

Public Value Review Update

Report of the Chief Fire Officer

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1 Purpose of Report

This report provides Members with a final summary of all the achievements of the Fire Authority's Public Value review undertaken in 2010.

2 Recommendation

Members are recommended to note the contents of this report.

3 Background

At the outset of 2010 the Fire Authority commissioned a Public Value review of the Service to assess and address the impact of both the recession and the Coalition Government's austerity measures upon the Service. The Member-led review, through a structured process of staff and public engagement, sought the views, opinions and support of staff, to form a collective strategy to meet the projected budget cuts.

4 Public Value Outcomes

The Public Value review identified a range of initiatives, which, if successfully managed and implemented, would result in an incremental and controlled 25% reduction of the Fire Authority's budget over a four-year period (2011 to 2015). These initiatives predominantly took advantage of natural staff turnover to secure savings, whilst maintaining, without significant reduction, frontline services to the community, as detailed within the Authority's Integrated Risk Management Plan (IRMP).

Essentially, and in accordance with earlier directions from Members, the proposals allowed for an incremental budget reduction (estimated in 2010 at £2.7m to £2.9m in cash terms), that avoided compulsory redundancies, maintained all fire stations and the ability of Shropshire Fire and Rescue to remain a sustainable entity.

Appended is a summary of the previously agreed four-year Public Value Programme.

The savings achieved / earmarked through the Public Value review are independent of those additional savings, identified through the more recent IRMP 2020 Strategic Planning Process.

5 Public Value Years 1, 2 and 3 (2011/12 to 2013/14) Review

A review of the first two years of the Public Value review has been presented previously and noted by the Fire Authority¹ at its meeting in July 2014.

6 Public Value Year 4 Initiatives (2014/15)

The Public Value review has sought to maximise savings through aligning, where possible, initiatives to projected staff turnover, whilst limiting the impact on the Fire Authority's IRMP.

A summary of Year 4 savings is set out in the table below. The progress with implementation and the consequent impacts, from each initiative, are discussed in the remainder of this section.

Public Value initiatives Year 4 (2014/15)	Forecast Reduction £	Actual Reduction £
End to permanent crewing of Rescue Tender (from 1 January 2014)	£217,000	£217,000
Reduction of 2 non-uniformed posts	£50,000	£50,000
Reduction of 5 Retained Duty Staff posts	£30,000	£30,000
Reduction in Capital Programme	£125,000	£141,000
Total	£422,000	£438,000

Public Value Savings Year 4

'Switch' crewing of the rescue tender

The most significant initiative for Year 3 was the decision to 'switch' crew the Rescue Tender (RT). With this being an 'in year' change, during the latter part of 2013/14, the first full-year benefits from this change were only achieved during 2014/15. The changes were successfully implemented with a full year's saving now accrued between April 2014 and March 2015. The change has resulted in a reduction of 8 firefighters at Wellington fire station, taking the Service's overall watch establishment from 144 to 136 and achieved an ongoing saving of £217,000 per annum.

¹ <http://www.shropshirefire.gov.uk/sites/default/files/13-public-value-update-2014.pdf>

The impact of the new crewing arrangement, for the RT, has been monitored since implementation and has shown little significant impact on public safety to date, as detailed in a report to the Audit and Performance Management Committee² in September 2014.

It is worthy to note that this was the change that provoked the most concern from the Fire Authority. In light of this, as the Service moves on to develop a new 'Integrated Crewing Model', consideration will be given to exploring the possibility of primary crewing the Service's various special appliances, including the RT, where staffing permits.

Reduction of 2 non-uniformed posts

The Service has continued to reduce the non-uniformed salary budget by reviewing vacancies as they arise and, where possible, by supporting requests from staff to reduce their working hours.

At the Standards and Human Resources Committee meeting in October 2014, it was agreed that the £200k reduction in the non-uniformed salary budget from Public Value, would be amalgamated with £105k of further reductions required by the Fire Authority's IRMP, to give an overall target of £305,000 reduction by 2020. This approach provides the Service with the necessary flexibility to implement its transformation programme over the medium term, whilst enabling recruitment of the necessary skills to progress the improvements required.

Reduction of 5 Retained Duty System (RDS) posts

Whilst the recruitment of new RDS staff remains a priority and challenge, the Service continues to operate below the existing funded establishment level, accruing savings against the revenue budget in line with the planned reductions. Despite these ongoing recruitment challenges, availability of the RDS pumps has remained consistently high throughout the whole four-year period of the Public Value Plan.

Reduction in Capital Programme

The Fire Authority has used reserves successfully in recent years to fund its capital programmes. This has led to a reduction in the revenue budget of over £470,000 since 2012/13. This is £16,000 more than aimed for in the original Public Value Plan.

7 Overall reductions achieved through the Public Value Plan 2011-15

The table in the appendix summarises the total savings achieved through the life of the Public Value Plan. This shows that the Service achieved £2,669,000 worth of reductions to its revenue budget between 2011/12 and 2014/15. This is approximately £84,000 short of the original reduction target, set in 2011.

² <http://www.shropshirefire.gov.uk/sites/default/files/13-rescue-tender-report.pdf>

The reason for this variance is primarily due to the planned reductions in the Buildings Maintenance budget. As explained in the Public Value Summary Report, presented to Members last year, although maintenance activities have been reduced, it has not been possible to keep to this lower ongoing annual budget. It was reported to the Authority, through the annual Asset Stewardship Report³ in September 2013, that buildings were deteriorating and the Service was no longer achieving the agreed standard of 'safe, legal and no further deterioration'. To tackle this problem the Service introduced a 'Major Works Reserve', to assist in funding expensive one-off maintenance works, e.g. drill yard resurfacing.

The Service is considering the appropriate funding level for property maintenance going forward. Therefore, to ensure complete transparency, and despite the fact that 'in-year' savings may have been made against this budget during the years covered by this Plan, with the Service unable to guarantee these annual savings going forward, they have not been included in the cumulative figures quoted in the appendix.

Despite this slight variance, the remaining reductions to the Service's revenue budget have helped to ensure that the Service continues to have a sound financial base over the coming years. The engaging and consultative way that the changes have been achieved has ensured that the reductions have not impacted on the levels of service

8 Financial Implications

There are no further financial implications arising from this report.

9 Legal Comment

There are no direct legal implications arising from this report.

10 Initial Impact Assessment

An Initial Impact Assessment has not been completed, as this report provides only factual information relating to the Public Value Review.

11 Appendix

Summary of Public Value Initiatives 2011/12 to 2014/15

12 Background Papers

There are no background papers associated with this report.

³ <http://www.shropshirefire.gov.uk/sites/default/files/fra/07-asset-stewardship-report-2013.pdf>

Summary of Public Value Initiatives 2011/12 to 2014/15

2011/12 Area:	Saving	2012/13 Area:	Saving	2013/14 Area:	Saving	2014/15 Area:	Saving
Legacy inflation	£100,000	Reduction of 2 non-uniformed posts	£50,000	End to permanent crewing of RT (from 1 January 2014)	£80,000	End to permanent crewing of RT (from 1 January 2014)	£217,00
Insurance premium reductions	£100,000	Reduction of 5 RDS posts	£30,000	Reduction of 2 non-uniformed posts	£50,000	Reduction of 2 non-uniformed posts	£50,000
Reduction of 2 non-uniformed posts	£50,000	Reduction in RDS budget	£50,000	Reduction of 5 RDS posts	£30,000	Reduction of 5 RDS posts	£30,000
Reduction of 5 RDS Posts	£30,000	Reduction in Capital Programme	£90,000	Reduction in smoke alarm budget	£75,000	Reduction in Capital Programme	£125,000
Reduction of 4 planned DST officers	£148,000	Reduction in building maintenance budget	£50,000	Reduction of 1 training instructor post	£43,000		
Reduction of 4 WT watch managers	£172,000	Revised relief crew policy	£30,000	Reduction in Capital Programme	£160,000		
Reduction of 6 Incident Command posts	£372,000	Cessation of permanent crewing of ALP	£297,000	Reduction in building maintenance budget	£50,000		
Removal of station messing	£61,000			Reduction of 1 Brigade Manager post	£100,00		
Reduction in RDS budget	£50,000						
Reduction in Capital Programme	£63,000						
Projected annual savings	£1,146,000		£597,000		£588,000		£422,000
Actual annual savings	£1,146,000		£547,000		£538,000		£438,000
Projected cumulative savings	£1,146,000		£1,743,000		£2,331,000		£2,753,000
Actual savings to date	£1,146,000		£1,693,000		£2,231,000		£2,669,000

Key to abbreviations

ALP Aerial Ladder Platform
DST District Support Officers
RDS Retained Duty System personnel

RT Rescue Tender
WT Wholetime Duty personnel