

Report of the Chief Fire Officer

8. Collaboration with Warwickshire Fire and Rescue Service

Purpose of report

1. To seek approval for the Chief Fire Officer to progress discussions with Warwickshire Fire and Rescue Service regarding future options for collaboration.
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Recommendations

It is recommended that:

- i) A joint officer project team be established with Warwickshire Fire and Rescue Service to examine the feasibility and potential benefits of collaboration; and*
- ii) The Chief Fire Officer makes recommendations to the Authority based upon the project team's work.*

Background

2. A previous report on this matter was deferred at the last meeting of the Authority because Members required further information. At the time, the Authority was also awaiting the outcome of a Government grant application to the Department for Communities & Local Government (DCLG) towards the costs of the proposed project team. Further to this matter being discussed and deferred at the FRA's previous meeting FRA Group Leaders have been consulted to establish the required information to allow Members to reconsider the matter; this paper reflects that information.

Reasons for the proposal

3. As Members are aware, due to cuts in government funding and the effects of Council tax freezes, the Authority faces an extremely challenging financial situation. We have already made savings of approximately £2.5m over the last two years, including significant amounts from back office and support functions. However, it is projected that the Authority will need to reduce its annual expenditure by a further £4.7m by 2016/17. It is estimated that approximately £2m of this can be found from further reductions in back office and support services and the proposals in the Community Risk Management Plan (CRMP) for changes to fire cover, if fully implemented, would generate a further £2m of savings. However, this still leaves a shortfall on the anticipated funding gap.

4. Furthermore the above figures only cover the period to 2016/17. We know from Government announcements that restrictions on public sector funding are likely to continue until at least 2020, and even if this Authority receives what could be considered a favourable grant settlement for the next two years it therefore appears inevitable that the Authority will need to find further significant savings beyond those currently envisaged in the CRMP. Unless alternatives are identified, those savings will almost certainly impact on front line service delivery. This report is about exploring one of those alternatives.

Collaboration

5. Collaboration with other services has proven beneficial in terms of standardising procedures, improving interoperability and improving operational resilience and can generate modest savings in areas such as joint procurement or limited sharing of back office services.
6. Following an initial approach from Warwickshire Fire and Rescue Service regarding the potential for collaboration, our Treasurer and the Finance officer from Warwickshire Fire and Rescue Service have carried out a preliminary review of the cost options should any further investigations indicate the FRA may wish to consider a combination. Any further investigative work would of course include the benefits of collaboration short of a combination.
7. A key principle that has been adopted for this consideration is that there would be no increase in Council Tax for either set of tax-payers.
8. As Warwickshire Fire and Rescue Service is an integral part of the County Council there is no separate council tax for fire. Some costs attributable to the Fire and Rescue Service are budgeted elsewhere within the County Council's budget, and it will be necessary to fully extract these to get a full picture. The information available to date together from an initial desk-top exercise, suggests that annual savings of £2 - £2.5m could be achieved through closer collaboration but this would be dependent on the scale and manner of collaboration.
9. The proposed review will establish the actual level and practicality of these savings.
10. It is believed at this stage that closer collaboration with Warwickshire Fire and Rescue Service may benefit both Authorities through:
 - reduction in the number of Principal Officers and other senior positions;
 - reorganisation of command structures;
 - improved operational resilience;
 - greater efficiency in the use of training facilities;
 - further economies of scale in back office and support service functions; and
 - joint procurement.
11. Clearly there are a number of key areas that would need to be investigated and the degree to which collaboration between the two Services could be

recommended would depend upon satisfactory answers to these investigations.

Arrangements with Shropshire Fire and Rescue Service

12. Collaboration with Warwickshire Fire and Rescue Service need not affect existing collaborative arrangements with Shropshire Fire and Rescue Service, which would continue and indeed be expanded to be a three service collaboration. However, an assessment of the possibility for combination with Shropshire Fire and Rescue Service suggests that this is not currently feasible because their Council tax precept for 2013/14 is £15.02 (20%) more than that of this Authority. Savings of approximately £2.1m would therefore be needed from any new Authority to equalise the Council tax before even addressing any potential savings. However, this would not preclude future joint collaborative working, short of combination, either between Hereford & Worcester Fire and Rescue Service and Shropshire Fire and Rescue Service or between Hereford & Worcester Fire and Rescue Service, Shropshire and Warwickshire Fire and Rescue Service.

Working with Warwickshire

13. Members will be aware from the report to the last meeting that work on possible collaboration with Warwickshire Fire and Rescue Service was previously undertaken in 2007-9 but it was decided not to proceed with the project at that time.
14. A number of factors appear to have changed since 2009:
 - Initial investigation suggests that finances are now better aligned than in 2009 and that the council tax elements relating to the each of the two services are now very similar;
 - there has been considerable organisational development and improvement within Warwickshire Fire and Rescue Service since the Atherstone-on-Stour incident;
 - both Authorities now face more pressing financial imperatives to identify further savings to allow both Services to be sustainable into the medium term future; and
 - The 'Sir Ken Knight Review' earlier this 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.

Proposed Way Forward

15. In order to properly investigate and assess the opportunities for collaboration with Warwickshire Fire and Rescue Service it is proposed to establish a joint project team with officers drawn from each Service. As previously reported, an application was made to the Department for Communities and Local Government (DCLG) for Government grant to fund this project. Since the last meeting of the FRA the Service has been notified that the grant application was not successful. Feedback has been received from DCLG officials that over 100 bids were made for the fund which would have been over-subscribed many times over and although our bid was of merit, on this occasion, there were no funds to support it. Officers have therefore reappraised how best to undertake the investigative work.
16. Should Members approve the recommendations contained in this paper it is proposed that the Project Team of three seconded officers from this Service would carry out investigations with a similar team from Warwickshire. An invitation would also be given to Shropshire should that service wish to be part of collaborative investigations. Dependent on the skills within the overall team an independent team leader may be sought.
17. It is anticipated that the work would be completed within 12 months and the cost would be contained within existing budgets. An alternative to containing within existing budgets would be to fund the work from the existing £400,000 'Development Reserve' which Members have previously identified and set aside for capacity building and 'invest to save' type initiatives such as this. Should this reserve be utilised it is anticipated that the figure would be approximately £75,000.

Conclusion/Summary

18. This report is about undertaking the work necessary to identify whether closer collaboration would be in the best interests of Herefordshire and Worcestershire, in order to maintain the best possible Fire and Rescue Services across our two counties and if so, what form that might take.
19. Hereford & Worcester Fire and Rescue Authority faces a challenging financial environment and will need to make future savings beyond those currently envisaged in the CRMP. Collaboration with Warwickshire and Shropshire Fire and Rescue Services is a potential means of achieving some of those savings. However, a detailed assessment of operational feasibility and costs would be necessary. This work can be undertaken using funds previously identified and set aside by Members for such purposes or if necessary containing the costs within existing budgets.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	If the outcome of further discussions leads to future recommendations for collaboration resource implications will be fully scoped and reported back to the Authority.
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	The recommendation contained within this report directly links to the Authority's Core Purpose 'providing our communities with sustainable high quality firefighting, rescue and preventative services'.
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	Not applicable at this stage.
Consultation (identify any public or other consultation that has been carried out on this matter)	Not applicable at this stage but if a more formal collaboration with Warwickshire FRA were to be recommended then public consultation may be required depending upon the nature of the proposals.
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	Not applicable at this stage.

Supporting Information

Background papers

Hereford & Worcester Fire and Rescue Authority Agenda, Papers and Minutes:
27 September 2007, 13 December 2007, 16 June 2008, 19 December 2008, 18 February 2009, 3 October 2013.

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