



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 12

MEETING	Dorset & Wiltshire Fire and Rescue Authority
DATE OF MEETING	23 June 2016
SUBJECT OF THE REPORT	Fire and Rescue Authority Efficiency Plans
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For decision
EXECUTIVE SUMMARY	The Fire Minister has recently written to all fire and rescue authorities outlining the requirements for applying for the Government’s offer of a four year funding settlement announced in the finance settlement. Should the Authority wish to apply, there is a requirement to provide an efficiency plan. This paper sets out this requirement and suggests that this offer is taken up by the Authority after an efficiency plan is considered by the Finance and Audit Committee at its September meeting.
RISK ASSESSMENT	The offer of four year funding allocations, if confirmed, will provide increased funding certainty to 2019/20. Authorities who do not apply will be subject to the existing funding allocation process and would be potentially subject to additional reductions dependent on the fiscal climate and need to make further savings to reduce the national deficit.
COMMUNITY IMPACT ASSESSMENT	None for the purposes of this report.
BUDGET IMPLICATIONS	None
RECOMMENDATIONS	It is recommended that: <ul style="list-style-type: none"> i) the Authority applies for the offer of a four year funding allocation ii) a draft efficiency plan is considered by the Finance and Audit Committee on 21 September 2016 before being approved by the Authority.

BACKGROUND PAPERS	Dorset and Wiltshire Fire and Rescue Authority - Medium Term Financial Plan 2016-20 (Dorset & Wiltshire Fire and Rescue Authority - February 2016).
APPENDICES	None
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1. Introduction

- 1.1 In the Finance Settlement 2016 the Government announced an offering for fire and rescue authorities of a firm four year funding allocations starting from 2016/17 to 2019/20 to provide increased funding certainty and stability.
- 1.2 In return for the firm four year funding allocation, robust and transparent efficiency plans are required; the requirements of which are set out in section 2 of this report.
- 1.3 Authorities are not obliged to apply, but those authorities who do not apply will be subject to the existing process for determining the local government finance settlement. Any future financial allocations could be subject to additional reductions dependent on the fiscal climate and need for the Home Office to make further savings to reduce the national deficit.

2. Efficiency Plans and Value for Money

- 2.1 For those authorities wishing to apply for firm four year funding allocations, efficiency plans are required and must:-
 - be published and be accessible on the Authority website, stating what it contains;
 - include the full 4 year period 2016/17-2019/20, be open and transparent about the benefits the plan will bring to the Authority and the community;
 - demonstrate the timetable and level of cashable and non-cashable savings; and the risks and strategies associated;
 - include the approach for increasing public sector collaboration in relation to procurement;
 - demonstrate how more flexible working practice will be achieved;
 - include commitment to the publication of transparent performance information;
 - include a clear strategy for the use of reserves; and,
 - include a commitment to produce an annual report on the progress of the efficiency plan.
- 2.2 The deadline for producing an the application for the offer and producing an efficiency plan is Friday 14th October 2016, after which confirmation of the offer will be made by the Home Office.
- 2.3 The Authority is well under way in driving through its efficiency plan through the combination process undertaken to date and planned through to 2019/20, establishing savings targets of just under £6m.
- 2.4 As Members are aware the Medium Term Financial Plan puts value for money at the heart of our governance arrangements. As a new Service we have adopted the following principles:
 - Review the way we formally deliver our services; share and adopt good practice and maximise our future efficiency, effectiveness and economy
 - Eliminate unnecessary bureaucracy and make the best use of technology.

- Rationalise the use of our estate through robust asset management, including exploring use of shared premises.
- Ensure that procurement decisions are business led and focused on whole life costs
- Seek more from our contracts and the quality of goods and services provided.
- Pursue greater economies of scale and synergy by maximising our partnership opportunities
- Seek external funding and partnership opportunities in order to support our priorities

2.5 During the lifetime of the medium term finance plan we intend to drive efficiency and value for money from the following perspectives.

- Embedding strong corporate governance
- Harmonising non station based resourcing
- Maximising technology and mobile working
- Progressing the concept of 'One public estate'
- Integrated risk management planning

2.6 **Embedding strong corporate governance.** We are establishing a new approach to corporate governance and financial management. In support of this we have adopted new policies, new financial and procurement arrangements and harmonised our financial management system. We are fundamentally re-engineering all departments including the appointment of new auditors. These new frameworks, systems and relationships will need to be understood by all our managers and embedded within the new Service. A key focus for the coming years is to instil and embed the value for money principles and ensure that they are understood and being fully applied.

2.7 **Harmonising non-station based resourcing.** The key focus for the combination has been securing savings from non-station based personnel. Rationalising the strategic leadership team will deliver annual savings of £350k with an additional £2.4m pa saving arising from the flexi-duty officer rota, establishing a new Service Control Centre and delivering other technical management savings. In addition a single organisational staffing structure, with a single pay and grading system, has been implemented and will be transitioned to over the next three years. We anticipate that this will not only place the new Service in a safe, strong position but also yield around £1m annual savings from the new staffing structure and around £0.8m pa from other corporate savings bringing total savings of approximately £4.5m. The remainder of the £6m target savings, i.e. £1.5m will be made as a result of reviewing the integrated risk management planning (IRMP) (see below).

2.8 **Maximising technology and mobile working.** The combination process has now created the 4th largest Combined Fire Authority (by budget) in England. The new Service must now operate across a very large geographical area with a much larger population. Rural road networks and restrictive public transport are a key challenge for the new Service. To avoid wasteful and unnecessary travel, we are investing in a new philosophy of more mobile and flexible ways of working. This efficiency drive has been assisted by financial support from the Department for Communities and Local Government's transformation grant which

helped us to invest in a modernised and harmonised ICT infrastructure. We have worked with local partners including Wiltshire Council to establish the new headquarters in Salisbury at the Five Fivers Health and Wellbeing Centre. This new facility allows staff and our key partners such as the police, health and local authorities to operate from a single building. This is a first stage enabler of this new way of working for our staff, managers and key partners. Over the coming years we will be investing in new management approaches and new technology to maximise our productivity and reduce unnecessary travel and expenditure. Aligned to this we will also be seeking to review key management processes to make them less paper based; more electronically enabled and more collaborative with our key partners. Together this will help us reduce vehicle purchase and maintenance costs; travel costs; improve our carbon footprint; maximise productive time and reduce the manual handling of data and management information.

- 2.9 **One public estate.** We are currently undertaking a fundamental review of our estate. We are doing this for two principal reasons. Firstly we want to ensure that we have a comprehensive, prioritised and value for money led approach to our future maintenance programme. Secondly we want to further identify and open up opportunities for sharing our estate with the police, local authorities, health and other partners. Currently, we have fully shared facilities at a number of our properties including those in Lyme Regis, Mere, Poole, Portland, Salisbury and Tisbury and have informal community/ partnership access at most other fire stations. The 'fit for purpose' review we are currently undertaking will allow us to further exploit new opportunities for maximising our estate and strengthen our key partnerships with the police forces and others. It will also be used to inform and build upon our integrated risk management planning helping the new Service secure and maximise further partnership opportunities.
- 2.10 **Integrated risk management planning.** We are undertaking a comprehensive review of the integrated risk management process. The development and eventual implementation of this plan will save £1.5m and is being overseen by the Policy and Resources Committee. The creation of a new integrated plan will cover the following areas:
- *IRMP Methodology.* This will concentrate on aligning the two existing approaches into one
 - *Fire Cover Review.* This will consider how risks may change in the future, so that we can review the locations of our fire stations and whether they are fit for purpose. This will include a review of our response standards and what type of fire engines we have
 - *Duty Systems review.* This will consider the existing operational duty systems and in particular options for improving the efficiency of crewing wholetime fire engines.
 - *Retained Duty System (RDS).* This will consider how best we manage our on-call firefighters in the future and how we can increase the numbers we have

- *Special appliance and skills review*: This will consider our Special appliance requirements, where they are, how we crew them and our co-responding role
- *Firefighter Safety*: This focus area will consider Firefighting media; firefighting techniques; fire appliances, equipment and personal protective equipment

3. Summary

- 3.1 Members have already signed up to the Medium Term Financial Plan and the incorporated efficiency and value for money principles included within it at its meeting in February 2016. The Government's offer of firm four year allocations provides certainty and will require efficiency plans to be produced in line with their requirements. Our plans are well under way but further work is required to be undertaken to ensure the Government's requirements for efficiency plans are met.

DARRAN GUNTER
Chief Fire Officer

23 June 2016