



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Fire and Rescue Service Efficiency

A report by the Chief Fire and Rescue
Adviser for Wales

October 2014



Digital ISBN 978 1 4734 2954 3

© Crown copyright 2015

WG24318

Role of the Chief Fire & Rescue Adviser and Inspector for Wales

Fire & Rescue Services Act 2004

Section 28 Inspectors

(1) Her Majesty may by Order in Council appoint inspectors, and the Secretary of State may appoint assistant inspectors and other officers, for the purpose of obtaining information as to -

(a) the manner in which fire and rescue authorities are discharging their functions;

(b) technical matters relating to those functions

Lee Howell, QFSM FiFireE is the current Chief Fire and Rescue Advisor for Wales.

1.0 Overview

- 1.1 There is a wealth of information currently available to Fire and Rescue Services (FRS) to inform decisions related to potential additional savings. There are a number of examples from the FRS in Wales that shows progress has been made in matching resources to risk and reducing costs to society at the same time.
- 1.2 However, given the scale of the financial challenges ahead, it will be increasingly important for costs to continue to fall and for different ways of working to be considered, supported by professional and political leadership to make what are often difficult decisions. At the same time, risk will continue to change as demographic trends take effect and an adaptable, responsive FRS flexing to meet societal needs will continue to be needed.
- 1.3 Innovation is key, as is having an external focus and willingness to learn from others. For example, the reasons why the cost per person of the FRS in Wales is £43 and yet only £38 in England, is worth further exploration. Benchmarking data will help in this respect to identify areas for greater focus locally.
- 1.4 This report does not prescribe actions, neither does it define what the operating costs for any particular FRS should be, these are matters for Fire and Rescue Authorities (FRAs) in consultation with the public. It does highlight some considerations that may be useful to assist drive costs down and it captures in one place a number of sources of existing advice. This information is publicly available and is provided to give the Minister further background information as to areas that might be expected to be considered, even if not implemented, by FRAs.
- 1.5 The report recognises that considerable savings have been made to date and also acknowledges the positive contribution to society of the prevention work of the FRS.
- 1.6 Financial management, including providing value for money, is a responsibility of FRAs, supported by Chief Fire Officers (CFOs). However, the Welsh Government retains a legitimate interest in ensuring that the Services delivered to the public in Wales are effective and efficient.
- 1.7 The Fire and Rescue National Framework for Wales is the mechanism to formally outline the expectations that Government has of the FRS and the

next iteration is currently being developed. This will include key aspects outlined within this report such as benchmarking and Value for Money expectations.

2.0 Introduction

- 2.1 At the first meeting between the Minister for Public Services and the Chief Fire and Rescue Advisor, a report was requested into areas where further efficiencies could be made by the three FRSs in Wales.
- 2.2 As such, this report provides an overview of areas that can reasonably be expected to be considered in order to drive down the costs of providing a FRS whilst maintaining or improving outcomes for the public at the same time.
- 2.3 Experience from England and Scotland, whilst providing a different context to that in Wales, has been considered and is referred to within this report. High performing and progressive organisations seek to learn from others and will maintain a continuous focus on improvement.
- 2.4 It is intended that this report will serve to support some of the work that is already being undertaken within Wales and provides additional areas that are for consideration locally. It should be seen as assisting rather than directing activity, supporting change underway as well as offering constructive challenge.
- 2.5 Where Government can act to support FRAs to make further changes, there is a willingness to do so.

3.0 Context of the modern fire and rescue service

- 3.1 There is much that the FRAs in Wales can be proud of. Examples of professional and political leadership can be seen by recent changes designed to maintain service provision whilst reducing costs. There are also emerging discussions between the FRAs and the Welsh Ambulance Service NHS Trust that will further improve efficiency and improve the service delivered to the public of Wales.
- 3.2 In general, the FRS continues to be a relatively low cost and highly respected public service when compared to many other local government services. It is responsive to changes in the wider operating environment and adjusts its approaches to best meet the needs of those it aims to influence.
- 3.3 People are safer now than ever before, partly as a result of a strong focus by FRSs towards prevention activities but also as a direct result of societal and legal changes which have seen fewer people now smoking, greater smoke detector ownership levels and the introduction of foam filled furnishing regulations to name just a few.
- 3.4 The role of a firefighter has changed significantly in recent years. There has been a fundamental shift from a purely responsive role of fighting fires and performing rescues to one which regularly interacts with people of different ages and cultures, providing support, advice and referrals to other agencies where necessary.
- 3.5 In Wales the total number of incidents attended by the FRS has reduced by 32% over the last decade. Research has identified that the most likely growth areas for the FRS are responding to medical incidents and water rescues. The FRS is also trained and prepared to respond to terrorism related incidents, working as part of a multi agency response.
- 3.6 However, the future operating environment will be increasingly tough. Difficult choices will need to continue to be made and this report aims to identify some aspects that may be worthy of further consideration as FRAs manage with less money whilst maintaining or improving public service provision at the same time. It is worth stating that as employee related costs account for approx. 80% of the total revenue budgets, significant savings will only be possible by operating with fewer staff and/or changing emergency response arrangements, matching resources to risk.

- 3.7 FRSs in Wales spend approx. £150m each year providing a wide range of services intended to improve public safety.
- 3.8 Within Wales, the FRS has not been subjected to the same degree of central government grant reductions as has been the case in England and indeed is funded differently to that in England and Scotland. Whilst the levels of savings required are different, the need to provide value for money remains the same and where there are opportunities to achieve the same or increased performance at a reduced cost, these should be taken. Reform does not have to mean a reduction in service.
- 3.9 As a result of the need to meet significant financial challenges within England, many FRS have redesigned their services to reflect the changes in local risk given the reduced financial envelope they now have to operate within. Many of the changes introduced also minimise waste, duplication and in doing so have made Services more efficient. Innovation and creative thinking is increasing as a result of having to operate differently. There remains much that can be learned from English FRS, whilst recognising that the FRS in Wales also have much to offer to the debate.
- 3.10 Given the current and future financial pressures we face, a relentless drive to reduce FRS spend without compromising the quality of service provided to the public will continue to be needed. Collaboration is key not just between FRSs but also across all emergency services.

4.0 Efficiencies generated by the Fire and Rescue Service in Wales

- 4.1 All three Services were invited to provide information to inform this report. Information provided has informed this section with specific detail outlined in Annex A.
- 4.2 Mid and West Wales' stated priorities for the future include collaboration, innovation, making better use of assets and resources and improving service delivery.
- 4.3 South Wales have changed shift systems, closed fire stations and are starting to consider applying lean system approaches in planning the fire service for the future.
- 4.4 This is welcomed and indicates that there is a willingness to continue to drive forward an improvement and change agenda, reducing costs whilst maintaining a focus on Service Delivery.

Reducing demand

- 4.5 The report of the 'Commission on Public Service Governance and Delivery' (Williams 2014) highlights the work of the FRS in reducing the number of fires and related casualties. The report 'reflects the extensive efforts the three services have made to educate people about fire safety and the basic steps they should take in the event of fire and demonstrates the importance of public services focusing on prevention, and on working with communities to secure beneficial outcomes'.
- 4.6 A reduction in risk and associated activity relates to some activity based savings as a result of attending fewer incidents as the demand for response services has reduced.
- 4.7 It is important to recognise that the risk within a community from fire is a sum of many variables. For example; social deprivation, poverty, single parenting, ageing population, drug/alcohol/substance misuse, and mental health care are all contributory factors that influence the risk of fire. The true societal cost of fire is a complex calculation which includes insured losses, uninsured losses, Authority costs, business losses, and public sector costs amongst other factors.

- 4.8 The successes of the FRSs in Wales in reducing the number of fire related incidents over the last 10 years can in part be attributed to preventative initiatives, which in turn have been made possible through the partnerships and strong working relationships FRSs have developed with each other and other organisations. It is recognised that by local authorities working together, agreeing shared objectives and outcomes as well as pooling resources, much more can be achieved than would have been possible working as a single organisation. This is now mainstream activity, not a 'bolt on'.
- 4.9 Tackling Domestic Violence, Youth Intervention programs such as 'Phoenix', 'Crimes and Consequences' and Road Safety contributions by the FRS provide a contribution towards making society safer and may all potentially reduce cost to society. Work by the National Issues Committee (NIC) indicates that in the last ten years, the cost to society as a result of having fewer fires, deaths and injuries equates to approx. £294m in total (£256m in prevented fire damage, £37m in relation to the reduction of fire casualties and £1.2m in savings from on-call salary costs through fewer mobilisations).
- 4.10 Not all of these savings can be directly attributed to the work of the FRS as changes in legislation and societal trends have made a huge difference. Predicting future trends such as the impact on the Service of the increased number of over 65's residing in Wales will continue to be needed. People living longer and more independently will increase demand for medical interventions in the home (slips, trips and falls). However, the significant focus, drive and activity directed towards prevention and in doing so reducing demand, has undoubtedly has a significant effect and the commitment and leadership shown by the FRS in reducing demand is an example to other public services to be commended.
- 4.11 As the NIC report identified "Accurately estimating the cost on society of fire related incidents and the value of the FRSs prevention work is complex. Factors such as better building regulation, more socially responsible citizens and fewer smokers to name some examples, will all have played a part in reducing incidents of fire. There can be no doubt however that the role of the FRS has been a significant factor. More work should be carried out to help better evidence this".

Reducing costs

- 4.12 The three FRSs in Wales have reduced costs and this requires political and professional leadership.
- 4.13 Mid and West Wales have realised efficiency savings of £6.4m since 2005. They have achieved this by reducing 137 station based staff (27%) by changing crewing levels without affecting Service Delivery and in addition, have improved business processes including procurement, revised attendance to automatic fire alarms and animal rescue calls, reduced senior management staffing levels (by 34%) and progressed early retirement of support staff as well as reviewed specialist fire appliance provision.
- 4.14 South Wales FRS is implementing their fire cover review which will result in fire station closures as well as some compulsory redundancies which will deliver savings. Changes to operational staffing levels as well as officer and support staff numbers has been made, as has a reduction in overtime and redeployment of specialist appliances and associated teams, which has led to a reduction of £6.7m since 2010/11. Furthermore, a review of every function is underway using lean systems thinking. This 'Shaping the future' programme should lead to further efficiencies.
- 4.15 North Wales has achieved savings of £2.4m since 2011 through reducing budgets, including the number of officers, and by changing the way staffing levels are determined for shift based staff.

Collaborative efficiency

- 4.16 The primary vehicle for delivery of savings on an all Wales basis is the NIC. The most recent report of the NIC highlighted that there is significant progress in key collaborative areas which include national crewing arrangements, national control arrangements, national ICT platforms, community safety and procurement services. The NIC estimates that savings recognised between 2012 and 2014 are in the region of £2.5m (note some of these savings are cost avoidance).
- 4.17 Work identified by the NIC (Oct 2014) has shown that a direct cashable saving on the 'on call' (part time firefighter) revenue budget of approximately £1.2m per year (based on a saving of £174 per mobilisation) has been achieved.

- 4.18 Changes to operational policies, such as only attending confirmed fires or automatic fire alarms in high risk premises, will realise further savings. Such approaches have been adopted by FRSs elsewhere and whilst there may be a good reason why this will not work within some parts of Wales, the key point is that analysis of each and every aspect of Service provision will be important as budgets become tighter.
- 4.19 There also exists joint working between the FRSs in Wales and the Welsh Ambulance Service Trust. These include the development of a joint Ambulance and Fire Resource Centre in Wrexham and three pilot schemes in South Wales involving immediate responses from fire officers to immediately life threatening medical calls. Other discussions are taking place between the CFOs of Mid and West and South Wales to explore further opportunities for improving outcomes and generating further efficiencies.
- 4.20 The Commission on Public Service Governance and Delivery recommended the public sector should do much more to share support services, and the Joint Public Service Centre (JPSC) project¹ is a good example of Services rising to the challenge. The review of staffing models and a move towards a demand led resourcing model is of particular note and will generate efficiencies as well as improving performance.

¹ This merges Mid and West Wales and South Wales Fire and Rescue Service Control Rooms and relocates the newly formed team within the South Wales Police emergency control room at South Wales Police Headquarters

5.0 Areas for possible further efficiencies to the three FRS in Wales

Reducing Demand

- 5.1 Reducing demand for a FRS response to emergencies is key to improving public safety and reducing costs. It makes financial as well as moral sense to improve public safety by decreasing demand on response services by placing greater emphasis on preventative approaches.
- 5.2 Prevention has now become a mainstream activity (and a legal requirement under the 2004 Fire Services Act) and progress is due to the professional leadership of CFOs with support from FRAs. This has made a real difference to society as a whole and reduced demand will deliver reduced costs in many areas. Fewer emergency calls means fewer fire engine mobilisations with a corresponding reduction in the number of payments to 'on call' staff (for those FRSs operating on a Pay As You Go model) but also reduced fuel and associated transport costs.

Information Relating to comparative spend and activity levels

- 5.3 Benchmarking spend and performance information is an incredibly powerful tool which can be effectively used to inform managerial and political decisions. CIPFA data has recently been provided to FRAs for benchmarking purposes.
- 5.4 Whether it is CIPFA data used or any data set, the principle of external benchmarking to identify areas where there is over/under provision is a useful mechanism. There may be many valid reasons why 'outliers' appear; the key point is that each aspect of the business is reviewed and where there are opportunities to do things differently, improving outcomes and reducing costs, these should be considered along with a clear rationale as to why decisions are to be taken or not as the case may be.

Zero Based Budgeting

- 5.5 Many Services are applying zero based budget reviews which essentially start with a funding base of zero, with the costs of undertaking various activities then added, providing a bottom up process to deliver corporate objectives. In doing so, areas of over/under provision are identified with savings often presented.

- 5.6 This is different to the historical basis for local authority budgets where the previous years' budget is automatically used as the starting point and then increased/decreased accordingly. By way of example, Staffordshire FRS refined their approach for the 2013/14 budget in this way and involved all budget holders in the process.

Business Process Redesign

- 5.7 Other Services are applying a 'lean systems' approach where each and every element of a process is reviewed. Often internal processes become overly complex and bureaucratic over time and a lean systems approach allows this wasted activity to be identified and then by redesigning business processes, savings can often be achieved.
- 5.8 Derbyshire FRS have received very positive feedback from auditors for their comprehensive service wide value mapping review which has allowed the Service to prioritise the areas where it can apply its lean six sigma approach. To complement this review, the Service has also developed a Service Delivery Transformation Model and trained over 130 staff in the key principles.

The National Issues Committee

- 5.9 The NIC continues to look at areas where further savings can be made through collaboration. In its first annual report (25th October, 2013) the NIC announced that efficiencies to date amount to just over £3.1 million which will be realised over the next five years. This is in addition to the savings generated by each of the three authorities through their individual budget setting processes.
- 5.10 Back office and other harmonisation activities from England show that it is possible for two Fire Services to generate savings of £1.7m p.a. if a single directing mind is applied. The example of Devon and Somerset, whilst not a direct comparator, does serve to illustrate the level of savings that can be made as a result of 'two services' doing things one way rather than separately.

Reflecting on previous reports into efficiency

- 5.11 It will be important that previous reports on areas for efficiency are considered by Fire and Rescue Services in Wales. The two most

comprehensive reports, conducted over many months and supported by significant research and site visits are those by the Audit Commission and Sir Ken Knight (the former Chief Fire and Rescue Advisor for England). Whilst there is an English context to these reports, there is much that is worthy of consideration. Key elements of this report are shown below.

6.0 Previous reports into Fire and Rescue Service efficiency

- 6.1 Significant research has been undertaken into FRS efficiency in the recent past and whilst some of these reports are now dated, many of the principles that underpin the recommendations may be worth reflecting on. The summary from these reports have been shown below.

The Audit Commission - Improving fire and rescue authority efficiency. Auditors' 2010/11 local value for money audit work

- 6.2 *The Audit Commission's report Rising to the challenge, examined the efficiency and effectiveness of English FRAs and suggested ways in which FRAs could make savings without compromising safety. It challenged FRSs to use their workforce and other resources more effectively to improve performance and reduce costs.*
- 6.3 *The report found that FRAs could make efficiency savings worth between £160 - £200 million (10 per cent of FRAs overall spending) by cutting false alarms and sickness absence, improving procurement and collaboration, changing crewing arrangements and delivering community fire safety in partnership.*
- 6.4 *While some FRAs have delivered savings since 2008, the vast majority of savings potential remains. With funding cuts of 13 per cent to FRAs expenditure between 2010/11 and 2014/15, the pressure remains on FRAs to deliver savings.*
- 6.5 *The report recommended that FRAs should:*
challenge themselves and their CFOs to improve efficiency and performance;
lead their communities by taking hard decisions affecting staffing levels and deployment for efficiency;
ensure they have the right information to justify those decisions;
and publicly defend spending decisions.
- 6.6 *The report also recommended that CFOs should:*
aim to meet or beat government savings targets by improving efficiency
identify the benefits of initiatives for the wider community and invest in them in proportion to their value

adopt good ideas for improving efficiency from other FRAs, or adapt them to their own circumstances
systematically explore the available choices for working with neighbouring fire and rescue services and focus on those that deliver the biggest efficiency savings
and improve the ability of managers at all levels to manage change.

6.7 http://www.audit-commission.gov.uk/technicaldirectory_old/Localsavingsreviewguide201011_fire.pdf

6.8 In terms of FRA spend, Sir Ken Knight undertook a review in 2013 which outlined a number of areas where the FRS in general can consider making efficiency gains. These are shown below. The extent to which these are applicable to any particular FRA will be a matter for determination locally but in general, reduced activity should allow an element of cost to be reduced. It recognised however that there will be a de minimis as FRAs resource to risk, not necessarily demand.

Facing the future – findings from the review of efficiencies and operations in fire and rescue authorities in England (May 2013)

6.9 *Chapter one: What is efficiency and how efficient is the delivery of fire and rescue services in England?*

Deaths from fires in the home are at an all time low; incidents have reduced by 40 per cent in the last decade, but expenditure and firefighter numbers remain broadly the same. This suggests that there is room for reconfiguration and efficiencies to better match the service to the current risk and response context. Some fire and rescue authorities spend almost twice as much per person per year in some areas than others, but there seems to be little relationship between expenditure and outcomes. If all authorities spending more than the average reduced their expenditure to the average, savings could amount to £196 million a year.

6.10 *Chapter two: Deploying resources*

Fire and rescue authorities have transformed themselves from organisations that dealt with fire response to organisations also covering preventative and wider rescue work and they have succeeded in reducing incidents. They now need to transform themselves again to reflect the completely different era of risk and demand. The focus for the future must be on protecting front-line

services; this does not mean a protectionist approach to jobs. Avoiding redundancies, station closures or reductions in fire engines is often the focus for elected members and officers, and there is anecdotal evidence of some self-censorship by Chief Fire Officers. Innovative crewing and staffing models are being pursued, and there is some evidence that these are being shared – but there is little evidence of areas implementing learning from others. Increasing the total ‘on-call’ firefighters nationally by just 10 percent (to 40 percent) could provide annual savings of up to £123 million.

6.11 Chapter three: Collaborating for efficiency

The 46 fire and rescue authorities, each with different governance structures, senior leaders, and organisational and operational quirks does not make for a sensible delivery model. Mergers can be a solution, but there is a lack of local political appetite and incentive to combine.

There is widespread duplication of effort in the design, commissioning and evaluation of fire-specific products. A greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology.

The challenge for fire and rescue authorities is to accept that to achieve interoperability, we all need to forgo an element of customisation. What I’ve seen throughout this review is that fire and rescue authorities are not yet prepared to take this step – but I hope that the future holds greater pragmatism.

Collaboration, co-responding and co-location with other blue-light services does happen and can deliver efficiency through consolidating public sector assets as well as closer working. But progress is patchy and driven or hindered by local relationships.

6.12 Chapter four: Driving efficiency

The major driver for change has been reduction in central government funding and the freeze in local council tax revenue. Fire and rescue authorities spend to their budgets, not to their risk. How to use funding to incentivise further change must be a key consideration for government.

Fire and rescue authority reserves increased from just over £200 million to more than £400 million in 2008-2012. These levels are well above the average

for local authorities (including police). Prudent reserves should be held, but funding reductions were back loaded to enable authorities to invest in service transformation – reserves should be used to invest in spend-to-save projects.

Authority Members need greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency. Scrutiny of authorities and services varies considerably, some more robust than others. Elected Members must ensure that local people understand their service and encourage an informed debate about change.

Greater sector leadership is needed to drive through a culture of learning from good practice and challenging services to rise to the level of the best.

6.13 Chapter five: What is the future for fire and rescue?

Where fire and rescue authorities can provide business cases for local merger, showing clear, achievable efficiencies, central government should step forward to provide financial support for transition. The potential savings identified in this review are unlikely to be sufficient for some fire and rescue authorities to be able to live within their reducing budgets.

The scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through local action alone. But authorities should not wait for national action before fully exploiting the large number of opportunities already within their grasp. National level changes to enable greater collaboration with other blue-light services, including through shared governance, co-working and co-location, would unlock further savings.

Scottish Fire and Rescue Service

- 6.14 The Scottish Fire and Rescue Service is now funded directly by the Scottish Government, rather than being funded as part of the local government settlement. There was substantial cross-party political support for the merger, with only one of the main parties dissenting, and support from the major trade unions. So far the merger has enabled the service to reduce its budgeted expenditure from £290 million in 2012/13 to £277 million in 2013/14 (4.5%). The Scottish Government has set demanding targets for further efficiencies and these are reflected in forward financial plans.

7.0 Moving forward

- 7.1 The fundamental question however, is what do we expect from the FRS of the future? A clear vision is needed as without this and given the financial pressures faced, a focus on cost saving will dominate. Having a clear and shared vision with the FRS and partners will allow the latent capacity within the FRS to be realised in a way that is beneficial to society as a whole and in doing so, duplication of effort can be removed and improved outcomes for the public can be achieved.
- 7.2 This vision is being developed through the draft National Framework for Wales (with input from CFOs and through the Minister's Chiefs and Chairs meeting) and this will assist set the future direction for the FRS in Wales. For example, does the FRS continue to shrink budgets as demand decreases or does it use the existing levels of funding and use the latent capacity to support other organisations' objectives; and in doing so, provide wider societal benefits that reduce demand?
- 7.3 For example, closer engagement in delivery of the public health agenda could use latent FRS capacity in a way that improves wider public safety. Smoking cessation is funded and delivered through a public health commissioning model. Some of this activity could be delivered by the FRS with a corresponding efficiency saving to Public Health, some of which could be used to underpin FRS budgets.
- 7.4 The Welsh Government could continue to play a key role in enabling these discussions to take place and indeed the Chief Fire and Rescue Advisor met with the Chief Medical Officer in 2013 to improve the linkages and opportunities presented. There remains a strategic commissioning debate to be had, subject to Ministers' views.
- 7.5 There are other examples such as road safety prevention advice and youth engagement where the FRS has a contribution to make to a wider agenda (without necessarily a statutory duty to do so) and in doing so will continue to contribute to wider efficiencies whilst improving safety as a result. Such discussions can assist further improve local and central government efficiency but will require some creative thinking and innovation to solve what are complex societal and financial problems.

8.0 Conclusions

- 8.1 The fire reform programme, supported by the development of the new National Framework for Wales will further highlight areas for examination and encourage efficiencies to be achieved.
- 8.2 The responsibility for delivering an effective and efficient FRS remains that of the FRA and there exists an opportunity for those involved in delivery of the FRS to assist shape the future operating environment. In discussions with CFOs, there appears an appetite and willingness to shape the future.
- 8.3 As financial pressures continue to increase, so will the need to review each and every aspect of spend to ensure that it remains appropriate. Changes in the local government landscape, specifically related to governance and financial impacts, will undoubtedly have an impact on the FRS in Wales and strong political and professional leadership will continue to be needed to maintain or improve performance whilst reducing costs.
- 8.4 The Welsh Government will continue to set expectations and monitor performance, working with the Wales Audit Office as appropriate.
- 8.5 The extent to which base budget and/or lean system reviews are currently applied within the FRS in Wales is not clear but there are examples and associated learning from other public services in Wales who have experience of applying these techniques.
- 8.6 Benchmarking savings made in England against those made in Wales indicates that the rate of savings is greater in England. When considering the impact of these reductions on performance, there continues to be a reduction in fires deaths and injuries in England even after such significant savings have been made.
- 8.7 Continuing to reduce demand by retaining a focus on prevention activities will reduce costs (fewer appliance movements means lower costs of 'on call' staff, lower fuel and incidental costs)
- 8.8 Different crewing models often allow suitable cover to be provided at a reduced cost, e.g. the cost of an 'on call' fire appliance is circa £100k p.a. whilst a whole time fire appliance is nearer £1000k p.a. Clearly a delay in response accompanies the mobilisation of an 'on call' fire appliance but

effective mobilising and emergency cover modelling will identify the extent to which this can be applied without negatively affecting public safety.

- 8.9 Collaboration is being driven through by the NIC. The opportunity to make further savings through this vehicle is encouraged. It is recognised that different FRSs are in different places in terms of making local savings and this report assists to help signpost areas that may be worth exploring as the financial pressures will continue to require different thinking and different solutions to be applied.

9.0 Recommendations

- 9.1 The future vision and expectations for FRSs should be clearly articulated within the National Framework for Wales, which will require joint working with others in order to improve efficiency and effectiveness.
- 9.2 The fire reform project, now embedded within the National Framework for Wales program, chaired by the Director for Local Government should continue to be the vehicle to outline Government expectations for the Fire and Rescue Service, including considerations as to value for money.
- 9.3 The NIC should be encouraged to continue to deliver savings and in doing so, it will directly support the three FRAs in meeting what will increasingly be a challenging financial future.
- 9.4 The Chief Fire and Rescue Advisor uses this report to inform discussions with each CFO, recognising that it is a matter for FRAs to determine budget and operational arrangements.

Fire and Rescue Authorities in Wales – Detailed Efficiencies

North Wales Fire and Rescue Service – Budget Savings between 2011/12 and 2014/15

In summary, savings were applied across the whole Service, but in such a way that the impact on the public would be as low as possible.

In 2011/12 (Year 1)

£200,000 cut from individual budget lines, discontinuing completely or scaling them down.

£50,000 cut from the Community Fire Safety budget.

£90,000 cut from the Support Staff budget.

£460,000 cut from the Operational Management budget by reducing the number of officers.

£30,000 cut from the Control budget by restructuring its staffing arrangements.

In 2012/13 (Year 2)

Individual budget lines were again cut or scaled down, releasing a further £150,000.

Another £50,000 cut from the Community Fire Safety budget.

Another £90,000 cut from the Support Staff budget.

£500,000 released from the Operational Firefighters' budget by changing the way shifts were rostered for duty, reducing the number of wholetime firefighters required by 10%.

In 2013/14 (Year 3)

Individual budget lines were cut or scaled down for a third time, releasing a further £70,000.

Another £50,000 cut from the Community Fire Safety budget.

Another £180,000 cut from the Support Staff budget.

A further £500,000 released from the Operational Firefighters' budget, by changing the way shifts were rostered for duty (as above).

In 2014/15 (Year 4)

A one off underpinning of the budget by using a creditor of £800,000 which was no longer needed and £100,000 from general reserves and £100,000 from a provision for an increase in interest rates.

South Wales Fire and Rescue Service – changing shape

Annual revenue budget 2010/11 £72.2m, annual revenue budget 2014/15 £69.9m; a cash reduction of over 3%. Benchmarked against our 10 constituent authorities their revenue budget grew in the same period by 0.2%. Our annual revenue budget this year is what it was in 2008/09.

2014/15 revenue budget equates to 91p per person week.

Benchmarking against inflation figures the annual revenue budget should be in the region of £78.3m, a real term reduction of over 10%. Fire and Rescue services have seen sector inflation greater than the average UK figures.

A 1% pay award means a £½m increase on budget, insurance over £800k, fuel costs £600k and vehicle maintenance costs over £650k.

Introduced a retained salary scheme some over 10 years ago, known and declared availability consistently over 95%. RDS salary budget £6.3m (2014/15).

Under previous WG guidance of Risk Reduction Planning (2007 -2010) changed crewing 4 day crewed stations to retained, 1 day crewed station to wholetime, a saving in excess of £600k.

In 2011/12 changed crewing on all wholetime stations as we introduced flexible rostering a saving of nearly £1.5m.

Conducted an operational review of tactical managers and in 2011/12 reduced the number of group managers a saving of over £300k.

Conducted an operational crewing review of all second appliances and in 2012-14 reduced crewing to four a saving of over £600k.

A review of supervisory and middle managers has reduced our budget by over £350k between 2011-14.

Strategic review reduced the number of Brigade Managers from 7 to 5 in 2009/10 and the number of Area Managers from 6 to 4.

A review of overtime has led to a reduction of this budget line of £600k.

A technical rescue review closed our technical response station with the capability being spread across our rescue tender stations; a saving of over £700k.

A special appliance review has provided savings of over £400k between 2013-15.

In 2013/14 we merged two stations to Aberbargoed a reduction of one RDS appliance a saving of over £200k.

The Fire Cover Review was a risk based review and took place 2013/14 and has concluded:

- Merge Kenfig Hill and Porthcawl – ongoing project to purchase appropriate land saving over £200k once delivered.
- Change crewing at Cowbridge day crewed to RDS delivered, saving of £500k.

- Change crewing of Barry's second appliance to RDS – ongoing project to recruit and training a new RDS watch, ahead of project plan. A saving anticipated of some £800k.
- FRA resolved to close Blaina fire and rescue station saving over £200k, due to the potential for compulsory redundancies local engagement and consultation is ongoing.
- FRA resolved to remove the RDS appliance from Cwmbran saving £180k, due to the potential for compulsory redundancies local engagement and consultation is ongoing.
- FRA resolved to close Porth fire and rescue station saving over £200k, due to the potential for compulsory redundancies local engagement and consultation is ongoing.

Joint Public Service Centre – South Wales and Mid & West Wales merging Control rooms and co-locating to South Wales Police HQ, with hopefully the Welsh Ambulance Service joining us. Project utilised WG invest to save fund £3m loaned.

Reduction of personnel between 2008-13 support staff 90 (22%) (FTE), a reduction of 75 (10%) wholetime station based posts, non-station based wholetime posts reduced by 22 (15%).

We have established a programme of 'Shaping our Future', where we are reviewing what we do, why we do it and the difference it makes. We are conducting a fundamental review of every function and whether we have a statutory duty to provide the service or not. All personnel are engaged across the Service and if the decision is made to continue to deliver the service a lean and systems approach will be undertaken to ensure the system and process is as efficient as it can be.

Operational incidents we have reduced by 32% in the last ten years, deliberate fires reduced by 44% and all fires reduced by 60%, accidental dwelling fire injuries reduced by 52% and accidental fire deaths by 50% reduced by in the same period. RTC attendance and attendance at other special service calls have slightly increased in the same period.

National Issues Committee savings and efficiencies in excess of £5m; cashable and non-cashable as previously reported.

To date industrial action has cost in region £1.4m, including MoD and auxiliary recruitment and training costs.

Mid and West Wales Fire and Rescue Service Efficiencies 2005-2014

During the period 2005-2014 Mid and West Wales Fire and Rescue Service (MAWWFRS) realised efficiency savings of £6.4 million – approximately 15% of its total budget.

These efficiency savings were achieved by implementing changes to the way in which some of our stations are crewed and by refining our business procedures and processes. To date

there has been no impact on service delivery and the reduction in staffing numbers has been achieved through a process of natural turnover.

However – we calculate that in order to come to the average RSG settlement for the MAWWFRS area in 2015/16 we will need to realise further savings of £2.5 million. In order to realise these savings we will need to make some tough choices which will without question impact on service delivery if fully implemented.

Here is a summary of our savings to date:

2005 – 2014 Station Based Crewing Efficiencies

Haverfordwest

The introduction of a day crewing system in 2007 allowed for 27 posts to be removed from the establishment. Although this change has caused a 5 minute delay in response times at night, previous standards have been maintained with very little or no reduction in operational service delivery.

Pontardawe

The introduction of a Self Rostered Crewing system in 2009/10 allowed for 14 posts to be removed from the establishment. The crewing changes also allowed for the Technical Line Rescue Unit to be established at the station. There was no reduction in operational response or service delivery.

Llanelli and Morriston

The introduction of advanced road traffic collision equipment on all first appliances in 2011 enabled the removal of Emergency Tenders at two locations and allowed for 12 posts at each of these stations to be removed. This resulted in an increase in operational response and service delivery.

Day crewing stations

Through more efficient rostering at day crewing stations in 2010/11, 6 posts were removed with no reduction in operational response or service delivery.

Gold Watch

More effective use of command staff to undertake community safety activities enabled the disbandment of 'Gold Watch' in 2010/11 - a team of 4 operational station based fire fighters undertaking community safety activities within the centre of Swansea.

Llanelli

The introduction of a Self Rostered Crewing system in 2013 allowed for 14 posts to be removed with no reduction in operational response or service delivery.

A total of 102 station based posts (20%) have been removed from the establishment since 2005, however all of these efficiencies have been achieved with little or no reduction in service delivery.

Further crewing changes within Neath Port Talbot and Swansea have been agreed which will remove a further 35 posts from the establishment (which will result in more than a 27% reduction overall).

Total Station Crewing Efficiencies to date: £2,965,000

2005 -2014 Other efficiencies

Additional efficiencies have been achieved through central staff reductions and changes in businesses processes and procedures.

Reduction in staffing numbers

Review and restructuring of central support functions including;

Changes to senior management structures with a subsequent reduction in numbers of staff in 2010/11.

Changes to command staff numbers and functional structures in 2010/11.

Relocation of remaining staff to the Head Quarters campus in 2011.

Support staff early retirements in March/April 2014.

Total efficiencies to date £1,391,000

(NB a further 9 posts have been identified within the establishment which will be phased out as vacancies arise.)

Improved Business Processes

Review and revision of the way in which the organisation undertakes business including;

An efficiencies exercise achieved through a comprehensive review of each budget line, with full Fire Authority Member involvement in both its development and scrutiny of the outcomes in 2008.

A fundamental and robust review, by a dedicated team of people, of all departments structures and policies, through a Service Review Programme (SRP) which took approximately 18 months in 2009/10.

These resulted in significant savings, including some of the staffing reductions already mentioned, but also other efficiencies such as supplies and services reductions, overtime reductions, a reduction in lease car numbers together with many other savings.

In addition there were a number of technical operational reviews undertaken which resulted in changes and more efficient operations:

Capital equipment – replacement of Turntable Ladders with Combined Aerial Rescue Platforms; Removal of Water Carriers; Replacement of second appliances with Rural Response Pumps; replacement of specialist vehicles, review of Pods, replacement of T4Ps.

Joint services sites with the Welsh Ambulance Service and the Police at Carmarthen, Llandrindod Wells, Swansea and Haverfordwest.

Improved procurement and stock management processes.

There are a significant number of collaborative ventures, which will now increase through the National Issues Committee (NIC) work streams.

Revision to automatic fire alarm response and animal rescue policies which reduced the number of unwanted / unnecessary attendance by operational crews.

Total efficiencies to date £2,076,000

Total of the ‘other’ efficiencies to date: £3,467,000