

Report of the Chief Fire Officer

10. Community Risk Management Plan 2014-2020

Purpose of report

1. To report the response to and findings from the public consultation regarding the Authority's draft Community Risk Management Plan (CRMP), and to consider recommendations for the implementation of the Fire and Emergency Cover Review.
2. To consider the use of the Authority's General Reserves to protect front line fire engines.
3. To approve the draft CRMP for publication.

This report should be read in conjunction with the previously circulated CRMP and CRMP Consultation Report

Recommendation

It is RECOMMENDED that:

- (1) ***following detailed consideration of the responses to the consultation on the draft Community Risk Management Plan, there is no reason in principle why the proposals in options 1, 2 and 3 of the Fire and Emergency Cover Review could not be implemented in full if considered necessary. However, in light of the***

Authority's updated financial position and having regard to the responses to the Community Risk Management Plan consultation it is proposed that:-

- (a) there be no change to the existing fire stations and fire engines at Bewdley, Broadway, Whitchurch and Kingsland; and***
- (b) there be no change to the second fire engines at Kidderminster, Evesham, Leominster, Bromyard and Ross-on-Wye;***

(2) subject to (3) below, the following fire engines be removed from the Service's fleet of operational vehicles:

- (i) the second whole-time crewed fire engine at Hereford***
- (ii) the second whole-time crewed fire engine at Worcester***
- (iii) the second on-call crewed fire engine at Redditch***
- (iv) the second on-call crewed fire engines at Tenbury Wells***
- (v) the second on call fire engine at Ledbury***

however;

(3) Members determine:

(a) whether to utilise the Authority's general reserves to defer the removal of front line fire engines in 2015/16 and future years whilst the defined amount of reserve remains available; and, if so

(b) the amount of such reserves to be so used; and

(c) how that money is to be utilised having regard to the following suggested (or alternative) options:

Option A – Change the second whole-time crewed fire engines at Worcester and Hereford to on-call crewing; defer removal of both these appliances and the third fire engine from Redditch for approximately 3 years; remove the second on-call fire engines at Tenbury Wells and Ledbury or;

Option B – Defer removal of the second on-call fire engines from Ledbury and Tenbury for approximately 5 years; implement the

reduction in number of appliances at Worcester, Hereford and Redditch or;

Option C - Change the second whole-time crewed fire engines at Worcester and Hereford to on-call crewing; defer removal of all fire engines (Hereford, Worcester, Redditch, Ledbury and Tenbury) for approximately 2 years.

- (4) the Community Risk Management Plan be amended to reflect the changes at (2) and/or (3) above and the Chief Fire Officer be authorised to publish the document with any further minor amendments as may be necessary;***
- (5) subject to decisions as a result of (3) above, the arrangements detailed at (2) above be implemented in a timescale and manner at the discretion of the Chief Fire Officer in consultation with the Chairman of the Authority;***
- (6) the arrangements for any reduction of the number of staff to be employed as a result of the changes to fire and emergency cover, (2) and/or (3) above, be considered by the Chief Fire Officer and a report be brought back to the Authority if necessary.***

Introduction and Background

- 4. All Fire and Rescue Authorities are required to publish an Integrated Risk Management Plan setting out how they identify, assess and mitigate fire and rescue related risks. This follows guidance set out in the Fire and Rescue National Framework for England 2012.
- 5. The Authority's previous plan covered 2009-2012. On 3 October 2013 the Authority gave approval for a new draft plan (the Community Risk Management Plan 2014-2020) to be published for consultation; this document incorporated a review of fire and emergency cover arrangements and also included an overview of the financial issues facing the Authority.
- 6. The fire and emergency cover review was designed to assist the Authority to make decisions about how future savings can be achieved, whilst minimising the impact on frontline services and on local communities as far as reasonably possible.

7. Members may also wish to consider that the potential savings contained in this paper only represent 26% of the overall savings requirements of the Authority over the current six years of projected austerity. It has previously been reported to Members that £4.1m of savings have already been made away from front line services and there are also proposals in place to make additional non-front line fire engine savings of £0.5m in future years. The proposed changes to front line fire engines in this paper are necessary due to all other avenues having been explored and addressed. These avenues have seen significant reductions in areas such as back-office services, senior and middle management, procurement and general spending budgets – the front line has so far been protected but with the level of cuts faced by the Authority this can no longer be the case.

Consultation Process and Responses

8. The report to the Authority's meeting on 19 February 2014 set out in detail the consultation process that had been undertaken, the responses received and the analysis of those responses. **Members are referred to that report along with its associated appendices and are asked to bring these with them to this meeting.**
9. Consideration of that report was deferred at the meeting in February and Members are now asked to consider the proposed CRMP, taking account of the responses to the consultation process.
10. The financial background to the Fire and Emergency Cover Review consultation was the Medium Term Financial Plan which was updated in July/August 2013. Based on the best information then available this identified a cumulative year-on-year budget gap of £4.7m by 2016/17. As set out in the report of 19 February, the Authority's financial position has since improved slightly and the anticipated budget gap has now reduced to £4.0m. This has enabled your officers to recommend fewer changes to fire and emergency cover than were proposed in the draft CRMP that went to consultation.
11. Subject to the possibility of taking additional monies from reserves (see below), there are no changes to the recommendations that were put forward in February.

Proposed Use of Reserves

12. At the meeting on 19 February 2014, Members resolved to make £485,000 available from general reserves to support frontline services for 2014-15 and asked the Chief Fire Officer to bring forward a report setting out options for how this one-off finance could be used.

Financial Context

13. The Authority set a balanced budget for 2014-15 at its February meeting which does not rely upon any additional savings from frontline services being made in this financial year. It therefore follows that there is no need to utilise the available £485,000 in 2014-15 and this will remain unused in this specified year.
14. However, taking the principle that general reserves could be used for supporting frontline services, the Authority may wish to consider making a set amount of general reserves available on an 'as and when needed' basis rather than being constrained to any particular financial year. If this were the case, it would allow reserves to be used to protect some frontline services as previously resolved but also create a flexible, limited, financial provision to be made available. Should Members wish to do this, a formal decision will need to be taken including the amount of general reserves to be made available.
15. General reserves as at 31 March 2014 stood at £1,485,000. Members will be aware that, as advised by the Authority's Treasurer, this is considered to be on the lower side of adequacy to cover potential unforeseen risks. Removing £485,000 would take the level of reserves down to approximately 3% of expenditure. This is the very minimum level of reserves the Treasurer would consider adequate (based on currently known factors). The Treasurer therefore advises that:

- (i) whilst use of reserves to support frontline service provision is entirely legitimate, it might be considered an imprudent use of reserves if the impact were only to be short-lived; and
- (ii) it may in the future be prudent to consider a medium term financial plan which includes increasing the level of balances back to a more sustainable and adequate level.
- (iii) any decision to utilise monies from reserves should be regarded as conditional upon there being no other unexpected events which might curtail the availability of those funds and necessitate an earlier implementation of the CRMP proposals.

Options for the use of reserves

- 16. If reserves were made available to protect frontline services in 2015-16 and additional future years, there are a number of options that could be used to defer implementation of some of the CRMP fire cover proposals. This report presents three options (A, B, and C below) for consideration although Members may wish to consider any other options they consider appropriate. The options presented below are necessarily stand-alone and therefore should be considered independently to ensure that the available finances are not double counted.
- 17. The options involve using the suggested £485,000 to keep two, three or all five affected fire engines in service for longer than would otherwise be the case. This would help to maintain a slightly enhanced overall fleet resilience for up to five years (dependent on option selected) longer with a small number of calls attended quicker than if the fire engines were removed. A full detailed analysis of each proposal is set out in the previously published draft Community Risk Management Plan. It should also be noted, however, that once the £485,000 has been used, if there has been no change in the variables in the future budget projections, it would still be considered necessary to make savings from the five fire engines identified to achieve future balanced budgets.
- 18. To make best use of the available reserves, the options below assume that the five affected fire engines would all be crewed as on-call fire engines. For Hereford and Worcester fire stations, this would entail keeping the second (currently wholetime

crewed) fire engine but changing the crewing from wholetime to on-call. The figures used for each option are based on the approximate calculation that for each £50,000 used a second/third on-call fire engine can be kept for twelve months longer than would otherwise be the case. There are many options or permutations that can be considered but set out below are the most obvious options. It must be understood that there are many other options including keeping the wholetime status of the fire engines at Hereford and Worcester. However, the available reserves would only keep the wholetime fire engines at Hereford and Worcester for four/five months and then the previously suggested changes would be required and the reserves would have also been used. As indicated by the Treasurer in 15 (i) above it would be considered imprudent to use reserves for a short-lived period.

Option A

Hereford }	Defer removal of the second whole-time fire engines and change to on-call crewing in the meantime
Worcester }	

Redditch	Defer removal of the second on-call fire engine
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Ledbury	Remove the second on-call fire engine (as proposed)
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Tenbury	Remove the second on-call fire engine (as proposed)
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18.1. This would cost approximately £150,000 per year from reserves and the removal of appliances from Hereford, Worcester and Redditch could therefore be deferred for approximately three years longer than would otherwise be the case. By way of comparison, if both fire engines at Hereford and Worcester fire stations were kept as wholetime fire engines, the additional funding would only keep them in service for approximately four/five months.

Option B

Hereford }	Remove the second whole-time fire engines (as proposed)
Worcester }	

Redditch	Remove the second on-call fire engine (as proposed)
Ledbury	Defer removal of the second on-call fire engine
Tenbury	Defer removal of the second on-call fire engine

18.2. This would cost £100,000 per year from reserves and therefore defer the removal of the second on-call crewed fire engines at Ledbury and Tenbury fire stations for approximately five years longer than would otherwise be the case.

Option C

Hereford }	Defer removal of the second whole-time fire engines and change to on-call crewing in the meantime
Worcester }	

Redditch	Defer removal of the second on-call fire engine
Ledbury	Defer removal of the second on-call fire engine
Tenbury	Defer removal of the second on-call fire engine

18.3. This would cost £250,000 per year from reserves. Therefore, removal of all five fire engines could be deferred for approximately two years longer than would otherwise be the case.

Implementation timetable

19. Any decisions made, whether the original recommendations or those altered as a result of using reserves, will have lead-in times prior to implementation. All options for change involve the need to reduce staffing numbers and enough time must be built into the timetable to enable the Service to make the appropriate preparations. This means that decisions for financial years 2015-16 onwards need to be taken now rather than at the relevant budget setting time (i.e. February 2015). There is no doubt that these saving are being made by reducing the headcount within the Service and should this need to be achieved by any method other than natural turnover, including transfers and secondments, a further report will be brought to a committee of the FRA.

Conclusion/Summary

20. The desire of Authority Members to protect frontline services is reflected by all staff within the Service and also within the savings programme implemented in all austerity years up to and including the current financial year. However, savings need to be made from all areas of the Service if its financial and operational future is to be secured. The excellent service delivered by the Service needs strong and decisive leadership at all levels, high quality management and appropriate infrastructure support for all aspects of the Service. It is for this reason that it has been necessary to visit frontline services for savings as well as the extensive back office and managerial savings that have already been taken.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	See paragraphs 11-13
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The CRMP will be the Authority's overall strategic plan for delivering its core purpose, priorities and policies up to 2020, and will guide all Service functions.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	The CRMP sets out the Authority's overall approach to risk management.
Consultation (identify any public or other consultation that has been carried out on this matter)	The extensive consultation on the draft CRMP was reported to the Authority on 19 February 2014.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	The Equalities Impact Assessment was included in the CRMP report to the Authority on 19 February 2014.

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Background Information

Community Risk Management Plan 2014-2020 – Consultation Responses report to the Fire Authority on 19 February 2014

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