

Strategic Options Appraisal

An exploration of the transformation options available to Wiltshire & Swindon Fire Authority and Dorset Fire Authority

21 June 2014



**Dorset
Fire & Rescue
Service**



**Wiltshire
Fire & Rescue
Service**

Working together to make our communities safer

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1. Executive Summary

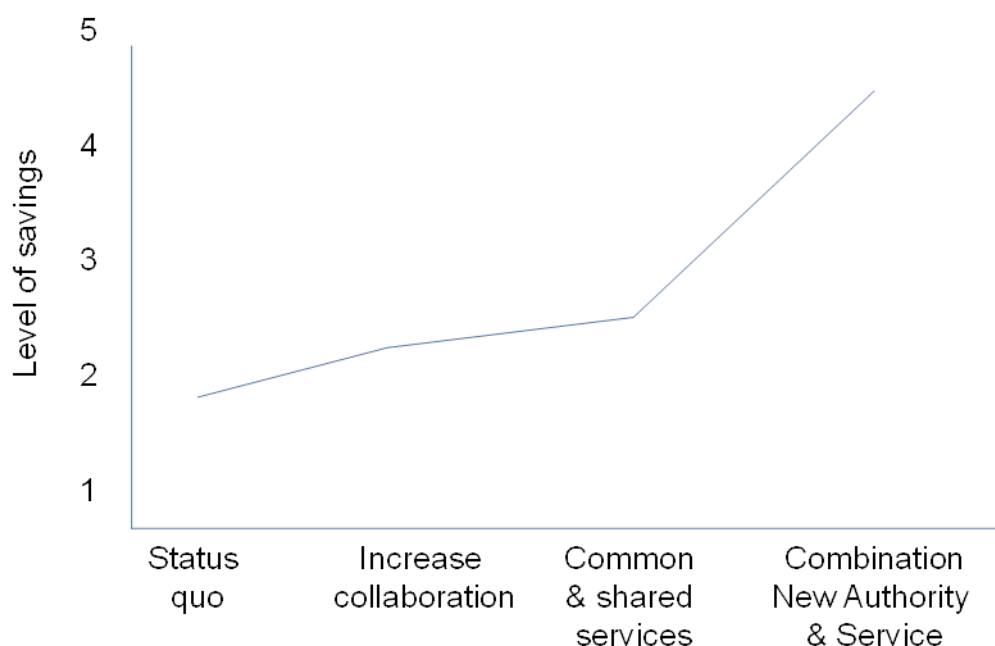
- 1.1 This report outlines the strategic options appraisal associated with the potential statutory combination of Wiltshire & Swindon Fire Authority and Dorset Fire Authority. It sets out the potential options for formal collaboration or integration of some services with other public sector organisations. It then considers the key advantages, disadvantages and opportunities associated with each option.
- 1.2 The content of this report has also been reviewed as a result of the work that has been undertaken collectively by both Authorities to develop an outline business case for statutory combination and the associated consultation strategy.
- 1.3 In considering which option to pursue it is essential that savings are maximised to protect front-line services and that these savings are realised within the required timescales to meet the strategic and financial needs of both stand-alone authorities.
- 1.4 What has become clear from the development of the business case for combination is that by building a solid fire to fire foundation opportunities will be opened up to consider how services could be delivered in collaboration with local authorities and blue light partners. These potentially include the delivery of support services and some elements of front-line provision to maximise synergies and efficiencies. As a result of this determination further work will be undertaken in the future to explore how these opportunities could be maximised.

2. Introduction

- 2.1 The Wiltshire and Swindon Fire Authority and the Dorset Fire Authority and their respective fire and rescue services are similar in many ways including the number of stations, activity levels, and use of on-call firefighters. They are also similar in terms of the level of government grant received and our low levels of council tax precept.
- 2.2 Following a number of years of successfully working together, we have recently been examining how we can work even more closely with each other and with our local councils, police and ambulance partners. Our goal is to transform services and in so doing, protect and indeed improve many aspect of the services we deliver while also optimising the level of savings to ensure we are more financially sustainable.
- 2.3 Closer working between our Fire Authorities and Services can range from the status quo which would mean continuing the small number of projects we are jointly involved in, or it could mean a merger and the establishment of a single Combined Fire Authority and Service that would enable our new organisation to deliver services that are safer, stronger and more financially sustainable.
- 2.4 Our analysis indicates that the level of savings we can achieve is directly proportional to how common or combined we become. For example we could decide to collaborate further in areas such as sharing some corporate/support functions and this would save some money from staffing; or at the other end of the scale we could become a single Combined Fire Authority and Service that would benefit from economies of scale and more resilience due to being a larger organisation. This would maximise opportunities to make financial savings and ensure we were a safe, strong and sustainable organisation. This relationship between the

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degree to which our services converge and the resultant financial savings are illustrated below



- 2.5 The dramatic increase in the level of financial savings that results from a new single and Combined Fire Authority and Service are due to the realisation of significant savings in many fire-fire related areas that would only be available as a single employer with single accountability. They largely relate to the ability to rationalise the staffing of specific technical posts in key areas that include fire safety, operational supervisory officers, operational policy officers and fire safety/education staff.
- 2.6 Whilst we need to ensure we are able to provide safe and strong services to our communities, it is also important that we consider future financial sustainability and in particular the need to save as much money as is possible to protect our front line services. These include the number of fire stations, fire engines and the many prevention activities we undertake.
- 2.7 Similar to the benefits of fire-fire working we believe there are two broad areas where benefits could be realised from closer working with local councils, the police and ambulance. The first area of benefit is that our partners may be able to assist us with many of our corporate functions (eg information technology, human resource management, property management etc). Again this can range from doing things together and sharing our functions or one of our partners doing this for us. So we could save further money from this relationship.
- 2.8 The first area of benefit may be considered as saving money or making us more efficient, whereas the second area of benefit is about improving effectiveness. These areas include initiatives such as sharing premises, sharing information and providing joint teams to address key areas.
- 2.9 Examples of sharing services and joining up delivery arrangements for both greater efficiency and effectiveness are common throughout public services and indeed locally some of our councils are doing some fantastic work in this area. Whilst we have less in common with our

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local authorities, police and ambulance the level of collaboration is again scalable. It is also available to us as individual Fire Authorities and Services, or as a new Combined Fire Authority and Service.

2.10 However, as a new Combined Fire Authority we would be a more viable partner who would be able to work with all of our councils, police and ambulance on a more sustainable footing, as currently our local authorities, police forces and Ambulance trust are much larger and more diverse organisations than our single stand-alone Fire Authorities.

2.11 In developing potential options we considered all of the possibilities from fire-fire and also from examining areas where we could work more closely with local authorities, police, ambulance and public services. The options appraisal therefore explores the opportunities associated with:

- ◆ Option 1 - Each Fire Authority and Service to remain and act independently including reducing support functions and frontline services.
- ◆ Option 2 - Each Fire Authority and Service to remain independent and share some corporate/support functions.
- ◆ Option 3 - The two Fire Authorities and Services to merge into a new Authority and Service.
- ◆ Option 4 - Each Fire Authority and Service to remain independent and collaborate with their local authorities to maximise savings in corporate and support departments
- ◆ Option 5 - Each Fire Authority and Service to remain independent and collaborate with their individual police forces to maximise savings in corporate and support departments
- ◆ Option 6 - Each Fire Authority and Service to remain independent and collaborate with South West Ambulance Service to optimise the use of premises
- ◆ Option 7 - The two Fire Authorities and Services to combine and work more closely with all of our local authorities, our police forces, South Western Ambulance and local public services.

3. The Challenges We Face

3.1 **Safe, strong and sustainable services**

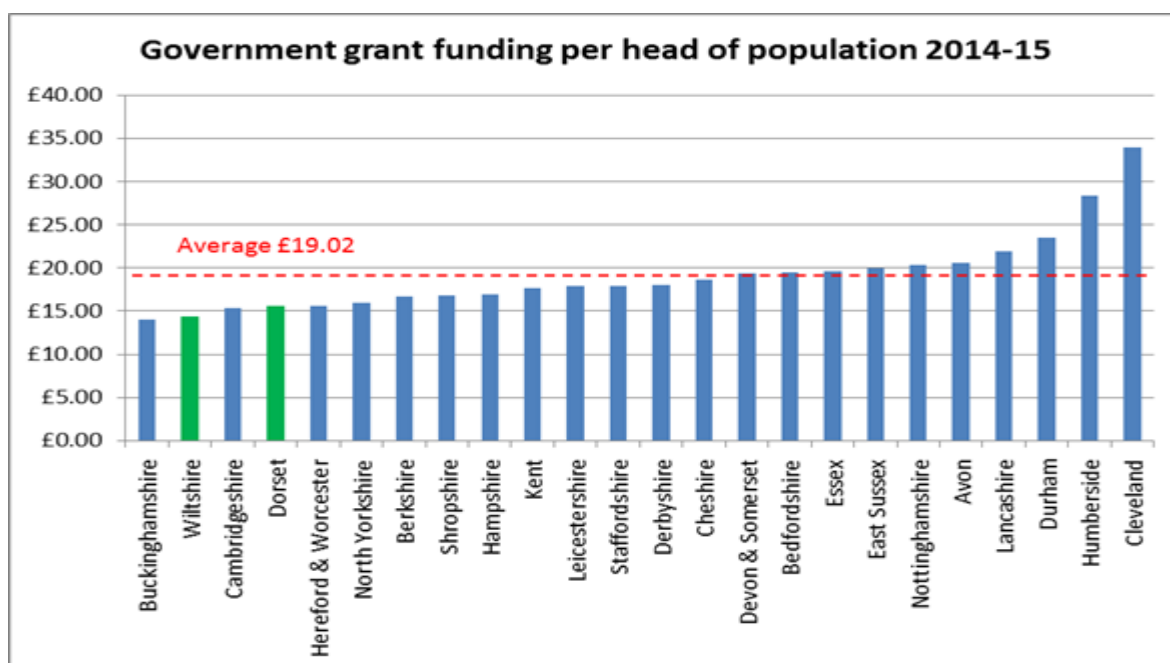
3.1.1 Dorset Fire Authority and Wiltshire and Swindon Fire Authority are proud of the Services they provide to their communities. We are well respected and active in our communities and achieve a wide range of positive outcomes for local people. As well as providing a highly competent response to emergencies and undertaking statutory fire safety, we are both particularly proud of our prevention and intervention programmes aimed at addressing wider social issues.

3.1.2 These range from working with troubled families and improving the life chances of disaffected young people, through to extensive education and engagement programmes in areas such as home and road safety and supporting the promotion of healthy lifestyles for primary school

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children. It is of fundamental importance to us that the great work that is being done by ourselves and our partners including local authorities, other emergency services and the voluntary sector continues and where possible that this is strengthened. It is also essential that our frontline services are protected as far as possible from the significant financial challenges that we face.

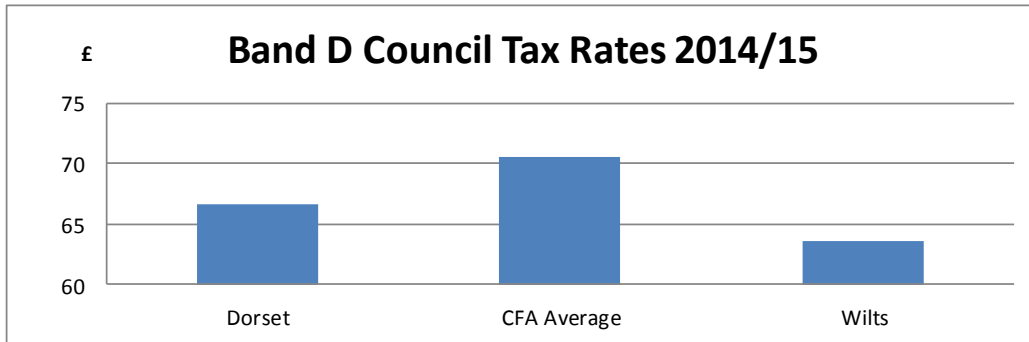
As two of the lowest spending Combined Fire Authorities (CFAs) in England, with an overwhelming reliance on retained (on-call) firefighters, we are facing a financial outlook that requires a radical departure from our current arrangements (see Appendix A).



3.1.3 Both authorities are in the lower quartile for grant funding per head of population and receive considerably less Government grant than most. In 2014/15, Dorset and Wiltshire will receive £15.57 and £14.33 respectively per head of population, with the average Combined Fire Authority (CFA) in England receiving £19.02. If we received the average level of grant funding, Dorset and Wiltshire would benefit by an additional £2.3m pa and £3.2m pa respectively. In spite of this poor funding position, we have both consistently kept fire precepts (ie our share of council tax) below average levels through an impressive record of savings, achieved as a result of our respective change programmes.

3.1.4 Dorset and Wiltshire precept levels for 2014/15 are £66.60 and £63.62 respectively, against a CFA average of £70.48.

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Reduction in central funding to fire and rescue services since 2010/11 and projection to 2020
 - Source: Local Government Association, 2013

3.1.5 Our forecasting of future Government grant funding, along with a number of other financial pressures such as changes to state and firefighter pensions arrangements, inflation and other cost pressures, means that Wiltshire are already using financial reserves to set a balanced budget and Dorset will need to draw upon its reserves in 2015/16. By 2017/18, the financial gap faced by Dorset means further annual savings of £2.3m-£3.2m need to be secured from a £30m budget. Similarly, for Wiltshire additional annual savings of £3.1m-£3.9m are required, from a £25m budget.

3.1.6 It is of fundamental importance to us that our frontline services are protected as far as possible from the future financial constraints. With both Dorset and Wiltshire already using on-

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call firefighters to crew over 80% of all frontline fire engines, then future significant savings would threaten the small resilient core of fire engines crewed by wholetime firefighters and indeed may result in the closure of some wholetime and retained fire stations.

3.2 Financial focus to maximise protection of front-line services

3.2.1 There are two areas of financial focus for potential savings that will maximise the protection of front line services. These are:

- ◆ Back office and general corporate savings (HR, finance, ICT, etc)
- ◆ Maximising savings from rationalising common areas specific to Fire-Fire, eg Flexible duty officers and technical specialist officers

3.3 Back office and general corporate savings

3.3.1 Over the last few years, both Services have sought to hold vacancies in support services and have introduced voluntary redundancy programmes. This has secured considerable savings and so far helped to minimise the adverse impact of grant reductions on front-line service delivery. But both Services have now downsized their support departments to the point where there are now many single points of delivery, with poor resilience in times of absences or workload variations.

3.3.2 These represent a considerable risk of disruption to the efficient running and good governance of the services being provided, with many having a direct bearing on frontline service delivery and response. With more financial savings to find, this situation will only worsen. Interestingly, following their merger, Devon and Somerset FRS cited that one of the main benefits realised was an increase in organisational resilience. This has helped them become more sustainable and to work in new and more innovative ways.

3.3.3 Currently staffing expenditure for 'traditional' back office staff (eg ICT, HR, finance, etc) is around £2.95m (Dorset) and £2.71m (Wiltshire). Whilst we are estimating that there may be some savings to be realised through back office and other corporate expenditure, this will not bridge the entire financial gap being faced. For example, in Wiltshire total corporate expenditure (not potential savings from corporate sources) only runs to about 70% of the financial gap being faced by the Authority. Put simply, the financial problem cannot, against any strategic scenario, be solely solved through efficiencies from changes in back office administration.

3.4 Common areas specific to Fire

3.4.1 There are two forms of fire specific expenditure where savings can and must be maximised, firstly:

1. Flexi-duty operational officers: These officers ensure a safe and competent managerial response to simultaneous emergency incidents 24 hours a day, 7 days a week. There are three tiers of managerial attendance that are necessary to ensure effective command and control:

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- ◆ **Operational officers (Bronze):** provide on-the-ground oversight of firefighting teams liaising with local agencies and their operational staff.
- ◆ **Tactical officers (Silver):** provide oversight of the tactics employed to ensure that the incident is well managed and co-ordinated with other agencies and their tactical officers.
- ◆ **Strategic officers (Gold):** liaise at a strategic level and attend complex emergencies to provide high level command and liaise with strategic partners including other blue light services and local authorities.

3.4.2 All flexi-duty operational officers also have specific skill sets and national qualifications in areas such as incident command, fire investigation, hazardous materials, marine firefighting, and water management. To maintain a safe response, these highly trained and competent officers follow a 24/7 rota to allow for leave and training commitments. Both Services have around 30 officers each to fulfil these safe systems of work. By combining with another fire and rescue service, there are considerable opportunities for taking efficiencies and savings in this area to offset potential frontline cuts, whilst also maintaining the necessary response to provide safe systems of work at incidents.

3.4.3 The police and local authority officers are clearly not sector qualified to take command or provide specialist oversight at complex fires/fire specific emergencies and therefore these savings would not be available. Due to legal issues within the Fire and Rescue Services Act 2004 and wider employment legislation, the optimum method of maximising this area of saving is via a single employer model through a new Combined Fire Authority.

2. Technical specialists and functions: There are number of technical specialists and functions that are also specific to fire and rescue services: fire control, technical policy officers (who develop and audit fire specific response procedures), training officers (who develop and assess firefighters and officers), enforcement officers (who enforce specific fire safety regulations) and many others besides.

3.4.4 Whilst there may be some advantages to joint working, formally combining these specialisms with fire and police/ambulance or fire and a local authority will not yield significant financial savings as these partner organisations do not have the statutory responsibilities or organisational competence to support these fire specific responsibilities and technical ways of working. Whilst there will be some marginal savings, the gains sometimes being spoken about by some may cause overall costs to rise for authorities, take considerable time to come through, require significant changes to primary legislation or be technically challenging, as proved to be the case with the proposed Regional Control Centre.

3.4.5 The table below shows indicative levels of savings that we believe are realistically available through stand-alone collaboration with local authorities, the police and from the fire to fire option. For each area of savings a rationale has been included.

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3.4.6 Estimated savings for Dorset Fire Authority available through formal integration with Local Authorities, Police or fire combination.

Area of indicative saving	Rationale for saving	Council collaboration £000s	Police collaboration £000s	Fire-Fire combination £000s
Uniformed managerial staff involved in operational command and control	Fire-Fire option allows for a reduction in the numbers of staff. Council and Police options do not afford this opportunity.	£0k	£0k	£760k
Cost of support functions such as HR, ICT, Finance, vehicle and equipment maintenance	All options assume 15% reduction in staff numbers in most functions. Significant reductions, resilience issues and single points of failure exists from existing change programmes. Savings are likely to be less in some areas in Council and Police options.	£410k	£423k	£447k
Corporate (non-uniformed) staff working in service delivery areas	County and Police options assume 5% or 10% reduction depending on function. Savings in Prevention and Protection teams will be higher in Fire-Fire option.	£111k	£111k	£145k
Governance costs such as democratic representation and audit fees	County and Police options assume 50% saving on existing costs. Fire-Fire option assumes no reduction in democratic structure.	£96k	£96k	£59k
Other costs such as buildings, equipment, vehicles, training and service contracts	10% non-pay savings flowing from staffing reductions, eg training, travel, PPE and uniform, 10% saving from property rationalisation, 10% saving on combined procurement and contracts in certain areas, eg insurance and software maintenance. Council option likely to lead to higher level of savings against current financial services contracts.	£313k	£285k	£279k
Total indicative savings		£930k	£915k	£1,690k

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3.4.7 Estimated savings for Wiltshire and Swindon Fire Authority available through formal collaboration with Local Authorities, Police or fire combination

Area of indicative saving	Rationale for saving	Council collaboration £000s	Police collaboration £000s	Fire-Fire combination £000s
Uniformed managerial staff involved in operational command and control	Fire-Fire option allows for a reduction in the numbers of staff. Council and Police options do not afford this opportunity.	£0k	£0k	£800k
Cost of support functions such as HR, ICT, Finance, vehicle and equipment maintenance	All options assume 15% reduction in staff numbers in most functions. Significant reductions, resilience issues and single points of failure exists from existing change programmes. Savings are likely to be less in some areas in Council and Police options.	£354k	£389k	£425k
Corporate (non-uniformed) staff working in service delivery areas	County and Police options assume 5% or 10% reduction depending on function. Savings in Prevention and Protection teams will be higher in Fire-Fire option.	£61k	£82k	£102k
Governance costs such as democratic representation and audit fees	County and Police options assume 50% saving on existing costs. Fire-Fire option assumes no reduction in democratic structure.	£77k	£48k	£44k
Other costs such as buildings, equipment, vehicles, training and service contracts	10% non-pay savings flowing from staffing reductions, eg training, travel, PPE and uniform; 10% saving from property rationalisation, 10% saving on combined procurement and contracts in certain areas, eg insurance and software maintenance. Council option likely to lead to higher level of savings against current financial services contracts.	£220k	£298k	£293k
Total indicative savings		£712k	£817k	£1,664k

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4. Appraisal Criteria and Methodology

4.1 In assessing the potential offered by each of the options, it was necessary to identify the key strategic aims required to ensure any negative impact on service delivery and consequently community safety, were limited. It was determined that these outcomes were:

- ◆ We need to maintain and where possible improve organisational performance.
- ◆ We need to maintain and where possible improve operation performance to strengthen front-line services.
- ◆ We need to continue to be financially secure now and in the future to maintain front-line services.

4.2 Following the identification of these key strategic aims a working methodology was established to determine the advantages, disadvantages and opportunities against each of them. It was determined that this would provide an indication of which option would deliver most effectively against the agreed strategic outcomes.

4.3 It is appropriate to state at this point that the adoption of any methodology for undertaking a strategic options appraisal is necessarily open to professional debate and individual interpretation. This is especially the case when the appraisal seeks to consider the potential offered by organisations that are in some ways very similar but in other ways fundamentally different; both in terms of their statutory and strategic focus, and in terms of their infrastructures and governance arrangements.

4.4 Indeed, we also recognise that the subsequent application and judgements that have been made against the methodology may be open to challenge. However, we are confident that both the methodology and the judgments that have been made are consistent and reflective of current opportunities and risks, and that they have been made with the utmost professional integrity.

4.5 The following sections will examine each of the seven options. Following each section there will be a conclusion which will include a table outlining how the option meets the requirements to bridge the predicted financial deficit and how it meets the need to develop a safe, strong and sustainable organisation using the following criterion.

	Likely to meet all Vision aspirations
	Likely to meet some Vision aspirations
	Will not meet the majority of Vision aspirations

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5. Option 1 - Each Fire Authority and Service to remain and act independently including reducing support functions and frontline services

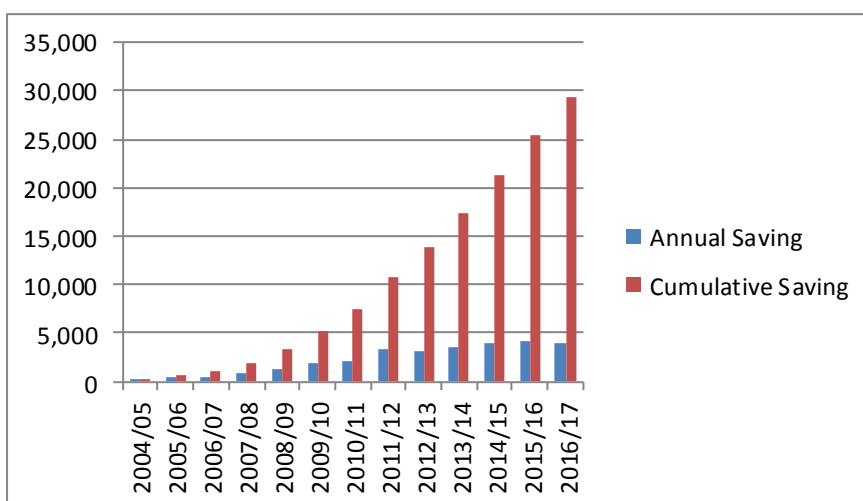
5.1 Dorset

5.1.1 Dorset Fire Authority has had a long history of making considerable efficiency gains and has undertaken a number of downsizing and redundancy programmes. It has a long standing Resourcing and Reform Programme (RRP) which has successfully driven comprehensive transformation programmes in a wide range of areas ranging from reducing management and support costs through to reconfiguring service delivery. All of this has been achieved without detriment to frontline service delivery.

5.1.2 A fuller explanation of the efficiency programme and gains secured are outlined in our publication 'Driving efficiencies. An overview of our efficiency savings. Dorset Fire Authority', February 2013,' which can be found on our website (http://www.dorsetfire.gov.uk/files/4913/7518/5370/2013_Feb_DFRS_Efficiency_Review.pdf). The table below shows the full extent of savings that have been achieved over recent years from a £30m pa budget.

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
RRP net savings	784	933	1,041	1,041	1,041
Capital financing savings	325	78	37	107	191
2012 additional savings			353	553	754
Annual savings total	1,019	1,011	1,431	1,701	1,986
Five year savings total					7,238

5.1.3 From 2005 to 2016 Dorset is on track to have achieved ongoing revenue savings of over £4m per year - this represents 14% of budget and will result in a total cumulative saving of £29.4m by 2018.



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5.1.4 As far back as 2009 the Audit Commission report commented:

“Dorset Fire and Rescue Authority performs well”...it has “A strong focus on efficiency and making the most of its limited resources runs through all of the Authority's work. ..It costs less to run than other fire authorities and performs better. A great deal is being done to make the most of its limited money, time and staff.”... “The Authority has done well to make savings. But it will be difficult to make more savings in such a small Authority with such low cost.”

5.1.5 In anticipation of poor future financial settlements, the Service has continued to maintain a very close control of wholetime firefighter vacancies. Vacant posts have been held and we are actively engaged in projects with other fire and rescues services (FRS) to drive down costs and secure improvements in the effectiveness of service delivery. These projects include the adoption and roll-out of standard operating (operational) procedures as part of work initially emanating from the South East region and the Networked Fire Control Services Partnership that involves our neighbouring FRS partners. This project will allow the Authority to fundamentally review the future role of Fire Control to both improve resilience and reduce costs.

5.1.6 Where next?

The Service has done a great deal to reduce costs whilst maintaining high levels of performance. Whilst DFRS are on track to deliver £9m of savings from 2013-18 (£29.4m total between 2004-18), it is well recognised by officers, Members and external auditors that further savings will be difficult to find without having a significant impact on front-line service delivery. Further downsizing of support departments will not bridge the predicted financial deficit and will give rise to additional resilience issues that are already beginning to materialise.

As part of the RRP, a great deal of work has also been undertaken to look at what the impact would be of a range of business cases associated with downsizing service delivery. For all of the options it has been highlighted within the business cases that there would be significant detrimental impacts on our current response times. The options that now have business cases associated with them are:

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Option	Impact	Projected savings
<ul style="list-style-type: none"> Removal of the second fire engine from the only station in Dorset that currently has two appliances that are crewed by wholetime staff. 	<ul style="list-style-type: none"> 33% reduction in meeting current response standards on the station ground. 	£722,376
<ul style="list-style-type: none"> Introducing revised crewing arrangements for the only aerial appliance that is crewed by wholetime staff in Dorset. 	<ul style="list-style-type: none"> Predicted additional attendance time for the Aerial appliance based on 2007-12 data of an additional 5-8 minutes average per incident depending on the reviewed crewing arrangements. 	£394,000
<ul style="list-style-type: none"> Making two stations that are currently crewed by wholetime staff RDS. 	<ul style="list-style-type: none"> 22% aggregate reduction in meeting current response standards on the respective station grounds. 	£2,210,336
<ul style="list-style-type: none"> Potentially making a day crewed station RDS only. 	<ul style="list-style-type: none"> 37% reduction in meeting current response standards on the station ground. 	£245,998

5.2 Wiltshire

5.2.1 Transformation programme savings

Following the Comprehensive Spending Review in 2010 (CSR2010) a transformation programme was established primarily around service delivery, and a number of other wide ranging projects to look at service efficiencies.

A corporate activity review has meant a reduction in the number of corporate support posts through natural wastage and voluntary redundancy, in addition to a review of middle and strategic uniformed managers. Costs of running station based staff have been reduced through some changes in Watch strength on wholetime duty stations, without any impact to frontline service provision. Significant cost reductions have been achieved by transferring the Control function back to Service HQ, which will make the transfer to the Networked Fire Control Service Partnership (NFCSP) much more manageable.

To date, the savings established as a result have been achieved whilst maintaining front-line service provision with no detrimental impact.

The table below shows the full extent of the savings and cashable efficiencies over recent years within the £25m budget.

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Option	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Service Delivery savings	387	507	908	1,222
Capital/financing leasing	9	138	297	365
Other savings	89	119	199	412
Annual savings total	485	764	1,404	1,999
Four year savings to date				4,652

As with Dorset FRS it has been well recognised by officers, Members and external auditors that further savings will be difficult to find without having a significant impact on front-line service delivery.

Support departments are operating at full capacity with costs reductions of 11% having been achieved, following the changes over the last few years, and therefore further downsizing will not be possible in a number of areas. It is clearly evident that any further savings from support departments will not bridge the predicted financial deficit.

5.2.2 Going it alone: What would it mean for the residents of Wiltshire and Swindon?

The Wiltshire and Swindon Fire Authority provide one of the lowest cost Fire and Rescue Services in the country. The financial gap faced by the Authority is between £3.1m (best case) to £3.9m (worst case) reductions from an annual budget of £25m. Financial reserves are currently being relied upon to set a balanced budget.

The Wiltshire and Swindon Fire Authority has already made significant reductions in the costs of running its Service over the last five years whilst maintaining and in some cases improving its performance levels. These cost reductions have been achieved with a focus on maintaining front-line service delivery. At the time of the previous austerity measures in 2010, the Authority carried out a comprehensive public consultation exercise in 2012/13 where it made five proposals for change to the way that operational services would be provided.

The Authority stated that during the Government's Comprehensive Spending Review period 2010-14 it would not close any fire stations, would not lose any fire engines from its operational fleet, would crew fire engines with five firefighters wherever possible and would maintain its response standards. A commitment was also made to maintain the organisation's focus on prevention and community safety activities and in working with partners to tackle key local issues through being in the heart of the community, for the community.

Through research undertaken by the Authority to date it indicates that by remaining independent, although working with other non-Fire Service organisations an optimistic savings of £0.7m may be available from back-office savings. This leaves a very significant annual shortfall that need to be urgently found that can only be bridged by severe cuts to service delivery as financial reserves will be exhausted within the next three years.

In order now to make the additional savings required (after corporate cost reductions have been found), it would be necessary to reduce substantially the number of wholetime shift and

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day-crewed fire engines and staff. These are located in Swindon, Salisbury, Chippenham and Trowbridge. The fire station in Salisbury could not be completely closed due to its operational isolation but would have to be significantly downgraded to provide fulltime day time cover only and on-call cover at night. As a consequence this would mean that fire stations in Swindon would need to be closed. On-call stations in the north of the County would also need to be significantly changed and potentially lost. The number of operational officers would also need to be reduced.

This would involve the loss of front-line firefighter (approximately 70) and officer posts and the removal of 10 fire engines from the current fleet of 34 fire engines. These proposals represent the most significant reductions in resources ever considered by Wiltshire FRS.

Should this happen then the effect would be; significant increases in the response times in the main urban areas and across the rural areas of the county; reduced ability to carry out important prevention and operational pre-planning work for major risks; and reduced resilience for dealing with large incidents or spate conditions. The Service would lose the critical mass necessary not just to lead, but even to take part in key schemes such as Salamander and Safe Drive Stay Alive. Other partnership work would also need to stop as the very limited resources remaining would have to focus on core operational activities and some very limited fire prevention work.

Making these changes would place additional reliance on the remaining mainly on-call personnel. Wiltshire FRS already employs a very high proportion of these firefighters. There are difficulties in recruitment and retention in the retained duty system and it is not easy to increase the number of these firefighters in the Service. It would be necessary to close down a number of on-call fire stations and to remove further fire engines from the operational fleet. This would subsequently increase response times in these towns as crews would need to respond from other fire stations.

The fire and rescue service would cease to be in the heart of that community and the capacity to manage local risks would be very much reduced. In addition, there are 5 fire stations in Wiltshire with two on-call fire engines, and the second one would have to be removed from all of them. This would further reduce the Service's resilience in the event of large incidents or spate conditions.

Option	Impact	Approximate Savings
<ul style="list-style-type: none"> • Close down the day-crewed fire station in Swindon. Remove the fire engine. 	<ul style="list-style-type: none"> • Increase in response times and so increase in risk of death, injury and property loss. 	£700,000
<ul style="list-style-type: none"> • Remove the wholetime shift element from one of the fire stations in Swindon. Remove the fire engine. 	<ul style="list-style-type: none"> • Reduction in resilience and reduced ability to deal with a large or complex incident or to manage spate conditions. • No immediately available crew at night. • Loss of FRS presence within 	£1,290,000
		£920,000

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Option	Impact	Approximate Savings
<ul style="list-style-type: none"> • Reduce resources and cover at one of the Service's wholetime shift-crewed fire stations (Salisbury). 	<ul style="list-style-type: none"> • the community. • Reduced ability to manage fire and other community risks in urban areas of Wiltshire and Swindon. 	
<ul style="list-style-type: none"> • Reduce the number of tactical and strategic level uniformed manager posts. 	<ul style="list-style-type: none"> • Reduction in time available to support community safety, place shaping and other partnership work. • Reduction in capacity to manage the Service both operationally and corporately. • Reduced ability to contribute to tactical and strategic level meetings with partners and increased travel times. 	£500,000
<ul style="list-style-type: none"> • Reduce prevention resources 	<ul style="list-style-type: none"> • Cessation of Safe Drive Stay Alive, Salamander and community engagement activities. • Reduction in home fire safety checks • Reduction in arson prevention work 	£380,000
<ul style="list-style-type: none"> • Close down 3 on-call fire stations and remove the fire engines. 	<ul style="list-style-type: none"> • Increase in response times and so increase in risk of death, injury and property loss. 	
<ul style="list-style-type: none"> • Remove the second fire engines from the 5 on-call stations that have 2 fire engines. 	<ul style="list-style-type: none"> • Reductions in resilience and capacity. • Loss of FRS presence within the community. • Reduced ability to manage the fire and other community risks. • Reduction in morale of remaining on call firefighters. 	£450,000 £550,000

The table below indicates the advantages, disadvantages and opportunities associated with each Authority choosing to stand alone, downsize support functions and reduce service capability.

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Option 1: Each Fire Authority and Service to remain and act independently including reducing support functions and front-line services

Criteria	Advantages	Disadvantages	Opportunities
We need to maintain and where possible improve organisational performance.	No change to governance arrangements	<p>Need to instigate a very significant programme of cuts or cessation to our proactive community based education programmes.</p> <p>Reduced ability to undertake meaningful proactive partnership working in areas such as community safety.</p> <p>More would need to be done by others if vulnerable people were placed at increased risk through increased response times and reduced capabilities</p> <p>Organisational and operational resilience would be significantly reduced</p> <p>Poorer partnership offering at local and regional levels</p> <p>Services remain vulnerable</p>	No requirement for a major change programme to be initiated.
We need to maintain and where possible improve operation performance to strengthen front-line services.		<p>Deep and damaging cuts to service delivery, including potential fire station closures and extending response time to fires and other emergencies. Significant loss of firefighters and special support</p> <p>Reduced ability to meet Statutory Duties of Act and requirements set out in the National Framework for Fire and Rescue Services.</p>	Innovative ways of delivering operational performance would have to be developed and delivered.
We need to continue to be financially secure now and in the future to maintain front-line services.	Budgetary savings could be made meet the predicted financial shortfall in the short-term.	Limited opportunities to share technical officers and senior management to realise savings	

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5.3 Conclusion

5.3.1 It has been determined that there are no significant opportunities associated with Dorset and Wiltshire maintaining their current stand-alone arrangements. Addressing the financial gap in this way would lead to be very significant negative impacts on service delivery in both counties. The resulting fire and rescue services that could be provided would be largely reactive, with longer turn out times directly threatening public safety.

5.3.2 This reality was reflected in Sir Ken Knight's report 'Facing the Future: Findings from the review of efficiencies and operations in fire and rescue authorities in England' in which he states:

'Whichever way I look at the efficiencies picture it seems to me that the scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through individual local action' (p70)

5.3.3 There is also the very real prospect that this approach would inevitably have a negative impact on all of the good work that is done by both Services in preventing deaths, serious injuries and delivering wider community benefits. The value to the public from its fire and rescue service would be considerably diminished.

5.3.4 Developing independent plans to address our financial deficits would inevitably lead to both Authorities having to further downsizing support departments which would increase risk to Service performance through reduced organisational resilience and result in a significant degradation of service delivery functions. In short, 'going it alone' will only make our respective situations worse, impact on our communities and our ability to support effective partnership working.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£3.1 - £3.9m	£0	£2.3 - £3.2m	£0					

PROTECT

6. Option 2 - Each Fire Authority and Service to remain independent and share some corporate/support functions

6.1 Although many district councils have shared management arrangements, whilst maintaining democratically separate authorities, there are many disadvantages to this type of arrangement such as:

- ◆ Two authorities, with decisions having to be agreed by both authorities, over one management team.
- ◆ Two budgets and sometimes complex cost apportionment across the authorities when policy positions differ.
- ◆ Inefficient use of senior management time to support the authorities and their elected members, particularly given the rural nature of the counties and large geographic coverage of some of the potential arrangements.
- ◆ Less political influence and 'say' at regional and national level.
- ◆ Lower financial savings on corporate contracts and arrangements.
- ◆ Opportunities for policy differences to emerge.
- ◆ Different levels of reserves and financial plans.

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Option 2: Each Fire Authority and Service to remain independent and share some corporate/support functions

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>		<p>Inefficient use of senior management time to support the authorities and their elected members, particularly given the rural nature of the counties and large geographic coverage of some of the potential arrangements</p> <p>Opportunities for policy differences to emerge</p>	<p>Delivery teams in prevention and protection could be brought together to ensure momentum was maintained.</p> <p>No requirement to undertake a formal business case for combination would maximise managerial capacity in the short term.</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>		<p>Two authorities, with two directing minds, over one management team</p> <p>Less political influence and 'say' at regional and national level</p>	<p>Ability to enter into more formal section 13/16 arrangements to maximise operational resource availability.</p>
<p>We need to continue to be financially secure now and in the future to maintain front-line services.</p>		<p>Two budgets and sometimes complex cost apportionment across the authorities when policy positions differ</p> <p>Lower financial savings on corporate contracts and arrangements</p> <p>Different levels of reserves and financial plans</p>	<p>Savings from functional reviews could potentially be delivered by putting in place revised managerial arrangements.</p>

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6.2 Conclusion

6.2.1 There are significant negative issues associated with this option and as a consequence limited analysis has been undertaken to date. The figures in the table below identifying the potential savings available for each Authority do not include those savings that could be made by reducing the number of uniformed staff involved in operational command and control that are suggested in the tables on pages 9 and 10. This is because these figures refer to potential savings from a fire to fire combination.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£864k	£2.236 - £3.036m	£930k	£1.37 – £2.27m					

6.3 Fire to Fire - statutory combination

6.3.1 In order to assess how effectively a fire to fire combination might meet the strategic outcomes required by both Wiltshire and Dorset a revised methodology has been used. The reason for this change of approach reflects the fact that there are a number of fire-fire options and a statutory combination is a legislative possibility. It would also provide the maximum level of financial savings to help to protect front line services.

6.4 Assessment Criteria

6.4.1 The IDeA identified a set of common criteria for successful mergers between public sector bodies. It suggests that the most successful mergers are those where one or more of the following criteria apply to the organisations that are seeking to combine:

- ◆ Share a boundary
- ◆ Are not disproportionate in size
- ◆ Have organisational similarities
- ◆ Have similar levels of performance
- ◆ Have a shared focus on savings

6.4.2 In addition, a broad qualitative assessment that covered the following areas was also considered for each of the fire-fire combination options:

- ◆ Does combination offer benefits in respect of public safety, efficiency and organisational resilience?
- ◆ Current levels of fire precept - would the reconciliation of fire precept be achievable and politically acceptable?
- ◆ Is there likely to be political support for a combination amongst elected members?
- ◆ Ability to form a single senior management?
- ◆ Geographical alignment, is there sufficient geographical alignment for a combination to be operationally practical?
- ◆ Organisational similarity, is there sufficient similarity in terms of the mix of duty systems, performance, management and the nature of community risks?

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7. Option 3 - The two Fire Authorities and Services to merge into a new Authority and Service

7.1 The two Fire Authorities share a number of boundaries with other fire authorities - Wiltshire has seven and Dorset has three. Of these 10 options, two represent the shared boundary between Dorset and Wiltshire. Therefore the following nine options were considered against the criteria:

- ◆ Wiltshire & Swindon CFA and Royal Berkshire CFA
- ◆ Wiltshire & Swindon CFA and Oxfordshire County Council
- ◆ Wiltshire & Swindon CFA and Hampshire CFA
- ◆ Wiltshire & Swindon CFA and Devon and Somerset CFA
- ◆ Wiltshire & Swindon CFA and Gloucestershire County Council
- ◆ Wiltshire & Swindon CFA and Avon CFA
- ◆ Dorset CFA and Hampshire CFA
- ◆ Dorset CFA and Devon and Somerset CFA
- ◆ Wiltshire & Swindon CFA and Dorset CFA

7.2 The following table indicates the respective scoring of each Authority following application of the assessment criterion. Appendix B contains a general description of each respective Fire Authority and their suitability as partners in a combination.

Strategic Option	Score (out of 50)
Wiltshire & Swindon CFA combining with Dorset CFA	47
Wiltshire & Swindon CFA combining with Hampshire CFA	41
Dorset CFA combining with Hampshire CFA	41
Dorset CFA combining with Devon & Somerset CFA	38
Wiltshire & Swindon CFA combining with Devon & Somerset CFA	37
Wiltshire & Swindon CFA combining with Royal Berkshire CFA	36
Wiltshire & Swindon CFA combining with Oxfordshire County Council	35
Wiltshire & Swindon CFA combining with Gloucestershire County Council	35
Wiltshire & Swindon CFA combining with Avon CFA	30

7.2.1 The analysis identified that the prospective combination of the Wiltshire and Dorset Fire Authorities is the most viable option to achieve the strategic outcomes within the required timescales. The table below indicates some of the clear synergies that the analysis identified between the two Authority areas.

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Key Comparators			
	Dorset	Wiltshire	Total
Socio-economic			
	Dorset	Wiltshire	
Population	774,338	684,028	1,458,366
Area (in hectares)	276,365	348,000	624,365
Number of domestic properties	336,103	280,868	616,971
Number of non-domestic properties	29,331	19,243	48,574
Operational			
No of fire stations	26	24	50
On-call fire stations	19	18	37
No of incidents attended 2012/13 within county	8,509	6,139	14,648
Total fires	1,870	1,486	3,356
Total accidental dwelling fires	487	322	809
Number of wholetime firefighters	210	144	354
Number of on-call firefighters	375 (64%)	337 (70%)	712 (67%)
Number of corporate staff, non-uniformed service delivery and Fire Control	180	145	325
Financial			
Budget 14/15	£29.847m	£24.804m	£54.651m
Predicted deficit in 2017/18 (best case)	£2.3m	£3.1m	£5.4m
(worst case)	£3.2m	£3.9m	£7.1m
Council tax Band D 14/15	£66.60	£63.62	CFA Ave. £70.48
Grant per head of population 14/15	£15.57	£14.83	CFA Ave. £19.02
Political			
Unitary Authorities	3	2	5
Size of Fire Authority	15	13	28
Political make up as 30 April 2014	10 Conservative 3 Lib Dems 1 Labour 1 Independent	9 Conservative 2 Lib Dems 1 Labour 1 Independent	19 Conservative 5 Lib Dems 2 Labour 2 Independent

- 7.2.2 A combination of the two authorities would require a Combination Order under the Fire and Rescue Services Act 2004. This can be a relatively quick procedure with officers at DCLG on hand to provide support. It should also be noted that the process associated with combination orders is to be made more efficient through the proposals within the draft De-regulation Bill, currently at the Parliamentary scrutiny stage. A combination could also be achieved with little

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loss of public identity and the new Authority could be broadly the same size as the two existing Authorities.

7.2.3 There are distinct advantages to a single authority model.

- ◆ It would be a 'cleaner' legal arrangement for politically overseeing the converged services.
- ◆ It would have a single budget and be able to direct policy to senior management in a unified way.
- ◆ Senior management time would be used much more efficiently and effectively to drive through reform and cultural change.
- ◆ Democratic support costs such as audit, committee services, clerking, etc, would be considerably less and the Authority would be able to realise additional savings through single corporate licences.

7.2.4 Not only would managerial and financial efficiency be harvested, but the Authority would be a very significant player within the fire and local government sectors. A combined Authority would have a budget of around £55m, 50 fire stations and serve a population of around 1.5 million people. This would see Dorset and Wiltshire as the fourth largest combined fire authority by fire station numbers and sixth largest by expenditure. This combined influence would inevitably help to shape the destiny of public services engaged in response and community safety within the areas currently served by Dorset Fire Authority and Wiltshire and Swindon Fire Authority.

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Option 3: The two Fire Authorities and Services to merge into a new Authority and Service

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>	<p>A fire-fire combination would be able to make significant savings of in the region of £4 million while increasing community safety and education work in partnership with local authorities, blue-light service and the voluntary sector.</p> <p>There are synergies between blue-light services and local authorities in many corporate areas such as HR, ICT, and finance that could be pursued to make further financial savings and efficiencies if a secure fire-fire foundation was in place.</p> <p>Dorset and Wiltshire would be the fourth largest combined fire authority by fire station numbers and sixth largest by expenditure in England. This combined influence would inevitably help to shape the destiny of public services engaged in response and community safety within the areas currently served by Dorset Fire Authority and Wiltshire and Swindon Fire Authority.</p> <p>Ability to strategically deal with an ageing workforce, through more strategic succession planning and increased recruitment opportunities</p>		<p>A secure fire-fire foundation would enable opportunities for further financial savings and efficiencies to be pursued with local authorities and blue-light services to make sure economies of scale within the public sector were being maximised.</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>	<p>Due to technical synergy Fire-fire combination is able to rationalise specialist officer posts and make significant savings while ensuring the</p>		<p>A secure fire-fire foundation would allow opportunities for further efficiencies to be pursued in technical operational areas such as Hazardous Area Response</p>

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Criteria	Advantages	Disadvantages	Opportunities
	<p>safety of the public, business community and fire-fighters is maintained.</p> <p>Senior management time would be used much more efficiently and effectively to drive through reform and cultural change</p> <p>By combining our corporate and technical support teams we will be able to improve overall capacity and resilience, with consequential benefits to frontline service delivery.</p> <p>Operational composition and performance is also extremely similar and, of course, we share a border.</p> <p>Operationally we will also be able to enjoy a wider perspective on our integrated risk management planning (including exploiting synergies between our capital investment requirements) which may potentially help mitigate the risk of change for our communities</p>		<p>Teams and Urban Search and Rescue Teams to be pursued.</p> <p>A secure fire-fire foundation would allow opportunities for further efficiencies to be pursued in technical operational areas with the police such as JESIP training.</p>
<p>We need to continue to be financially secure now and in the future to maintain front line services.</p>	<p>There are significantly greater technical savings to be realised through a fire to fire combination than all of the other options.</p> <p>‘Cleaner’ legal arrangement for politically overseeing the converged services. And directing policy.</p> <p>Democratic support costs such as audit, committee services, clerking, etc.; would be considerably less and</p>		

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Criteria	Advantages	Disadvantages	Opportunities
	<p>the Authority would be able to realise additional savings through single corporate licences.</p> <p>Dorset and Wiltshire are ideally suited and it is widely regarded that it could be a partnership of equals.</p> <p>Duplication of systems, processes and transactions will also largely be avoided and some economies of scale will be secured from future procurement.</p>		

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7.3 Conclusion

- 7.3.1 It is the opinion of both CFOs and their senior management teams that a fire to fire combination represents the best and most viable way of moving forward to secure a solid foundation from which the new authority can deliver safe, strong and sustainable services. This approach maximises the corporate and technical synergies and savings, helping to further minimise reductions to service delivery to achieve financial solvency.
- 7.3.2 This foundation will also allow further consideration to be given to the opportunities to maximise savings through more formal collaboration with local authorities and other emergency services.
- 7.3.3 By combining our technical teams we will be able to improve overall capacity and resilience, with consequential benefits to maintaining frontline service delivery. When compared to other options, we estimate that approximately twice the initial financial savings can be secured within the required timescales. This equates to savings in the region of £4m annually for the new Authority.
- 7.3.4 Whilst this would not fully bridge the financial deficits we face, it would allow the impacts on service delivery to be significantly minimised, with more implementation time to help avoid compulsory firefighter redundancies.
- 7.3.5 A combination between our Authorities will also unlock a number of other benefits:
- ◆ Greater organisational effectiveness to work at a local level with local authorities, blue light services and other key partners, through more resilient resource arrangements.
 - ◆ Greater strategic political influence.
 - ◆ Ability to strategically deal with an ageing workforce, through more strategic succession planning and increased recruitment opportunities (This is a significant and common strategic risk for both Authorities).
 - ◆ Operationally we will also be able to enjoy a wider perspective on our integrated risk management planning (including exploiting synergies between our capital investment requirements) which may potentially help mitigate the risk of change for our communities.
- 7.3.6 Creating a new and larger Authority will also allow us to be a stronger and financially 'healthier' organisation. Our strategic intent is therefore to develop a business plan to maximise the savings and synergies between through combination while focusing on the real transformational opportunities that this will open up with local authorities and other emergency services.
- 7.3.7 In designing a potentially new Service we would also want to redefine it in order to reap the economies of scale and resilience that derive from being a larger organisation, whilst ensuring that we operate at a local, community based level. We want to build on our existing community work, infrastructure and governance to play a greater role in the community,

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working with local agencies to help and broker local people and bodies to take local action. The recent flooding in our counties provides an excellent example of how we could use of our expertise and local infrastructure to enhance prevention and response at a community level.

7.3.8 As part of the business case development and to complement the process of due diligence, both Fire Authorities have already commissioned an independent joint strategic assessment. The Fire Safer 2020 report identifies the key strategic issues that will face the communities of Wiltshire, Swindon and Dorset in the coming years. Some of the key strategic issues that the report confirms are;

- ◆ The significant financial pressures that will be faced in the public sector
- ◆ The significant rise in the age of the general population
- ◆ Technological challenges
- ◆ Potential stagnation of the Fire and Rescue Service workforce.
- ◆ The changing role of the Fire and Rescue Service.
- ◆ The challenges of maintaining operational competence against a reduction in the amount of experience being gained by individuals at incidents

7.3.9 It has been used to ensure that the proposed vision and organisational structures and focus of a new Authority that are set out within the business case reflect the actual challenges that are likely to develop.

7.3.10 However, given the financial predictions that have been made, further changes will still need to be made to the way that front line services are delivered in the future. What is clear is that the impact of those changes on community safety will be minimised through the realisation of greater savings in other areas of the business and through the increased economies of scale and opportunities that result from having more baseline operational resilience.

7.3.11 Initial work has already indicated that with a larger pool of full-time firefighters who would be under the same contractual arrangements we should be able to develop and deliver more resilient and efficient crewing arrangements. Subject to more detailed analysis early indications suggest savings of up to £1.5 million would be potentially available.

We also recognise that the new organisation will need to be able to build on existing capabilities and areas of expertise. For example, in Dorset the Streetwise safety centre concept has proved to be very successful and the plan is for this to be replicated in Wiltshire and potentially Swindon. The capital costs associated with this enterprise, as well as the costs for the development of a strategic hub and the integration of ICT infrastructure form part of a joint bid for transformational government funds.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
				£5.5m	£0-£1.60m			

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8. Option 4 - Each Fire Authority and Service to remain independent and collaborate with their local authorities to maximise savings in corporate and support departments
- 8.1 There are five unitary or upper tier local authorities within the two county areas of Wiltshire and Dorset. These are:
- ◆ Bournemouth Borough Council
 - ◆ Dorset County Council
 - ◆ Borough of Poole
 - ◆ Swindon Borough Council
 - ◆ Wiltshire Council
- 8.2 Both fire and rescue services work closely and very successfully with the local authorities in their counties. There is a strong track record of collaboration and co-operation that needs to continue to develop, and where necessary improve whatever direction we take so that we continue to support all of our communities and particularly those who are most vulnerable in society.
- 8.3 Whilst there are fire specific differences, clearly many synergies exist between fire and rescue services and local authorities. This is particularly the case in many corporate areas such as HR, ICT, finance, etc. There may also be scope for savings to be realised through the rationalisation of management and staffing structures.
- 8.4 It is estimated that savings in the region of £930k for Dorset and £712k for Wiltshire might reasonably be achieved through stand-alone fire and local authority collaboration, but other fire specific synergies will not then be able to be fully harvested. For example, in Wiltshire and Dorset this will mean that further potential annual savings of £952k and £760k respectively will not be available.
- 8.5 To ensure financial solvency both fire authorities must address their significant predicted financial shortfalls. By 2017/18, the financial gap faced by Dorset means further annual savings of £2.3m - £3.2m need to be secured from a £30m budget. Similarly, for Wiltshire additional annual savings of £3.1m - £3.9m are required, from a £25m budget. Maximising savings within this very limited timescale is therefore a critical aspect of assessing the viability of any formal strategic collaboration or combination option.
- 8.6 The main difference in determining the scale of potential savings available when comparing local authority collaboration with the fire to fire option is naturally within the operational sphere. Specialist fire trained staff and flexi-duty officers who provide the higher levels of operational command and control simply cannot be rationalised with local authorities as they do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents.
- 8.7 In addition, future opportunities like fleet rationalisation of specialist appliances, such as fire and rescue incident command units, may not be realisable through local authority collaboration. In essence, although synergies and savings can be achieved through more formal collaborative arrangements with local authorities, they would simply not deliver the

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same level of savings that are achievable from a fire to fire combination. This means that the financial shortfall would need to be made up from additional cuts to frontline services.

- 8.8 However, if the savings available from the operations were maximised through a fire to fire combination then there would clearly be scope to re-examine the opportunities that would exist with a larger more viable fire and rescue service working collaboratively with local authorities to deliver support services and some elements of frontline provision to maximise synergies and efficiencies.
- 8.9 Against this backdrop, it should also be noted that during this same time period all five local authorities will face significant financial challenges of their own due to reductions in Government grant funding.
- 8.10 The table below sets out the advantages, disadvantages and opportunities associated with developing more formal collaborative arrangements between fire authorities and upper tier local authorities.

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Option 4: Each Fire Authority and Service to remain independent and collaborate with their local authorities to maximise savings in corporate and support departments

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>	<p>Scope for some savings through the rationalisation of fire and local authority management and staffing structures.</p> <p>Synergies between fire and local authorities in many corporate areas such as HR, ICT and finance would yield half of the available financial savings.</p> <p>Further synergies could be secured in some specialist areas such as education programmes and general community work to reduce duplication and delivery joint provision and delivery points such as community hubs/front desk support.</p> <p>There are many synergies between fire and local authorities in many corporate areas such as HR, ICT and finance.</p> <p>More resilience in back office functions may arise</p>	<p>By maintaining the current size of our Authorities, our strategic influence on the policy debate around further blue light integration may be diminished.</p> <p>Reduce ability to undertake meaningful proactive partnership working in areas such as community safety as only half the savings would be realised.</p> <p>Further significant cuts to service delivery would be necessary as only half the savings would be realised.</p> <p>There is the potential for costs in some back-office areas to increase through buying into larger systems and frameworks Local authorities who do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents</p> <p>Resilience in technical support and specialist areas would remain as a cause of concern</p>	<p>There would be the opportunity to further investigate the synergies that exist in areas such as developing community volunteers and delivering joined up services through initiatives such as Safe and Independent Living (SAIL)</p> <p>Learning and support in such areas as organisational development and general leadership and management training may be improved.</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>	<p>There may be some technical areas whereby operational performance could be increased, eg communications</p>	<p>Local authorities who do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents</p> <p>Future opportunities such as fleet rationalisation of specialist appliances, eg incident command units, aerial appliances; may not be realisable.</p> <p>Technical support specific to fire would not be available through local authority arrangements</p>	

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Criteria	Advantages	Disadvantages	Opportunities
<p>We need to continue to be financially secure now and in the future to maintain front line services.</p>	<p>Some budgetary savings could be made to make up some of the predicted financial shortfall.</p>	<p>By realising less than half of the available savings, further reductions to service delivery would be inevitable. Other savings would be long-term outstripping existing reserves to set a balanced budget without additional cuts to frontline services</p> <p>Further potential annual savings of £1.25m and £1.13m respectively from Dorset FRS and Wiltshire FRS will not be available, as specialist fire staff and flexi-duty officers cannot be rationalised with local authorities</p> <p>Demand for key areas of council expenditure such as adult care and children services are set to increase by as much as 20% over the medium term.</p> <p>Significant costs pressures will inevitably affect financial prioritisation on council budgets going forward</p> <p>There are currently a number of county councils that are examining the benefits of moving fire out of county structures due to a lack of economies of scale and savings caused by poor functional integration.</p> <p>As fire would become part of a much wider capital programme under a local authority model, competition for capital expenditure may force expenditure into other more pressing requirements and fire investment may fall, leading to a potential increase in revenue requirements.</p>	<p>By securing a solid financial foundation through a fire-fire combination there would be the potential to seek further efficiencies from formal collaboration with local authorities for the provision of back office functions in a number of areas.</p>

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8.11 Conclusion

- 8.11.1 There are clearly many synergies between fire authorities and local authorities and financial savings could be made through formal collaboration. However, it is also clear that the opportunity for maximising financial savings is much greater through fire to fire collaboration or combination. The realisation of the operational and technical savings identified in the business case, is a vital element in ensuring that front line services are protected as far as possible.
- 8.11.2 In isolation more formal collaboration with local authorities does not provide the necessary strategic outcomes that are required within the available timescales in order to ensure solvency is developed in a sustainable way.
- 8.11.3 However, by securing a solid financial foundation through a fire-fire combination there would be the potential to seek further efficiencies from formal collaboration with local authorities for the provision of back office functions in a number of key areas. This provides the foundations to option 7.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£712K	£2.388-£3.188m	£930k	£1.37-£2.27m					

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9. Option 5 - Each Fire Authority and Service to remain independent and collaborate with their individual police forces to maximise savings in corporate and support departments
- 9.1 There has been some discussion about the merits of removing fire authorities and placing fire and rescue services under the control of Police and Crime Commissioners even though this would require a change in legislation. However, recent Government announcements made by the Policing Minister, Damien Green MP, (Green, 2014) have confirmed that such changes will not happen in the foreseeable future and fire authorities will retain control of fire and rescue services. As a result of this policy statement, the only option for fire authorities would be to seek to increase the use of shared service agreements with their respective police force counterparts.
- 9.2 The two fire and rescue services and their respective police forces clearly share organisational boundaries and they collaborate where this provides mutual organisational or community benefits. Operationally, this is through initiatives such as the Joint Emergency Services Interoperability Programme (JESIP). This lays down common working arrangements and terminology, whilst recognising the different capabilities brought by very different organisations.
- 9.3 Where commonalities exist between the fire and police sectors there are efficiencies to be made or service improvements to be achieved; these are already being exploited locally by:
- ◆ Police officers operating out of fire stations in both counties
 - ◆ Specialist police staff training fire and rescue personnel in emergency vehicle driving.
 - ◆ Specialist fire and rescue service officers training police staff in the more specialist areas of fire scene investigation and providing technical support for the more complex criminal investigations involving fires.
 - ◆ Police and fire officers' working together routinely to reduce the number of road traffic collisions and the levels of anti-social behaviour in their communities.
 - ◆ Police and fire officers working together routinely when managing safety in licensed premises and in preparing for major multi-agency incidents and events.
- 9.4 There is also the potential for further joint working to take place between police and fire in the prevention of incidents. HM Chief Inspector of Police, Tom Winsor has proposed that police forces increase their focus on the prevention of crime rather than focusing on catching criminals. He also widened the responsibility for crime prevention beyond police forces to include '...other agencies and emanations of communities and the state' (Winsor, 2013).
- 9.5 In terms of the need to improve future operational performance, such as the ability to provide specialist operational resources, police forces operate under different legislation and report to different ministerial departments to fire and rescue services. The lack of commonality between the respective areas of technical expertise and competence means that there are limited opportunities to improve future organisational resilience, such as the ability to handle

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staff absence and respond to major incidents in the way that can be seen from a fire to fire combination. Indeed, for two largely rural fire and rescue services, further collaboration may require considerable additional costs to further engage on-call firefighters.

- 9.6 Similar to the local authority option, there are comparable corporate and back-office savings that could be realised from working collaboratively with the police. Further low level technical savings may also be realisable, beyond the fire/local authority model. Previous tables in this report indicate the levels of savings that could be made and these are estimated to be around £915k for the Dorset and £817k for Wiltshire. These figures fall far short of the potential savings that are available from a fire to fire combination, realising less than half of the available annual savings, and this would inevitably lead to further reductions to service delivery.
- 9.7 In addition, according to the BBC News (BBC, 2014) Wiltshire Police will need to save £15m over the next six years and the Police and Crime Commissioner, Angus McPherson, has announced plans to cut the number of front line police staff by 170 over the same period. It is also the case that as a result of shared services agreements many of Wiltshire police's back office functions are already being delivered by Wiltshire Council.
- 9.8 In December 2013, Dorset's Police and Crime Commissioner, Martin Underhill, confirmed that he had considered merger options with neighbouring police forces to achieve the financial savings of £22.5 million required over the four years to March 2015 (Western Daily Press, 2013). Dorset Police initially considered a merger with Hampshire Police but now plan to develop a strategic alliance with Devon and Cornwall Police. Their rationale is that this will enable them to collaborate effectively across all areas of policing and to manage future budget cuts (Western Morning News, 2013).
- 9.9 According to the Chief Constable of Dorset, Debbie Simpson, the proposal has been put forward to protect front line services despite increasing pressure from grant reductions, '*...both forces are determined to put the public first while identifying the necessary savings*'. The Chief Constable explains, '*...both forces are strong performers and have broadly similar policing styles. There is also considerable trust between the two organisations*' (Western Gazette, 2013).

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Option 5: Each Fire Authority and Service to remain independent and collaborate with their individual police forces to maximise savings in corporate and support departments

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>	<p>Scope for some limited savings through the rationalisation of fire and police management and staffing structures.</p> <p>Synergies between fire and police services in many corporate areas such as HR, ICT and finance.</p> <p>Synergies between fire and police services in many corporate areas such as HR, ICT and finance.</p>	<p>By maintaining the current size of our Authorities, our strategic influence on the policy debate around further blue light integration may be diminished.</p> <p>Reduce ability to undertake meaningful proactive partnership working in areas such as community safety.</p> <p>Police service staff do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents.</p> <p>Fire and police mobilise and manage their resources at emergencies in fundamentally different ways and no technical solution exists in the UK at the moment to overcome this</p>	<p>Potential to adopt a single approach to community safety and crime reduction on a formal basis.</p> <p>Further opportunities for additional co-location are being actively discussed.</p> <p>There may be further areas where frontline delivery could be enhanced however with Dorset and Wilts both 60 % on-call costs of further engagement could be considerable</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>		<p>Police services staff do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents</p> <p>Future opportunities such as fleet rationalisation of specialist appliances, eg incident command units, aerial appliances; may not be realisable.</p>	<p>Some general areas of learning and development and organisational development, leadership and management training may be enhanced through more formalised collaboration.</p>
<p>We need to continue to be financially secure now and in the future to maintain front-line services.</p>	<p>Some budgetary savings could be made to make up some of the predicted financial shortfall.</p>	<p>Police services face considerable reductions in their levels of funding.</p> <p>By realising less than half of the available savings, further reductions to</p>	

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Criteria	Advantages	Disadvantages	Opportunities
		<p>service delivery would be inevitable.</p> <p>Different approaches and technological challenges may cause overall costs to rise.</p> <p>Different legislation, organisational priorities and Ministerial reporting departments for police, ambulance and fire, make blue light integration very much a longer-term agenda.</p> <p>Many of the financial savings will take considerable time to come through, and require significant changes to primary legislation.</p> <p>The time to reap these complex financial efficiencies will outstrip our financial reserves and they are already being relied upon in Wiltshire to set a balanced budget.</p>	

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9.10 Conclusion

- 9.10.1 There are clearly synergies between fire and police and financial savings could be made through formal collaboration. However, like the local authority option, it is also clear that the opportunity for financial savings is much greater through fire to fire combination. The realisation of these savings is a vital element in ensuring that front line services are protected as far as possible.
- 9.10.2 It has therefore been determined that as a stand-alone option more formal collaboration with the police does not provide the necessary strategic outcomes that are required within the timescales available. As with the local authority option, comparable corporate and back-office savings could be secured. Some low level technical additional savings may also be realisable beyond the fire/local authority model; however, the gains sometimes being spoken of are more about the effectiveness and interoperability of blue light working than realising financial efficiencies.
- 9.10.3 However, as with the local authority option, by securing a solid financial foundation through a fire-fire combination there would be the potential to seek further efficiencies from an extension of formal collaboration with the police that may result in additional savings by maximising economies of scale or through technical synergies.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£817k	£2.283-£3.083m	£915k	£1.385-£2.285m					

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10. Option 6 - Each Fire Authority and Service to remain independent and collaborate with South West Ambulance Service to optimise the use of premises
- 10.1 The ambulance trust that serves the counties of Wiltshire and Dorset is the South Western Ambulance Service NHS Foundation Trust (SWAST). It is an organisation that now serves the whole of the South West region of England including:
- ◆ Bath and North East Somerset
 - ◆ Bristol
 - ◆ Cornwall and the Isles of Scilly
 - ◆ Devon
 - ◆ Dorset
 - ◆ Gloucestershire
 - ◆ Wiltshire
 - ◆ Somerset
 - ◆ South Gloucestershire
 - ◆ Swindon
- 10.2 Clearly the lack of co-terminosity, coupled with different core technical competencies, ministerial reporting structures and legal arrangements, make it very difficult to achieve formal collaboration on the scale required and within the pressing financial timetables that Dorset and Wiltshire Fire Authorities are facing.
- 10.3 In fact the joint Chief Fire Officers' Association (CFOA), Association of Ambulance Chief Executives (AACE) and the Association of Chief Police Officers (ACPO) statement on interoperability has indicated that the ambulance service would not consider any formal amalgamation with fire unless there were nine or ten regional fire and rescue services in place. However, this is unlikely to happen as there is currently no central policy directive from DCLG to move away from the locally focused fire and rescue service delivery model.
- 10.4 The ambulance service is also seen as being a key part of the NHS and manages a wide range of NHS matters apart from its emergency response remit. When it does respond, it attends many more incidents than the fire and rescue service per resource and in many ways it operates in a much more reactive way.
- 10.5 The main areas of similarity between fire and ambulance services include the work of the specialist Hazard Area Response Teams (HART) and fire and rescue service Urban Search and Rescue (USAR) teams. There are no HART or USAR teams in Dorset or Wiltshire. These capabilities are brought in when required from neighbouring counties. It has been proposed that HART and USAR teams work under one organisation due to their similarities (Elwood and Philips, 2013). It would make sense for this to be under the fire and rescue service due to the nature of the work.
- 10.6 A further area of commonality is working at road traffic collisions and other time-critical emergencies. However, fire and rescue service and ambulance teams only work together at

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2% of the calls the ambulance service responds to. This statistic demonstrates a potential lack of operational synergy between the two organisations.

- 10.7 There are very specific organisational and technical competences for fire and rescue services and for ambulance services and, as with the police, they are very different. They also operate using very different governance arrangements that do not provide the same level of local accountability and ownership that exists with fire and rescue services.
- 10.8 Fire and rescue services are also able to provide greater levels of integration with other partner agencies at a local level through our prevention, protection and education work. Ambulance trusts also work under different legislation from fire and rescue services and report to different Government Ministers and departments.
- 10.9 Wiltshire and Dorset FRSs already carry out co-responding activity on behalf of SWAST. This work has been done in collaboration with the ambulance service for many years and does not require closer integration to continue working effectively.
- 10.10 There could be opportunities for a greater utilisation using the prevention expertise of fire and rescue services to reduce the burden on the NHS, as described by Marmot (BBC iplayer, 2013). There could also be the opportunity for some of the contingent capability of the Fire and Rescue Service to be utilised to support the NHS where it is overstretched. However, a recent joint statement by ACPO, AACE and CFOA identified the separation between the NHS and other agencies and the perceived need to maintain that separation.
- 10.11 As explained previously, there is much discussion at a national level over long term future plans to bring together the various emergency services into one organisation. This approach could provide some savings and benefits in the long term but it would not provide the savings that are needed in the next few years by Dorset and Wiltshire Fire Authorities. Instead, each organisation would potentially further outstrip its reserves in the process of attempting to pursue prospective changes.

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Option 6: Each Fire Authority and Service to remain independent and collaborate with South West Ambulance Service to optimise the use of premises

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>	<p>Scope for some very limited savings through the rationalisation of management and staffing structures</p> <p>There are synergies between fire and ambulance services in many corporate areas such as HR, ICT, and finance.</p>	<p>Reduce ability to undertake meaningful proactive partnership working in areas such as community safety due to very limited financial savings being realised.</p> <p>By maintaining the current size of our Authorities, our strategic influence on the policy debate around further blue light integration may be diminished.</p>	<p>Potential to undertake further limited work to help protect vulnerable groups.</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>		<p>Ambulance service staff do not have comparable legislative requirements or organisational competence to manage complex fires and other emergency incidents</p> <p>Future opportunities such as fleet rationalisation of specialist appliances, eg incident command units, aerial appliances; may not be realisable.</p>	
<p>We need to continue to be financially secure now and in the future to maintain front-line services.</p>	<p>Some very limited budgetary savings could be made to make up some of the predicted financial shortfall.</p>	<p>By realising only very limited available savings, further reductions to service delivery would be inevitable.</p> <p>Different approaches and technological challenges may cause overall costs to rise.</p> <p>Different legislation, organisational priorities and Ministerial reporting departments for police, ambulance</p>	

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Criteria	Advantages	Disadvantages	Opportunities
		<p>and fire, make blue light integration very much a longer-term agenda.</p> <p>Many of the financial savings will take considerable time to come through, and require significant changes to primary legislation. The time to reap these complex</p> <p>Financial efficiencies will outstrip our financial reserves and they are already being relied upon in Wiltshire to set a balanced budget.</p>	

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10.12 Conclusion

- 10.12.1 Fire to ambulance collaboration would yield only marginal financial and service delivery improvements due to the lack of organisational synergy, strategic focus and functionality. The financial imperatives would inevitably drive significant cuts to service delivery if this option were to be pursued on its own. It seems certain that there will be national and indeed local discussions as to the benefits and barriers to closer working between fire authorities and ambulance trusts and indeed all blue light services.
- 10.12.2 Both CFOs are of the view that within the current discussions there is confusion between efficiency gains (fire-fire) and improved blue light effectiveness through local integration, premises sharing and interoperability issues. It is our belief that closer 'fire-fire' working, particularly for small FRSs has far more benefits than complex and time consuming mergers or collaborations between blue light services that may not yield significant savings to stave off financial insolvency.
- 10.12.3 However, as with options 4 and 5, with a secure fire to fire foundation in place then there would be the opportunity to pursue additional technical and operational alignment that could realise some savings and enhance operational effectiveness.

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
No specific savings identified	£3.1-£3.9m	No specific savings identified	£2.3-£3.2m					

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11. Option 7 - The two Fire Authorities and Services to combine and work more closely with all of our local authorities, our police forces, South Western Ambulance and local public services
- 11.1 This option is a hybrid and delivers the benefits of options 3, 4, 5 and 6. We would be able to maximise the opportunities from a fire to fire combination and do so relatively quickly to ensure that financial savings were gained as soon as possible. In doing this, we would then want to explore all opportunities for closer working or integration of some functions within local authorities and the police, drawing upon their expertise and economies of scale.
- 11.2 By combining the fire element of this option, there would be opportunities to reduce the number of senior management positions and there are strong relations already between officers at all levels to make this work. By bringing together our corporate and technical support teams we will be able to improve overall capacity and organisational strength. By combining, we could keep our own identities, with the public largely unaware of this change.
- 11.3 We would also largely avoid duplication of systems, processes and transactions and benefit from some economies of scale from buying equipment and services in the future. When compared to other options we estimate that we can make at least twice the financial savings from this option. While this would not fully bridge the financial gap we face, it would at least allow us to significantly reduce the effects on frontline services and give us more time to help avoid compulsory redundancies. A combination between our authorities would also unlock a number of other benefits. We will be able to:
- ◆ Work at a local level with the police and ambulance and other partners by being a more effective service with greater resources to offer;
 - ◆ Have more of an influence as we will be the fourth largest combined fire authority in England by station and the sixth largest by budget;
 - ◆ Deal with an ageing workforce by recruiting more new firefighters; and
 - ◆ Have a wider view and capability when it comes to managing our risks.
- 11.4 As well as creating a strong fire to fire foundation this would enable us to be a more viable partner. By working with our local authorities we would be able to enjoy benefits of more joined up support and service delivery. Initiatives such as community hubs in Wiltshire would then be made even stronger by integrating fire related services in with other services being provided by local authorities, the police, health etc. In this way we will be able to strengthen and help deliver the wider public service agenda and better focus on the needs and wants of local communities in a truly joined up way.
- 11.4.1 We would also maintain and build upon our relationship with the Ambulance Trust particularly in the co-location of our premises which we both currently do with them and the police. This would open up areas for further savings. It would also mean that we would all enjoy stronger partnership working by operating from the same buildings.

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Option 7: The two Fire Authorities and Services to combine and work more closely with all of our local authorities, our police forces, South Western Ambulance and local public services

Criteria	Advantages	Disadvantages	Opportunities
<p>We need to maintain and where possible improve organisational performance.</p>	<p>A fire-fire combination would be able to make significant savings in the region of £4 million while increasing community safety and education work in partnership with local authorities, blue-light service and the voluntary sector.</p> <p>We would be able to have better joined up service delivery by integrating fire services in with other public agencies and bodies. Initiatives such as community hubs in Wiltshire and single budget initiatives in Swindon and Dorset could also be enhanced</p> <p>There are synergies between blue-light services and local authorities in many corporate areas such as HR, ICT, and finance that could be pursued to make further financial savings and efficiencies if a secure fire-fire foundation was in place.</p> <p>Dorset and Wiltshire would be the fourth largest combined fire authority by fire station numbers and sixth largest by expenditure in England. This combined influence would inevitably help to shape the destiny of public services engaged in response and community safety within the areas currently served by Dorset Fire Authority and Wiltshire and Swindon Fire Authority.</p> <p>Ability to strategically deal with an ageing workforce, through more strategic succession planning and</p>		<p>A secure fire-fire foundation would enable opportunities for further financial savings and efficiencies to be pursued with local authorities and blue-light services to make sure economies of scale within the public sector were being maximised.</p> <p>We would be able to have better joined up service delivery by integrating fire services in with other public agencies and bodies. Initiatives such as community hubs in Wiltshire and single budget initiatives in Swindon and Dorset could also be enhanced</p> <p>Potential to adopt a single approach to community safety and crime reduction on a formal basis.</p> <p>Further opportunities for additional co-location are being actively discussed. And could be further exploited with the police and ambulance services and others to deliver improved effectiveness and reduced costs</p> <p>The expertise and economies of scale arising from working with larger local authorities would help to drive down costs and improve effectiveness of some support departments</p> <p>There would be the opportunity to further investigate the synergies that exist in areas such as developing community volunteers and delivering joined up services through initiatives such as Safe and Independent Living (SAIL).</p> <p>Fire combination element could be</p>

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Criteria	Advantages	Disadvantages	Opportunities
	<p>increased recruitment opportunities</p> <p>Scope for some savings through the rationalisation of fire and local authority management and staffing structures.</p> <p>Further synergies could be secured in some specialist areas such as education programmes and general community work to reduce duplication and delivery joint provision and delivery points such as community hubs/front desk support.</p>		<p>undertaken by maintaining local identities and without unduly unsettling the public. Local branding can be maintained/</p>
<p>We need to maintain and where possible improve operation performance to strengthen front-line services.</p>	<p>Due to technical synergy Fire-fire combination is able to rationalise specialist officer posts and make significant savings while ensuring the safety of the public, business community and firefighters is maintained.</p> <p>Senior management time would be used much more efficiently and effectively to drive through reform and cultural change</p> <p>By combining our corporate and technical support teams we will be able to improve overall capacity and resilience, with consequential benefits to frontline service delivery.</p> <p>Operational composition and performance is also extremely similar and, of course, we share a border.</p> <p>Operationally we will also be able to enjoy a wider perspective on our integrated risk management planning (including exploiting synergies between our capital investment requirements) which may potentially</p>		<p>A secure fire-fire foundation would allow opportunities for further efficiencies to be pursued in technical operational areas such as Hazardous Area Response Teams and Urban Search and Rescue Teams to be pursued.</p> <p>A secure fire-fire foundation would allow opportunities for further efficiencies to be pursued in technical operational areas with the police such as JESIP training.</p> <p>Some general areas of learning and development and organisational development, leadership and management training may be enhanced through more formalised collaboration.</p>

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Criteria	Advantages	Disadvantages	Opportunities
We need to continue to be financially secure now and in the future to maintain front-line services.	<p>help mitigate the risk of change for our communities</p> <p>There are significantly greater technical savings to be realised through a fire to fire combination than all of the other options.</p> <p>‘Cleaner’ legal arrangement for politically overseeing the converged services. And directing policy.</p> <p>Democratic support costs such as audit, committee services, clerking, etc.; would be considerably less and the Authority would be able to realise additional savings through single corporate licences.</p> <p>Dorset and Wiltshire are ideally suited and it is widely regarded that it could be a partnership of equals.</p> <p>Duplication of systems, processes and transactions will also largely be avoided and some economies of scale will be secured from future procurement</p>		<p>Economies of scale and in-house expertise of upper tiered local authorities could be further exploited</p> <p>Shared facilities and properties can be further extended to blue light partners and other public authorities to reduce costs and improve service delivery.</p>

Wiltshire & Swindon CFA		Dorset Fire Authority		New Combined Fire Authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
				£5.5m	£0-£1.60m			

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Appendix A

Medium term financial predictions

Table 1 - Wiltshire and Swindon Fire Authority's medium term financial plan predictions

WILTSHIRE	2013/14	2014/15	2015/16	2016/17	2017/18
Fire Precept Band D (£)	£62.38	£63.62	£64.89	£66.18	£67.50
Increase (%)	0%	1.99%	1.99%	1.99%	1.99%
Total Fire Precept (£m)	£14.347	£14.860	£15.308	£15.769	£16.244
Collection Fund (£m)	£0.193	£0.195	£0.000	£0.000	£0.000
Government Support (£m)	£10.507	£9.749	£8.946	£8.453	£7.988
Total Funding (£m)	£25.047	£24.804	£24.254	£24.222	£24.232
Budget Requirement (£m)	£25.047	£25.102	£25.546	£26.512	£27.371
Surplus/(Deficit)(£m)		(£0.298)	(£1.292)	(£2.290)	(£3.139)
2015/16 Freeze (£m)			(£0.140)	(£0.140)	(£0.140)
2016/17 Freeze (£m)				(£0.310)	(£0.310)
2017/18 Freeze (£m)					(£0.324)
Revised Deficit (£m)			(£1.432)	(£2.740)	(£3.913)

Dorset Fire Authority's medium term financial plan predictions

DORSET	2013/14	2014/15	2015/16	2016/17	2017/18
Fire Precept Band D (£)	£65.34	£66.60	£67.86	£69.21	£70.56
Increase (%)	8.20%	1.93%	1.89%	1.99%	1.95%
Total Fire Precept (£m)	£17.550	£18.082	£18.461	£18.866	£19.272
Collection Fund (£m)	£0.126	£0.183	£0.000	£0.000	£0.000
Government Support (£m)	£12.512	£11.582	£10.613	£10.080	£9.526
Total Funding (£m)	£30.188	£29.847	£29.074	£28.946	£28.798
Budget Requirement (£m)	£30.188	£29.847	£29.465	£30.360	£31.107
Surplus/(Deficit)(£m)			(£0.391)	(£1.414)	(£2.309)
2015/16 Freeze (£m)			(£0.147)	(£0.158)	(£0.194)
2016/17 Freeze (£m)				(£0.343)	(£0.344)
2017/18 Freeze (£m)					(£0.344)
Revised Deficit (£m)			(£0.538)	(£1.915)	(£3.190)

Appendix B

Comparison of benefits of combination with neighbouring Fire and Rescue Services

Wiltshire & Swindon CFA and Royal Berkshire CFA

Royal Berkshire serves a population of 860,000 people. This is slightly larger than that served by the Wiltshire at approximately 670,000 people. It sets a precept that is lower at £60.66 for a Band D property, but receives more Government grant and it is able to set a much higher annual budget of £34m in 2014/15, compared with the £25m of Wiltshire. Residents in Berkshire would have to pay additional council tax if there were a combination of the two authorities.

Berkshire is in the South East region and it looks east to the Thames Valley and the Home Counties for its collaborations. It has fleet maintenance arrangements shared with Hampshire FRA and it is in the Thames Valley Control Partnership with Oxfordshire and Buckinghamshire. It will work much more closely with the other two FRAs in the Thames Valley in its operational delivery and in providing operational resilience in the future, rather than working with FRAs in other control partnerships. The border with Wiltshire is a relatively short one, although the M4 runs through it, and provides a useful and effective transport link between the corners of the two Authority areas.

Wiltshire & Swindon CFA and Oxfordshire County Council

Wiltshire and Oxfordshire are quite similar in terms of size and budget. However they have completely different governance structures. The whole of the area covered by Oxfordshire Fire and Rescue Service falls within one local authority area and so Oxfordshire Fire and Rescue Service forms a part of Oxfordshire County Council. If there was an attempt to combine Wiltshire and Oxfordshire there would be considerable difficulties in isolating the true costs of delivering services and providing governance and assurance in Oxfordshire. Put simply, you would not be comparing like with like. Solving issues around government grant funding and council tax would also be difficult.

Where Oxfordshire looks outside of the Council's environment for collaboration, like Royal Berkshire, it looks east to the Thames Valley and the Home Counties. Oxfordshire is in the South East region so a combination with Wiltshire would cut across regional boundaries. It is also part of the aforementioned Thames Valley Control Partnership so the same issues around operational delivery and operational resilience highlighted above apply.

Historically, there has been limited engagement between Wiltshire and Oxfordshire in comparison to other neighbouring FRSs. This is partly due to the relatively small border shared between the two organisations and partly due to the fact that they are part of different regions and have different governance models. Where there is a need for cross border working this occurs effectively. For example, Wiltshire provides the first fire and rescue service response to any incidents in Shrivenham due to its proximity to the border between the two counties.

Wiltshire & Swindon CFA and Hampshire CFA

Hampshire is broadly comparable in terms of precept levels to Wiltshire. It has set a precept for 2014/15 of £61.38 compared to the precept of £63.62 for Wiltshire. Therefore, the issue of council tax

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alignment should be easier to resolve were a combination to take effect. However, Hampshire is a much bigger organisation than Wiltshire. This difference in size means that it does not meet that element of the success criteria and a combination would in fact be a takeover. Hampshire has a much larger budget due to it receiving comparatively higher levels of Government grant and having a much larger population. Hampshire has considered a merger with the Isle of Wight FRS (ORS, 2014) and that would make the authority's area larger still.

Hampshire is in the South East region and so it tends to work closely with partners such as Royal Berkshire for fleet maintenance and West Sussex for other matters. It also works closely with Hampshire County Council and Hampshire Police through shared services agreements.

On the positive side, it is a part of the Networked Fire Control Services Partnership (NFCSP) along with Devon and Somerset, Dorset and Wiltshire. It will be operating much more closely with its NFCSP partners in its operational delivery and in providing operational resilience. It also shares a fairly long border with Wiltshire and there are some similarities between elements of each authority's risk profiles.

Wiltshire & Swindon CFA and Devon and Somerset CFA

Devon and Somerset is a much larger fire authority than Wiltshire. It has significantly higher levels of grant funding from Government and a much higher population. It has a budget that is considerably larger than that of Wiltshire. The fact that it is disproportionate in size means that it does not meet that element of the success criteria identified by the IDeA. Any combination would be a takeover rather than a coming together of two similar organisations.

Devon and Somerset also sets a much higher council tax precept than Wiltshire. Its Band D Council tax for 2014/15 has been set at £76.89 compared to £63.62 for Wiltshire. Equalisation of council tax would be a significant issue for any proposed combination, with residents of one area paying much less than those in another area towards the same organisation.

On the positive side, Devon and Somerset is a NFCSP partner and works within the South West region with Wiltshire. Similarities exist between elements of the risk profiles of Devon and Somerset and Wiltshire.

Wiltshire & Swindon CFA and Gloucestershire County Council

Wiltshire and Gloucestershire are quite similar in terms of size and budget. However, as with Oxfordshire, they have completely different governance structures and the same issues around government grant funding and council tax apply. The whole area covered by Gloucestershire Fire and Rescue Service falls within one local authority area and so Gloucestershire forms a part of Gloucestershire County Council

Whilst Gloucestershire is in the South West region, when it looks outside of the Council's environment for collaboration it looks to Hereford and Worcestershire and Warwickshire. It is not part of the NFCSP project and so Wiltshire will not be looking to work more closely with Gloucestershire in its operational delivery and in providing operational resilience.

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Historically, there has been limited engagement between Wiltshire and Gloucestershire in comparison to other neighbouring FRSs. This is partly due to the fact that they have different governance models and the fact that Gloucestershire tends to look outside of the region for its collaborative working. However, where there is a need for cross border working the two Services work effectively together. For example, this occurs for incidents in the areas in and around Malmesbury, Tetbury, Cirencester, Cricklade and Fairford such as those involving the particular risks of RAF Fairford, the Cotswold Water Parks and the A419 trunk road.

Wiltshire & Swindon CFA and Avon CFA

Like Wiltshire Avon is a combined fire authority and, although it operates one less fire station than Wiltshire (23 compared with 24), it has a much larger budget at £44M compared to the Wiltshire's budget of £25m. This is because it has predominantly whole-time fire stations and receives much higher levels government grant funding. This makes it more vulnerable to future cuts. The council tax precept in Avon is £65.30 per Band D property, slightly higher than Wiltshire's £63.62. It has a more urban and industrial risk profile and its organisational culture is different to the Wiltshire's. There is a high likelihood that pressure would be applied to divert funding towards the more urban areas of Avon such as the city of Bristol and away from the more rural areas of Wiltshire. The rural areas in Wiltshire are already staffed using very efficient models of delivery, particularly the on-call duty system. A combination with Avon would be a takeover rather than a coming together of equal partners. It would not be an easy one due to the very different political make-up of the two authorities. Two previous attempts to merge the two authorities, driven by the Avon, have been rejected by members in Wiltshire.

As a result of a public survey that it conducted in 2009, the most important focus for Avon Fire and Rescue Service is the speed with which the Service will get to the scene of an emergency (Avon Fire & Rescue, 2014). This is quite different from the approach adopted in Wiltshire where the focus is on delivering public value. Wiltshire believes that prevention is better than cure and will use professional judgement to divert resources towards preventative work if necessary, in favour of response work. Wiltshire does not want to cut back on vital prevention activities, such as the coordination of its Safe Drive Stay Alive Programme, in order to support the provision of response services. A combination with Avon would create considerable tensions over this fundamental difference of opinion on strategy.

Similarly to Gloucestershire, Avon is in the South West region, but it is not part of the sub-regional NFCSP project and so Wiltshire's focus for collaborative attentions would not be towards Avon.

Dorset CFA and Hampshire CFA

A combination of Dorset and Hampshire would face many of the same issues highlighted in the Wiltshire – Hampshire option above. The gap between Dorset and Hampshire's council tax precept is slightly bigger but the problem of aligning council tax levels would not be insurmountable. However, the disproportionate size of the two authorities means that it does not meet that element of the success criteria and a combination would in fact be a takeover. Hampshire's budget is much larger due to the reasons already highlighted.

On the positive side, Dorset and Hampshire are working together on the NFCSP project and will be operating much more closely on operational delivery and in providing operational resilience. There is

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a fairly long shared border between Dorset and Hampshire and there are some similarities between elements of each authority's risk profiles.

Dorset CFA and Devon and Somerset CFA

Again, many of the same issues would arise with a Dorset and Devon and Somerset combination as with a Wiltshire and Devon and Somerset combination. Devon and Somerset is a much larger authority than Dorset, with significantly higher levels of grant funding from Government and a much higher population. Its budget is considerably larger than Dorset's. The size differential means that it does not meet that element of the success criteria identified by the IdeA and any combination would be a takeover rather than a coming together of two similar organisations.

Devon and Somerset's council tax precept is much higher than Dorset's, at £76.89 compared to £66.60, and although the differential is slightly less than between Wiltshire and Devon and Somerset, the same issue around council tax equalisation would apply.

As with the Wiltshire and Devon and Somerset option the shared regional boundary and common NFCSP project are a positive. The two authorities share a fairly long border and have some similarities between elements of their risk profiles

Dorset CFA and Wiltshire & Swindon CFA

The Dorset and Wiltshire have a long shared border. They have similar social and economic contexts and are similar in size and composition (political, staffing, budgets, stations and rural versus urban mix). They also have similar organisational strategies of balancing prevention, protection and response activities in such a way as to maximise public value. They have similar strategic threats and levels of vulnerability and share the same key drivers for achieving financial savings, improving resilience and increasing effectiveness. They have the same natural convergence drivers such as those of operational policies and they are both members of the sub-regional NFCSP project with agreement already in place for a Joint Command and Control Centre that will be developed in Potterne. .

Dorset has 26 fire stations, a council tax precept for 2014/15 of £66.60 and a budget of £30m. Wiltshire has 24 fire stations, a council tax precept of £63.62 and a budget of £25m. These are fairly similar and should not present significant difficulties should a combination be approved.

It is anticipated that through a combination of the two authorities there would be opportunities to reduce senior managers, fire control and corporate overheads to deliver savings of at least £2-3M per annum to help to protect frontline services. Opportunities would be presented to reduce the number of senior management positions and strong relations exist between officers at all levels to make this work. The two organisations believe themselves to be a true partnership of equals. The challenges that would be presented from the combination would include the relatively poor travel links between the two counties and the need to manage through the period of transition. With 50 stations and a £55m budget, a combination of the two authorities would make the new organisation a very significant player within the sector and able to better influence future direction.

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Appendix C

Business case financial analysis Fire/Fire potential savings between Dorset and Wiltshire

	BASELINE			PREFERRED OPTION			SAVING
	STAFF COST	ONGOING REVENUE	TOTAL	STAFF COST	ONGOING REVENUE	TOTAL	
FDS / TECHNICAL SUPPORT	£4,160,600	£0	£4,160,600	£2,771,000	£0	£2,771,000	£1,389,600
PREVENTION	£1,126,043	£355,000	£1,481,043	£1,021,730	£394,590	£1,416,320	£64,723
PROTECTION	£870,056	£84,200	£954,256	£778,500	£70,601	£849,101	£105,155
RESPONSE POLICY	£280,250	£48,220	£328,470	£283,400	£37,620	£321,020	£7,450
ASSET MANAGEMENT	£1,818,591	£5,892,700	£7,711,291	£1,588,831	£5,858,500	£7,447,331	£263,960
LEARNING & DEVELOPMENT	£1,323,700	£528,600	£1,852,300	£1,376,200	£418,000	£1,794,200	£58,100
HUMAN RESOURCES	£700,737	£399,000	£1,099,737	£575,100	£345,000	£920,100	£179,637
FINANCE	£490,200	£171,900	£662,100	£473,600	£47,300	£520,900	£141,200
PRINCIPAL OFFICERS	£1,215,000	£0	£1,215,000	£865,000	£0	£865,000	£350,000

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ICT	£827,600	£2,252,400	£3,080,000	£703,460	£2,252,400	£2,955,860	£124,140
CORPORATE GOVERNANCE	£0	£940,600	£940,600	£0	£857,500	£857,500	£83,100
OTHER FUNCTIONAL AREAS	£1,371,500	£0	£1,371,500	£1,165,775	£0	£1,165,775	£205,725
FIRE CONTROL	£1,720,297	£0	£1,720,297	£962,380	£0	£962,380	£757,917
SUB TOTALS	£15,904,574	£10,672,620	£26,577,194	£12,564,976	£10,281,511	£22,846,487	£3,730,707

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SENIOR MANAGEMENT	£1,215,000	£0	£1,215,000	£865,000	£0	£865,000	£350,000
CORPORATE DEPARTMENTS	£6,532,328	£9,244,600	£15,776,928	£5,882,966	£8,921,200	£14,804,166	£972,762
SERVICE DELIVERY	£8,157,246	£487,420	£8,644,666	£5,817,010	£502,811	£6,319,821	£2,324,845
OTHER CORPORATE SAVINGS	£0	£940,600	£940,600	£0	£857,500	£857,500	£83,100
	£15,904,574	£10,672,620	£26,577,194	£12,564,976	£10,281,511	£22,846,487	£3,730,707

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	Dorset & Wiltshire Baseline Cost	Indicative New Authority Cost	Likely Mid-point Saving	Likely Upper-point Saving
SENIOR MANAGEMENT	£1,215,000	£865,000	£350,000	£402,500
SERVICE DELIVERY	£8,644,666	£6,319,821	£2,324,845	£2,673,572
CORPORATE DEPARTMENTS	£15,776,928	£14,804,166	£972,762	£1,118,676
OTHER CORPORATE SAVINGS	£940,600	£857,500	£83,100	£95,565
TOTAL	£26,577,194	£22,846,487	£3,730,707	£4,290,313