

# **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**17 SEPTEMBER 2018**

## **1. STRATEGY OPTIONS 2019 - 2022**

Report of the Chief Fire Officer.

### **RECOMMENDED**

- 1.1 THAT Members note the need to generate ongoing revenue savings of approximately £3M, specifically to meet shortfalls in the Financial Efficiency Plan (FEP) from 2019/20.
- 1.2 THAT Members note the need for further ongoing revenue savings in future years, due to additional anticipated Government funding reductions and the need for investment in the Protection function and Support Services.
- 1.3 THAT Members identify to the Chief Fire Officer, which options to explore further and consider any to be discounted at this stage, in order to deliver the Authority's 2019-2022 strategy and budget.

## **2. PURPOSE OF REPORT**

This report identifies the scale of the 2019/20 FEP shortfall and anticipated further Government funding reductions, as well as the need for investment in the Protection function and Support Services. It sets out options for consideration which will need to be incorporated into the Authority's 2019-2022 strategy and budget.

## **3. BACKGROUND**

- 3.1 The Authority approved the three-year rolling strategy and FEP at the Authority's meeting on 19 February 2018, together with the Service Delivery Model (SDM) in accordance with the requirements of the Integrated Risk Management Plan (IRMP).

- 3.2 The 'The Strategy 2018 – 2022' report (Agenda Item 8) sets out the reasons why there is a need to consider revisions to the Authority's strategic direction. In considering the options set out in this report it has been a requirement to revisit the IRMP.

#### 4. **FEP/BUDGET**

- 4.1 The Authority approved the FEP in October 2016. The anticipated savings reflected within that FEP have effectively formed the basis for the Authority's Strategy and associated budget arrangements since that point in time.
- 4.2 As identified in The Strategy 2018 – 2022 report, within the FEP there is a target for Alternative Funding of £2M. In addition, the total staff savings within the FEP were assumed to be £4M. If the withdrawal of Disturbance Allowance of circa £600K and the removal of the Late Shift Allowance at circa £300K cannot be achieved in 2019/20 and beyond, the impact of both of these specific elements upon the FEP will be a budget shortfall of approximately £3M from 2019/20.
- 4.3 As a consequence of the above, it was recognised at the Executive Committee meeting on 6 June 2018, that Service changes would be required. This will enable a budget to be produced for the Authority in February 2019, which reflects new areas of savings to replace the previously approved FEP.
- 4.4 In addition, the budget report approved by the Authority on 19 February 2018 recognised in setting the budget at that stage, that there was a reliance on General Reserves across each of the three financial years; 2018/19, 2019/20 and 2020/21. As stated in the The Strategy 2018 – 2022 report, General Reserves are not a sustainable funding source to meet ongoing revenue expenditure. It was highlighted within the February 2018 budget report, there would be a requirement to consider further Service changes to ensure a reduction across each of the three years on the reliance on General Reserves; or at the very least ensure by the end of the three-year period, there was no longer a reliance on the use of General Reserves to fund the revenue budget. An extract from the budget report approved by the Authority on 19 February 2018, is shown below:

“it should be recognised that the use of General Balances is not a sustainable means of funding the Authority’s revenue budget. Consequently, consideration needs to be given to further Service changes, in addition to those reflected within the Efficiency Plan, to reduce the reliance on General Balances over the next three year period and/or aim to set a budget beyond this point without reliance on the use of General Balances.”

- 4.5 Therefore, in addition to the £3M annual savings which need to be identified in order to meet the anticipated FEP shortfall in 2019/20, further Service changes need to be identified from 2020/21 onwards, in order to achieve a sustainable revenue budget position. This was recognised as a consequence of further anticipated Government core funding reductions, beyond the period of the existing FEP. Furthermore, there is a need for investment in the Protection function and Support Services as identified in the report The Strategy 2018-2022.

## 5. **OPTIONS**

- 5.1 Any proposed changes would be founded on the outcomes from the IRMP. This would require understanding of the optimum arrangements to mitigate risk in the West Midlands, whilst meeting the legal requirement to operate within a balanced budget and ensure future sustainability. It is anticipated that the following factors would need to be considered as part of any recommendations for changes to shift arrangements:
- Community contact time for Prevention activities
  - Availability for businesses to support economic growth
  - Operational response requirements
  - Maximise efficiency and provide Value for Money
- 5.2 The options set out below are at the early stages of evaluation. It should be noted that although these are considered viable options, they would be subject to Trade Union discussions under the Employee Relations Framework and potential consultation with the wider workforce.

### 5.2.1 **Option 1 - Staff/resource availability**

The current high levels of fleet availability and the positive impact on Prevention, Protection and Response activities, has been enabled through the locally agreed staffing model. By restricting recruitment to a level below the establishment (number of posts) required to maintain the SDM in a conventional manner and then utilising more cost effective Voluntary Additional Shifts (VAS) and Resilience Shifts to address the shortfalls, an effective and efficient model has been provided. In addition, by ensuring a focus on staff (ridership) and appliance availability through areas such as Optimum Crewing Levels, Distributed Training Model and balanced leave arrangements, further efficiencies have been realised. Any reduction in VAS would have an impact on fleet availability affecting Prevention, Protection and Response activity and the Service attendance times

In enabling the existing staffing arrangements outlined above, and in giving consideration to the Authority's FEP, it should be noted the ridership factor is currently at 13.6. This is above the organisational target of 12.5 and results in a further budget pressure of circa £250K.

The VAS arrangements are scalable depending on internal and external factors, although in totality savings that could be realised through a complete cessation of VAS would be in

No. and type of Vehicles OTR per Shift	Reduction in VAS over 24 hours (2 shifts)	Impact on Cat 1 average attendance times (5 minutes)	Average impact on fleet availability % per day	Impact on 2 <sup>nd</sup> appliance on last year's average 7:05 minutes	Reduction in prevention activities (Safe& Well)	Annual Financial Savings
<u>Option One (A) – Based on the 2<sup>nd</sup> PRLs at Highgate, Coventry, Walsall.</u>						
3 (PRLs)	30	No difference	94.59	9.0% increase (38.3 seconds)	186 per month	£2.7 million
<u>Option Two (B) – Based on two 2<sup>nd</sup> PRL's being removed at Highgate and Walsall</u>						
2 (PRLs)	20	No difference	96.4	8.4% increase (35.7 seconds)	124 per month	£1.8 million
<u>Option Three – Four BRV's chosen based on resource utilisation Scenario's 7 &amp; 8</u>						
4 (BRVs)	24	0.0 - 0.4% increase (0 - 1.1 seconds)	92.79	4.8 - 5.4% increase (20.4 - 23 seconds)	248 per month	£2.2 million
<u>Option Four – 5 BRV's based on resource utilisation rates Scenario's 9 &amp; 10</u>						
5 (BRVs)	30	0.4% increase (1.1 seconds)	90.99	6.6 - 9% increase (28.1)	310 per month	£2.7 million

				- 38.3 seconds)		
Option Five – 7 BRV's						
7(BRVs)	38	0.7% increase (2.2 seconds)	87.59	13.2% increase (56.2 seconds)	434 per month	£3.5 million
Option Five – Walsall PRL and 2 BRV's						
1 PRL and 2 BRV	22	No difference	94.59	8.1% increase (35 seconds)	186 per month	£2 million

the region of £3.5M. This would result in an average of 38 shifts not being filled per 24-hour period, which could then be absorbed on the stations with 2 PRL and/or the BRV fleet. In addition it should be noted that there are currently 3 staffing deficiencies per shift (Core/Lates) which are not filled, but are managed dynamically through existing processes. This means that on average there would be 44 staffing deficiencies per 24-hour period (over 2 shifts), which could be managed using fleet availability.

The Table above is an illustration of what this could mean from a purely statistical perspective. There would need to be more extensive consideration about the impact upon achieving assertive, effective and safe response and the risk factors which would inform any final decisions around fleet configuration.

### 5.2.2 **Option 2 - Resource Configuration**

In mitigating the effects of restricting/removing the amount of VAS undertaken and the impact this will have on resource availability, consideration could be given to changes to the way in which resources (PRL & BRV) are currently staffed, building upon the concept of a blended fleet.

Currently resources are configured with five rider personnel on a PRL and three rider personnel on a BRV. A key strategic reason for this configuration is to ensure the delivery of assertive, effective and safe response. In addition, these arrangements also align to a Fire Brigades Union (FBU) endorsed risk assessment, which determines the number of personnel required to enable a safe systems of work in a typical house fire situation.

However, through reducing fleet availability by restricting the number of VAS available, the amount of fire appliances

(PRL's and BRV's) available to complete Prevention and Protection activity is also detrimentally impacted.

Therefore, it may be appropriate to review the number of personnel required to configure each 'unit' and understand the value this may offer to the Service. Further analysis and evidence would be required to understand which activities could still be undertaken, alongside a risk assessment to determine the impact on our expectation to operate assertively, effectively and safely.

- Riding at 4s on PRLs - if this was implemented for all PRLs across the fleet, this would achieve savings somewhere in the region of £6.5M. Up to 164 posts could be saved; this could be scalable - for example if all 3 multi-pumps 2nd PRLs were crewed at 4 then approximately 12 posts would be saved realising a circa 500K saving.
- Riding at 2 on BRV - again this could be scalable - if 50% of the BRV fleet then savings in the region of £1.5 million.

### **5.2.3 Option 3 - Shift arrangements (Risk based crewing)**

The most prevalent current shift pattern is a 24hr core watch system. This is a longstanding arrangement implemented at a time when both the risk profile and risk control measures were notably different.

The late shift was a productive step in recognising the reduction in risk and community contact time at night and therefore enabling a reduction in fleet availability, when the risk was reduced. It is however a requirement to maintain a minimum of 1 PRL per station, as it is reasonably foreseeable that a category 1 incident could occur at any time. Our aim is to provide a risk based 5 minute response time alongside assertive, effective and safe interventions. West Midlands Fire Service covers an area that is densely populated and has high levels of deprivation and vulnerability meaning a response capability is always required. There is further scope to explore staffing and shift arrangements, which further support the approach taken with Lates and more closely align resource to risk and community contact time.

At the time of implementation of the late shift, understanding around the positive impact of prevention activities and the corresponding reduction of risk, as well as subsequent demand in terms of operational response was still being developed. Although both of these factors were taken into account when the late shift was introduced (key contact times & operational risk), there is now a greater level of empirical evidence which could be utilised to understand the most effective and efficient shift systems to deliver the Service's strategic objectives.

If there was a view to implement something along the lines of a 3x 8 shift system, where personnel were distributed according to optimising key contact time, considering a variation in operational/response risk but overall staffing levels were reduced then it is possible that up to £1.4M.

#### **5.2.4 Option 3a – On Call Firefighters**

On-Call Firefighters (formerly known as retained duty system firefighters) are Firefighters who work a part time duty system. This is recognised in the Grey Book, where they commit to a set number of 'on-call' hours per week and during these periods provide cover as a Firefighter, responding from a location normally their place of work or their home, but within 5 minutes of the response vehicle.

WMFS have previously discounted using On-Call firefighters because of issues with recruitment, retention, availability and speed of response for Firefighters employed under this duty system. However, due to the significant financial pressures the Authority faces, employing On-Call Firefighters is an option that now warrants further exploration.

To manage the issues with the current On-Call duty system a model adopted by the Authority could be partially aligned to the Grey Book system, which would ensure it complied with national terms and conditions for pay and allowances etc. However, in addition to considering On-Call Firefighters based at WMFS locations and because of the large commercial footprint in the West Midlands, as well as the number of major employers, the Authority may want to consider having On-Call firefighters based at their work

locations, with training and resources provided by the Service.

To progress this option further work would be required to identify the optimum model for On-Call Firefighters in the Community. There would also be a need to identify the value that could be added through this workforce in terms of flexibility, diversity, resilience, assurance and efficiency.

#### **5.2.5 Option 4 - Management Review**

The current workforce profile for grey book staff is as follows:

77% (1472) of total workforce (of 1911) are grey book (including Fire Control) (as of 1.7.18)

Of these:

60% (879) are foundation level (FF)

35% (523) are Supervisory level (CC and WC)

4% (61) are Middle Manager (SC and GC)

1% (9) are Strategic level (ACdr and above)

To enable the efficient delivery of services to meet the future needs of the strategy, a management review could be conducted to include crew commander to group manager and all elements related to the roles. This will also enable the posts approved through the review to be substantiated, as identified in the 'The Strategy 2018 – 2022 report. The review should be aligned to support the potential options taken forward with regards to any revised staffing models and the levels, numbers and ratios of management required for effective and efficient leadership and supervision. It is anticipated this may realise a saving of circa £100K.



## **6. EQUALITY IMPACT ASSESSMENT**

In preparing this report an initial Equality Impact Assessment is not required and has not been carried out as the matters contained within this report do not currently lead to a policy change. An initial and where appropriate full EIA will be conducted on each option that is being taken forward for further consideration.

## **7 LEGAL IMPLICATIONS**

7.1 The Fire and Rescue Services Act 2004 (the Act) sets out several statutory duties for Fire and Rescue Authorities. Section 2 of the Act states the main functions that:

- A fire and rescue authority must make provision for promoting fire safety in its area.
- A fire and rescue authority must make provision for; (a) extinguishing fires in its area, and; (b) protecting life and property in the event of fires in its area.
- A fire and rescue authority must make provision for; (a) rescuing people in the event of road traffic accidents in its area, and; (b) protecting people from serious harm, to the extent that it considers it reasonable to do so, in the event of road traffic accidents in its area.

7.2 Within the Act these areas are set out in more detail along with the requirement to respond to incidents outside of its area. Through its IRMP the Authority also has a requirement to manage its risks, whilst complying with the duties set out in the Act.

7.3 Under the Local Government Finance Act 1992 and Local Government Act 2003, the Authority has a legal duty to set a balanced budget and manage its reserves appropriately. In setting its budget the Authority must consider both the legal requirements set out in the Act's and the management of risk through the IRMP.

7.4 Significant changes to the IRMP would require public consultation and consultation with stakeholders.

## 8 **FINANCIAL IMPLICATIONS**

- 8.1 The current projected shortfall in the FEP and 2019/20 budget is approximately £3million. The “Options” Section 5 of this report highlights that a reduction in VAS could achieve an equivalent level of £3M salary related savings. Whilst this would have an impact on appliance availability, it would not result in a reduction in staffing numbers. Furthermore, because the reduction in VAS is a flexible financial control, it could be introduced at the required scale with effect from 1<sup>st</sup> April 2019, there-by ensuring the current projected budget shortfall is fully off-set.
- 8.2 There are a number of other options presented within this report which would require more analysis, to establish the potential level and timescale of annual savings that might be achieved which would need to be reported back to the Authority for further consideration. At that point, if savings are identified, an assessment could be made to determine whether any specific savings should be utilised to restore VAS shifts, or used to meet the need to invest in the Protection function and Support Services from 2019/20, Or whether to meet anticipated future Government core funding reductions from 2020/21 onwards.

## 9. **ENVIRONMENTAL IMPLICATIONS**

- 9.1 The options set out in this report require the service to manage its resources in a flexible way to ensure the environmental impacts are mitigated where possible. If resources are not managed in a flexible way, the risk to the environment could be increased through the following means:
- A reduction in Firefighters may result in not been able to put fires out as quickly leading to increased air pollution from fires and increased risk of environmental damage through water runoff and less control of hazards at a fire.
  - The Service could potentially be less able to resource large incidents linked to climate change, such as flooding’s respond and wild fires.

- The Service may not be able to maintain the same standard of specialist response services, specifically used to protect the environment such as, Hazardous Materials Specialists, Detection Identification and Monitoring teams and Environmental Units.
- Lack of investment and resources into building stock resulting in the degradation of assets and the subsequent environmental impact.
- Unable to maintain or replace equipment and vehicles resulting in a lack of ability to mitigate risk and an increase in emissions.

9.2 These risks will be managed through the Services policies and risk control measures. However, a significant change in the resourcing model of the service will increase the likelihood of these risks materialising.

## **BACKGROUND PAPERS**

Authority Report 19 September 2016 – Efficiency Plan 2016/2020

Authority Report 19 February 2018 – The Plan 2018-2021

Authority Report 19 February 2018 – Budget and Precept 2018/2019

Executive Report 6 June 2018 – Delivery of The Plan 2018/2021

Authority Report 17 September 2018 - The Strategy 2018 - 2022

The contact officer for this report is DCFO Philip Hales, telephone number: 0121 380 6907

PHIL LOACH  
CHIEF FIRE OFFICER