

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**12 DECEMBER 2022**

**1. COMMUNITY RISK MANAGEMENT PLAN (CRMP) 2023/24**

Report of the Chief Fire Officer

RECOMMENDED

- 1.1 THAT the Authority note the update on the ongoing CRMP process, including 2023/24 risk analysis.
- 1.2 THAT the Authority note the analysis provided of anticipated financial challenges in 2023/24.
- 1.3 THAT the Authority note the analysis of risk produced as part of the current CRMP process
- 1.4 THAT the Authority note the various approaches that it may be necessary for the Chief Fire Officer (CFO) to implement under constitutional delegations to meet the predicted budget shortfall in 2023/24.

**2. PURPOSE OF REPORT**

- 2.1 To provide an interim update on the Community Risk Management Plan (CRMP) process and in particular the full three-yearly refresh, with accompanying consultation, which will be brought to Fire Authority in February 2023 for approval.
- 2.2 To inform Authority of the expected financial challenges for both “in-year” and in financial year 2023/24 which will likely impact on the proposals brought forward from the latest CRMP process.
- 2.3 To outline the Strategic Enabling Team’s current planning to address expected budget shortfalls in 2023/24, which will be subject to further development following the clarification of the 2023/24 financial settlement.

### 3. **CRMP PROCESS**

#### 3.1 **Background**

On 14 February 2022, Fire Authority approved the latest iteration of the three-year rolling strategy for 2022-25 and noted the ongoing progress against the evidence based CRMP objectives first approved by Authority in 2021. In 2023/24, the CRMP will be due for its three-yearly refresh and will be subject to public consultation, and work is already underway on this process (see below).

3.2 The service is required by the Fire and Rescue Service National Framework to ensure our CRMP covers “at least a three-year time span and be reviewed and revised as often as it is necessary”. We are also required to ensure that the CRMP “reflect[s] effective consultation throughout its development and at all review stages with the community, its workforce and representative bodies and partners” and is “easily accessible and publicly available”.

3.3 West Midlands Fire Service achieves these requirements by firstly reviewing and updating the CRMP as a risk analysis on an ongoing basis, but also undertaking a three-yearly refresh which includes public consultation. The service publishes our rolling three-yearly strategic plan – known as “Our Plan” – as a means of outlining how we will address the risks identified within the CRMP to the public. For members’ information, a copy of Our Plan can be accessed on the WMFS website here:  
<https://www.wmfs.net/our-plan/>.

#### 3.4 **CRMP Principles**

The Service has eight Planning Principles that encompass our approach to CRMP. These are:

- 3.4.1 To continue to evolve our delivery of risk-based services aligned to the needs of local communities.
- 3.4.2 To create opportunities and make the best use of our resources to effectively manage changing risk.
- 3.4.3 To sustain our delivery of risk-based services to local communities.

- 3.4.4 Maintain and enhance our 'outstanding' response services.
- 3.4.5 To enable sustainable and resilient services for now and the future.
- 3.4.6 Maintain and expand our offer to partners and communities, delivering services which are in the communities' interest.
- 3.4.7 Manage Health and Safety considerations within existing arrangements, ensuring safe systems of work.
- 3.4.8 Deliver the most effective CRMP working with our staff.

### 3.5 **Risk Analysis 2023/24**

WMFS needs to consistently evolve and adapt to meet the ever-changing needs of our communities, therefore the key element of our CRMP process is in reviewing and understanding the risks our community and the service faces.

- 3.6 The Strategic Enabling Team began this process in June of 2022 and expect to bring both the refreshed CRMP and our 2023-26 rolling three-year Strategic Plan to the February 2023 Authority meeting for approval. A further update will be brought to the January Policy Planning Forum. The February Authority report will include an outline of the anticipated three-yearly public consultation process to take place in May-July 2023.
- 3.7 Strategic Enabling Team CRMP workshops during June-Oct 2022 recognised that the high-level outcomes outlined in the review of the CRMP in 2020 are still current and anticipated to continue to rise in frequency and severity. They are:
  - 3.7.1 We spend a large amount of our time over resourcing low risk incidents.
  - 3.7.2 Climate change, the threat of terrorism and developments in infrastructure are influencing the frequency and severity of the type of incidents we attend.

- 3.7.3 There is an opportunity to enhance our Community Risk Reduction (CRR) activities.
- 3.7.4 We can increase our understanding of other key factors that contribute to survivability.
- 3.8 Our six CRMP objectives, approved by Authority in February 2021 and informed by both our CRMP review in 2020 and our public consultation in late 2020, have made significant progress in managing and mitigating the issues outlined above, and will continue delivery through 2023/24. These are:
  - 3.8.1 Risk Based Crewing
  - 3.8.2 Emerging Risks
  - 3.8.3 Dynamic Mobilising
  - 3.8.4 Reducing Health Inequalities
  - 3.8.5 Blended Fleet
  - 3.8.6 Response to Automatic Fire Alarms (AFAs)
- 3.9 In addition to this it is also recognised through the CRMP review that the following areas are potential emerging risks to be considered.
  - 3.9.1 *Business Continuity* – an increase in events such as social disruption, industrial action, protests, malicious attacks, pandemics, severe weather, loss of utilities and international disputes.
  - 3.9.2 *Emerging Technologies* – the drive for sustainability to mitigate climate change is creating emerging technologies such as lithium-ion batteries, hydrogen fuel, large energy storage systems and new construction methodologies in the built environment.
  - 3.9.3 *Cost of Living* – vulnerability is going to continue to rise with the impact of the cost of living, leading to increased community risk and frequency and severity of incidents.

#### 4. **ANTICIPATED FINANCIAL CHALLENGES**

4.1 While the CRMP process timetable is set out above, the service is facing a number of anticipated short-term financial challenges, caused by an unprecedented combination of factors, that dictate earlier consideration of CRMP proposals that may need to be brought to the February 2023 Authority meeting. Some of these may require public consultation before potential implementation in early 2023/24. This is the basis of the remainder of this report.

4.2 The anticipated financial challenges in 2023/24 and potentially beyond, come from multiple sources. Some are already known with certainty, while others can only be estimated. They are summarised under the headings below.

#### 4.3 **Impact of Pay Settlements in 2022/23 and potentially in 2023/24**

4.3.1 On October 10, 2022, the Authority agreed, alongside other FRAs, to offer a 5% pay increase to Grey Book employees through the National Joint Council. However, this is 3% above the budgeted pay offer for 2022/23 of 2% and will be unfunded, drawing on in-year on reserves. This offer has been rejected by the FBU. It is therefore unknown what the unfunded pay costs associated with grey book employees will be for 2022/23, but it can be assumed they will ultimately be above £1.7m (the pay award effective date is 1<sup>st</sup> July and so the full year additional cost in 2023/24 would be approximately £2.3M). In 2023/24, this cost needs to be incorporated into revenue spending.

4.3.2 A similarly unfunded pay offer for Green Book employees has been accepted by representative bodies, which will be £1,925 at all pay points. This will also be met this year from reserves but will need to be incorporated into revenue spending in future at a cost of £0.7 million.

4.3.3 The consequence of these two settlements means the overall additional funding requirement in 2022/23 would be at least **£2.4M** (£0.7M + £1.7M+) and in 2023/24 would be at least **£3.0M** (£0.7M + £2.3M+).

4.3.4 With inflationary pressures unlikely to abate in the short term, it is reasonable to expect that there will be an expectation of further significant pay increases in 2023/24. These will also likely need to be met from existing revenue budgets as Government has not indicated any willingness to fund inflationary pay increases. There remains significant uncertainty in this regard and the Government may introduce public sector pay restraint as part of its efforts to reduce government borrowing.

#### 4.4 **Wider Inflationary Pressures**

Inflation currently stands at its highest level in over 40 years, driven particularly by increasing energy and fuel costs. There have also been increased costs for equipment and other supplies. All in all, these are estimated to increase the service's costs by approximately £1.7 million over the year 2022/23.

#### 4.5 **Potential Financial Settlement Impacts 2023/24**

HM Treasury have made clear that they anticipate significant financial challenges which will impact on both taxation and public spending as they seek to reduce government borrowing. WMFRA will not know the provisional local government finance settlement until mid-December 2022, with the final settlement not confirmed until February 2023. Indications from the Autumn Statement are that the Government will not immediately make cuts to public spending (although there has so far been no information on FRS funding specifically) but it is expected that most services will absorb inflationary impacts. It is anticipated that it will be possible for the Authority to increase income from precept by at least 2%, which is the current general referendum limit (possibly 3% for 2023/24 based on the indications provided in the Autumn Statement on 17<sup>th</sup> November 2022) and that greater flexibility may be offered in this regard, as it was in 2022/23.

#### 4.6 **Potential Withdrawal of “one off” Services Grant**

4.6.1 In 2022/23, the Secretary of State announced a “one off” Services Grant, which is not ring-fenced or included within the funding baseline. This was worth approximately **£2.3m** for the Authority in 2022/23 and it remains unknown whether this will be continued in 2023/24 and if so at what level – especially as the increased

National Insurance (NI) contributions by authorities, as a result of the planned increase in the rate of NI, was expected to be drawn from this funding – and that increase has now been reversed.

- 4.6.2 Given the already understood financial pressures in 2023/24 and with further impacts expected, a required budget saving of between **£5m and £10m**, or approximately 5%-10% of the current revenue budget, is felt to be a reasonable planning assumption. It is hoped that £10m is a “worst case scenario” that would be caused by a significant reduction in central government funding and/or ongoing significant pay and price pressures.

#### 4.7 **Potential 2023/24 CRMP Proposals**

The Strategic Enabling Team are considered a wide range of options to achieve the required degree of savings that are discussed in section 4 above, while continuing to deliver against our CRMP and ongoing Strategic Priorities. It should be noted that at this stage these are not firm CRMP proposals as there remains significant uncertainty as to the Authority’s budget position.

##### 4.7.1 **Continuation of our flexible approach to deployment of resources**

The successful Risk Based Crewing (RBC) project has so far helped realise our agreed risk-based approach to the flexible use of our resources. This has also enabled the service to manage our budget in place of the previously Off the Run schedule which has an impact on both staff and resource availability. Officers will explore how this approach can continue to be developed to meet budget reductions while continuing to allow us to enhance our vital prevention, protection and response services to our communities.

##### 4.7.2 **Continuation of our blended fleet approach**

Our previously agreed blended fleet project continues to explore options for using different vehicles and using our existing vehicles differently to better align our resources to risk, deliver budget savings and enable us to achieve more risk reduction activities through prevention, protection and response.

#### 4.7.3 **Management Review**

When seeking to meet budgetary reductions it is only appropriate that managerial roles are reviewed for potential efficiencies. The structure of the Strategic Enabling Team is already reviewed annually by the Chief Fire Officer, but it would be appropriate to review management structures as a whole. In many cases this would be focused on temporary promotions rather than substantive posts. However, this will not recognise significant savings without having a deleterious impact on management, innovation, project delivery and operational cover.

#### 4.7.4 **Enabling Services**

Significant savings have previously been found from enabling services in the period 2010-2022 – the service currently has 35% fewer support staff (Green book) than it did in 2010/11. Each department within the service has already or will undertake a review to determine whether existing structures and roles are fit for purpose, and whether there might be opportunities for collaboration. This will not necessarily identify savings, and indeed some areas, including Data and Digital, and Protection, will be delivering additional services in the near future and have already been recognised as in need of investment.

#### 4.7.5 **Estates Review**

A full estates review may identify opportunities to realise capital receipts through estate sales, collaboration with partners, efficiencies through changes to building usage or income opportunities from renting of space. This could also encompass our work on improving the sustainability of the service and reducing our environmental impact. It is highly unlikely that this review would create meaningful savings in the short term (2023/24), and it is already known that some of our estate could not be sold or utilised differently. These would also be capital receipts which cannot be used as a solution to revenue spending.



#### **4.7.6 Projects/Earmarked Reserves Review**

The service currently has a number of projects underway (including capital projects funded from Earmarked Reserves) which could be reviewed and if necessary, stopped or altered to reduce overall cost. However, this would likely have impacts in terms of continuous improvement, and our ability to deliver on key priorities such as prevention, protection or digital innovation. Stopping or altering some capital projects would lead to a deterioration in vehicle or building safety and may incur higher costs in the long term.

### **5. EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out. However, Equality Impact Assessments would be undertaken should any areas outlined above be taken forward as a proposal.

### **6. LEGAL IMPLICATIONS**

The Authority has a legal obligation to consult on its CRMP on a three yearly basis, as set out within the Fire and Rescue Services National Framework section 4.6i.

As a Best Value authority, the Authority is also subject to the Best Value duty to consult when considering changes to its functions, having regard to economy, efficiency and effectiveness. This requires the authority to consult with all precept payers, local businesses and partners that may be impacted by service changes.

### **7. FINANCIAL IMPLICATIONS**

Financial Implications are outlined in the main body of the report.

### **8. ENVIRONMENTAL IMPLICATIONS**

Each of the options outlined above would need to be assessed for their Environmental Implications if they were to be taken forward.

## **BACKGROUND PAPERS**

Fire and Rescue Service National Framework for England.

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