of a safe and effective Fire & Rescue Service to the communities of both services;
 - Continued sustainable and resilient service delivery over the medium and long term; and
 - Greater long term financial efficiency
10. A key consideration for the project team is to analyse the potential for closer working. However it should be noted WFRS have recently appointed a substantive Chief Fire Officer and agreed a two year fixed contract for a Deputy Chief Fire Officer. The four main closer working options are set out in the following diagram:

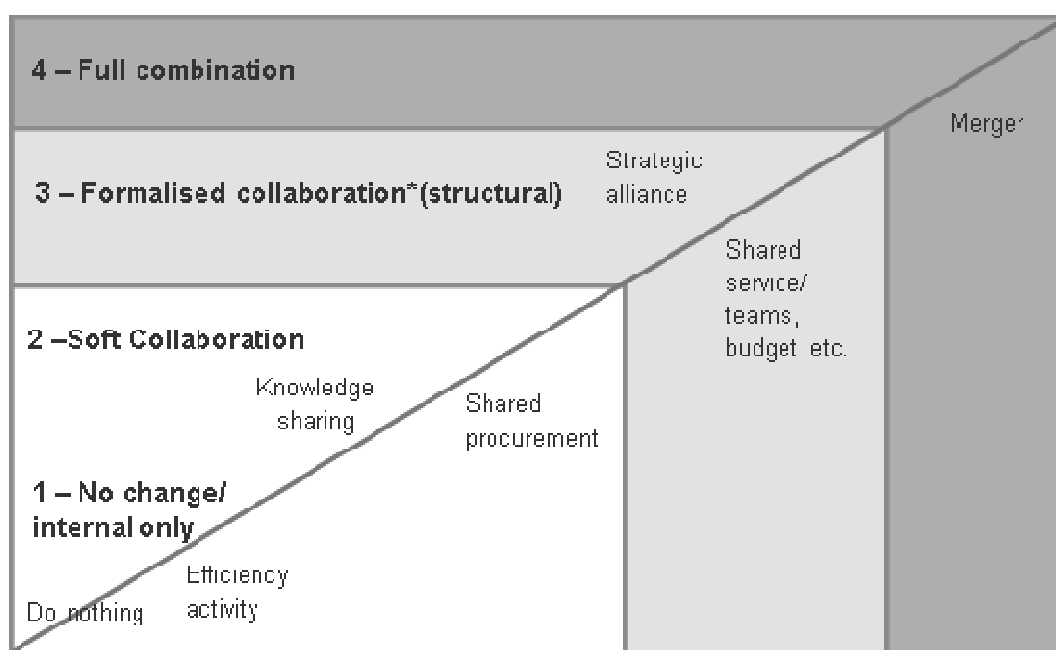


Fig.1

11. The following phases of the project have been established:
 - **Set-up** – to establish the team and its approach (complete).
 - **Investigation** – to establish the evidence base (in progress).
 - **Analysis** – to review, interpret and quality assure evidence.
 - **Options Appraisal** – to present the evidence for each option.

Setup

12. A team of officers with project management, accounting and fire and rescue skills and knowledge representing HWFRS, WFRS and WCC was established in January 2014.
13. A project board is in place to provide strategic guidance to the project leads and ensure that outcomes, risks, issues and decisions are shared at a senior management level. The membership of the board consists of senior officers from each FRS, WCC and Elected Members. This will also help to present reports consistently and to ensure that the two FRS and WCC are aware of the proposed changes, benefits and impacts at the same time.
14. As a collaborative project every effort will be made to minimise duplication and bureaucracy across the three partner organisations whilst blending service insight and change management expertise. Particular attention is being paid to the interface and dependencies with existing savings and efficiency plans.
15. The collection of information is being supported by a series of workshops that are being facilitated by members of the Project Arrow team. They will include representatives of the two FRSs and WCC.

16. The team has identified two sets of outcomes required for the project to be considered successful, as shown below:

(1) Proposed strategic service-wide outcomes to:

- Identify and describe the different options for delivering the statutory responsibilities of a Fire and Rescue Service;
- Describe the context for closer working in terms of governance arrangements;
- Fully identify the WCC costs associated with the delivery of the Fire and Rescue Service; and
- Identify, describe and provide the mitigation for any risks that are identified.

(2) Proposed service area outcomes to:

- Remove duplication of effort through policy harmonisation;
- Achieve cashable efficiency savings through joint commissioning of service areas / functions whilst maintaining the quality of service provision;
- Improve economies of scale through joined up procurement;
- Rationalise back office functions where possible to protect frontline service delivery;
- Improve firefighter safety through the transference of learning / expertise and increasing the critical mass of staff and firefighting assets; and
- Improve business continuity arrangements being able to call on more frontline response and supporting assets

Investigation

17. The investigation phase of the project is aimed at identifying the differences and similarities between service areas. The project team has adopted a supporting role to the delivery of service area workshops and are facilitating discussions. This is helping service area managers to discuss potentially contentious issues such as joint delivery teams working in rationalised management structures.

The service areas currently being explored are shown in Table 1 below.

Service Area	Service Area
Response	ICT
Fire Protection	Finance
Fire Prevention	Legal & Committee Services
Control	Procurement
Fleet & Technical	Property
Ops Support	Communications & media
Water	Health and Safety
Training and Development	Performance Information & Project Planning
HR	Brigade Managers
Technical Support Fleet Equipment	

Table 1: Service Areas

18. The project team has identified critical success factors to support the move towards closer working which have been informed by lessons learnt from previous projects. This includes the learning from previous activity to develop closer working between HWFRS, WFRS and WCC; joint working between WFRS and Northamptonshire Fire and Rescue Service; and visits to other “blue light” services and events.

18.1 Warwickshire and West Mercia Police

Regional Mergers had been suggested previously in 2006 but were later abandoned. During 2006-10 individual Force Change Programmes took place. In 2010 The Comprehensive Spending Review was announced which required Warwickshire Police to save £17.5m and West Mercia Police £15.8m. Following this announcement in 2011 the two Chief Officers decided to undertake an alliance to save a total of £36m from an overall budget of £300m.

In November 2011 the alliance was formally started and significant work has been on-going to date. This work led to the two Chief Officers in March 2012 formally signing up to the agreement and was precipitated by Section 22/23 of the Police Reform Act 2009. Following which in November 2012 the respective services had an elected Police and Crime Commissioner, who both supported the work of the alliance. As of September 2013 a new Strategic Alliance operating model has been implemented across both Police Forces. .

18.2 Devon and Somerset Fire and Rescue Services

The two services undertook an analysis of the potential for combination using a serving officer and a consultancy firm. The assessment was conducted within a two month period with little or no staff engagement. The two Fire and Rescue Authorities (FRA) considered the report's conclusions and agreed to commission a business case and implementation plan with the desired outcome of creating a single FRA.

The implementation took a number of years and issues still exist such as operational policy, service identity and cultural issues which are yet to be fully addressed. Although lessons can be learnt from the implementation within Devon and Somerset a key difference from the work presently being undertaken by Warwickshire and Hereford & Worcester is that no efficiencies were required as an outcome of that combination.

18.3 Dorset Wiltshire Fire and Rescue Services

Dorset and Wiltshire are at the start of their journey having taken an important decision to consider full combination subject to a comprehensive examination of a business case in September 2014. Although the sovereignty of the Services will be discussed and reviewed over the coming months, they will remain as two separate democratically accountable organisations until that debate has matured and a political decision taken to combine or not. Learning points include;

- An independent QA on the process is essential as this gives an oversight on how the project is working;
- An independent workshop with the POs from both Services enabled the team to determine the direction and succession planning of a combined PO structure;
- Joint communication to the wider workforce was imperative;
- Two key joint documents have been drafted to support the closer working: Strategic Framework and “Safer 2020”; and
- The Project Arrow team will be looking to meet with Dorset and Wiltshire on a regular basis to discuss lessons learnt from both sides and capture good practice.

18.4 Other Learning

Brandon Lewis MP and Fire Minister, in a recent key note speech, set out the challenge for Fire and Rescue Services. The challenge is to engage in greater collaboration, improve local accountability, increase on-call arrangements (more Retained Duty Firefighters), prioritise prevention and protection and promote asset transformation.

These themes are consistent with aims of Project Arrow and also the Warwickshire County Council Shaping the Future objectives.

The learning from these other Services and the direction setting from Government has informed the overall project approach and where lessons can be taken they have been incorporated into the setup and investigation phases.

Analysis

19. The first stage of analysis has concentrated on a strategic assessment of the key dependencies and risks that will need to be considered during the review of service areas. A strategic project risk register has been developed and agreed by the project board. These risks and dependencies will inform the options appraisal, and include;
 - Current savings proposals;
 - Future potential savings following 2014-2017;
 - National government policy and direction relating to Fire Services and other blue light agencies;
 - Wider public sector funding and reform;
 - Commitment from participating services;
 - Staff perception and willingness to engage;
 - National and local political environment;
 - Meeting stakeholder expectations;
 - Ability to disaggregate and apportion costs; and
 - Ability to communicate a compelling case and vision for change.
20. The project team has agreed to separate the two Services into 17 different service areas. The two Services have different approaches to the delivery of functions; some of this is related to the different governance arrangements, interpretation of local and national policy drivers is also a key factor. For example:
 - WFRS is delivered by WCC and all 62 elected members therefore constitute the fire & rescue authority for the area. WFRS has shared service arrangements in place through a business partner model with WCC and commissions functions from other public sector agencies and private companies.
 - HWFRS is delivered by the Hereford and Worcester Fire Authority with proportional representation from two local authorities. It has directly employed staff and commissions functions from other public sector agencies and private companies.

Options Appraisal

21. Detailed Analysis of the information collected from the service area workshops will begin in May. Part of this work is aimed at identifying any issues or dependencies between the service area (as shown in Figure 1 above) and the four options for closer working.

Next Steps

22. Initial service profiles are being used to establish baselines of current delivery and identify initial opportunities for closer working. This information will be refined and will include more detailed financial information to help contrast and compare the current delivery models. This will contribute to the understanding of future requirements and provide evidence to support potential future delivery models.
23. The next phase of the project will include the drafting of a final report to present options for the future delivery of service areas. This will include assessments of the quality of service required, and the level of associated risk alongside the delivery model cost. This is a modular approach that is aimed at providing Elected Members with choice regarding the quality, risk and costs/potential savings associated with the delivery of a modern and fit for purpose Fire and Rescue Service.

Conclusion

24. The project team is aiming to have the final reports completed and ready for the consideration of Elected Members in autumn 2014 .

Joint Project Board

Hereford & Worcester

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Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	Yes – This will be dependent on the outcome of the final report in the autumn.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	This project is seeking to identify efficiency savings linked to the overall savings required by the Service.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Yes – This will be dependent on the outcome of the final report in the autumn.
Consultation (identify any public or other consultation that has been carried out on this matter)	Internal consultation with staff is ongoing.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	No requirement at this stage.

Supporting Information

Appendix 1 – Project Arrow Terms of Reference

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Project Arrow Terms of Reference January 2014

Vision

To deliver a sustainable, resilient and more cost effective Fire & Rescue Service (FRS) for the communities of Warwickshire and Hereford and Worcestershire .

Project Objective

In response to a reduction in funding at a national level and restrictions on raising council tax, each FRS is individually considering substantial savings and efficiencies proposals for 2014-17 which will in all likelihood change the current strategic fire cover. The aim of this project is to robustly and objectively evaluate the potential for closer working and the benefits that this could achieve now and after the current savings proposals.

Participating partners

The primary relationship for this project will be between Warwickshire Fire & Rescue Service (WFRS), Warwickshire County Council (WCC), Hereford & Worcester Fire & Rescue Service (HWFRS) and Fire Authority (H&W FRA). This will not be to the exclusion of neighbouring authorities including other Blue Light services.

Project Scope

The project will consider all options across the full breadth of service areas. Service areas to be explored include the following, but are not exclusive:Response

- Fire Protection
- Fire Prevention
- Control
- Fleet
- Technical Support
- Ops Support
- Water
- Training and Development
- HR
- ICT
- Finance
- Legal
- Procurement
- Property
- Performance Information and Project Planning
- Communications & media
- Management & support
- Health and Safety

Options

The following four options will be explored, to identify the potential and extent for closer working across all functions:

1. Do nothing/internal change only;

2. Soft collaboration ('informal alliance');¹
3. Formal collaboration ('contract based strategic alliance or group structure'); and
4. Full combination ('merger').

Further negotiation, approval and implementation of the model are outside the immediate scope of the project.

Project Dependencies

The project is positioned as a response to future financial pressures. As such, its focus, content and style will be dependent on the following:

- Current savings proposals (£7-8m across the two services)
- Future potential savings following 2014-2017
- National government policy and direction relating to Fire Services and other blue light agencies
- Wider public sector funding and reform
- Commitment from participating services
- Public and staff perception; and
- National and local political environment

Key principles

The project will incorporate the following key principles into all activity:

Trust – Encouraging the building of trust between FRA Members, staff, functions and services

Ownership – Building ownership of the project and associated challenges across and throughout the Fire & Rescue and support services

Openness & Honesty – Being clear and transparent in all aspects of the project and communicating with and listening to all stakeholders, including neighbouring authorities

Accessibility – Accessing all aspects and understanding the perspectives of the service, front line and support elements

Doing what's right – Putting aside individual, team and organisational interests which may not be in the wider interest of the project

Flexibility – Identifying and progressing opportunities for collaboration as they arise, tailor approach and style to the needs of different services and service areas.

Project governance

A Joint Project Board comprising senior officers from both services will provide strategic direction to a project team which will be jointly resourced by the two services. The project team will be responsible for generating, analysing and presenting a robust evidence base which sets out the range of viable options, associated risks and impacts.

Timescales

A progress report will be provided to both FRAs in May/June 2014 with the aim of presenting a final report in Autumn 2014.

¹ Wording of options in brackets taken from 'Collaboration Northern Ireland' document www.collaborationni.org/