



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY

19 September 2016

IMPROVEMENT AND WELLBEING OBJECTIVES 2017-18 CONSULTATION

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To present for Members' approval the contents of a draft Improvement and Wellbeing Objectives 2017-18 consultation document.

Introduction

- 2 North Wales Fire and Rescue Authority (NWFRA) is required under the Local Government Measure 2009 to carry out improvement planning, and to publish its improvement objectives for 2017/18 by 31 March 2017.
- 3 NWFRA is also required under the Well-being of Future Generations Act 2015 to carry out sustainable development and to publish its first well-being objectives by 31 March 2017.
- 4 At its meeting of June 2016 the Fire and Rescue Authority approved four draft improvement and wellbeing objectives for public consultation prior to adoption by March 2017.
- 5 At its meeting of July 2016 the Authority's Executive Panel endorsed a consultation strategy for communicating and engaging with the public about those draft objectives.

Information

- 6 A draft consultation document has been produced (Appendix 1) that explains the Authority's proposed objectives and invites responses by 12 December 2016.
- 7 Other materials as detailed in the consultation strategy are also being prepared, including information in paper and electronic format, an online questionnaire and a bilingual video. In accordance with the strategy, a range of media will be used to encourage people to participate by contributing their views and suggestions.
- 8 Comments received during the consultation period will then be considered by the Authority prior to final adoption before the end of March 2017.

Recommendations

- 9 That Members approve the contents of the draft document, "Affordable fire and rescue services for North Wales", for public consultation.



Affordable fire and rescue services for North Wales

Public consultation

Autumn 2016

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INTRODUCTION

This public consultation is about fire and rescue services in North Wales. As in previous years North Wales Fire and Rescue Authority has drafted some improvement objectives that it will be trying to achieve from April 2017 onwards, but before it formally adopts those objectives it is inviting anyone with an interest to submit their views for consideration. Details of how you can respond are given on page 14.

With money for running public services in short supply the Authority faces increasingly difficult decisions about the services it provides now and in future.

The Authority has an excellent record of managing its money and has continued to deliver prevention, protection and response services to high standards despite significant cost-cutting.

The Authority has also been demonstrating that prevention really is better than cure – far fewer people suffer from fires in North Wales these days precisely because of the Authority's commitment to educating and supporting people to keep themselves safe.

However, that success is not enough. By law the Authority must keep trying to improve its services in the short term as well as considering the wellbeing of future generations of people in North Wales. Moreover, it has to consider the costs involved – there would be little point in planning a service that is going to be unaffordable.

As an Authority for the whole of North Wales its concern is for the whole area and the whole population. Do you think it is making the right choices? Is there anything that it hasn't considered that you think would make a difference?

Please take a few minutes to understand the issues and submit your views. Thank you.

ABOUT NORTH WALES FIRE AND RESCUE

North Wales Fire and Rescue Authority is one of three fire and rescue authorities in Wales. It has been providing fire and rescue services for the counties of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire and Wrexham since 1996.

The Authority is made up of 28 elected county councillors who are nominated by their own county council to serve as members of the Authority. In this capacity they are expected to act in the best interests of the whole of North Wales, not just their own county area.

The Authority makes decisions about the level of fire and rescue services that will be provided in North Wales, and sets its annual budget to match that level of service.

What services does North Wales Fire and Rescue provide?

- Fire prevention and community safety education
- “Blue light” response to fires and non-fire emergencies
- Enforcement of fire safety in non-domestic premises
- Planning and response to large scale and serious emergency situations

How much does North Wales Fire and Rescue cost to run?

Around £32million per year – that’s the equivalent of around £46 per year for every North Wales resident.

Who pays for North Wales Fire and Rescue?

The six county councils in North Wales all contribute towards a central fund that is used to provide co-ordinated fire and rescue services across the entire area. How much each county council pays depends on the number of people living there – the greater the population, the higher the contribution from that county.

ABOUT THE PROPOSED OBJECTIVES FOR 2017-18

North Wales Fire and Rescue Authority is proposing to adopt four strategic objectives for 2017-18. Three of those objectives are ones that have already been started and will need to be carried forward into another year. One objective (no. 2) is new, and a particular focus of this year's public consultation.



HOW TO TAKE PART IN THIS PUBLIC CONSULTATION

North Wales Fire and Rescue Authority is proposing to adopt four improvement objectives but wants to know what other people think about them while they are still in draft form.

You are invited to think about the impact of what North Wales Fire and Rescue Authority is proposing to do, and to submit your views **before 12 December 2016**.

You can do this in several different ways – please refer to **page 14** for details.

Objective 1

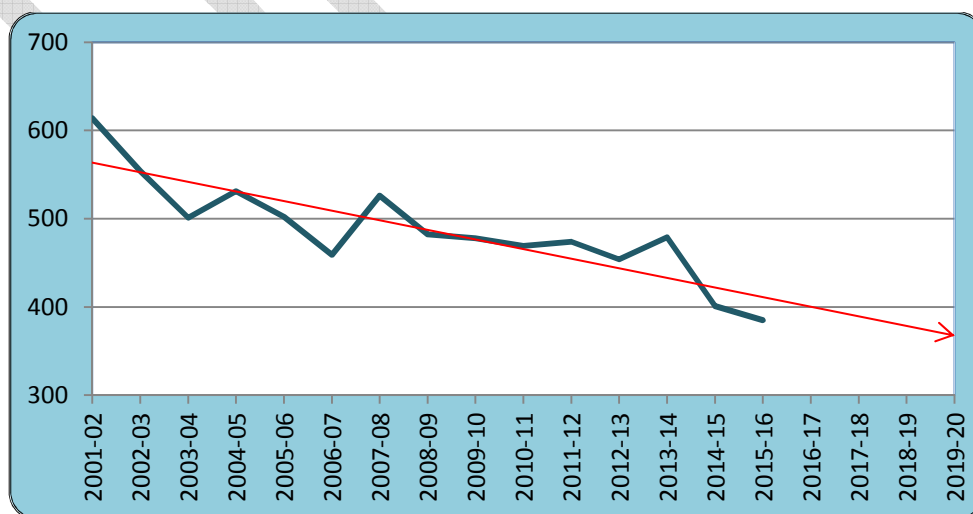
- Continuing to keep people safe from fire in their homes.

We want to keep this as our first objective as it reflects the importance that we place on this aspect of our service delivery. Furthermore, there is strong public support for it. Last year - in 2015 - 92% of the people who responded to our public consultation agreed that we should have this as our primary objective.

The place where people are most likely to be killed or injured by fire is in the home. This appears surprising at first – after all, people usually know the layout of their own home and are unlikely to ever be very far from an escape route. But it is also where people are most relaxed and least alert to the dangers of fire and smoke. People fall sleep, get distracted and forget to check. Unfortunately, we still come across homes with no working smoke alarm.

So despite the increase in smoke alarm ownership and the remarkable reduction in dwelling fires in North Wales, there is still more to do.

In 2017-18, therefore, we intend to do as much as we can in the face of financial constraints to maintain the emphasis on helping people to avoid being killed or injured by accidental fires in the home.



Graph illustrating the reduction in accidental fires in dwellings in North Wales.

Objective 2

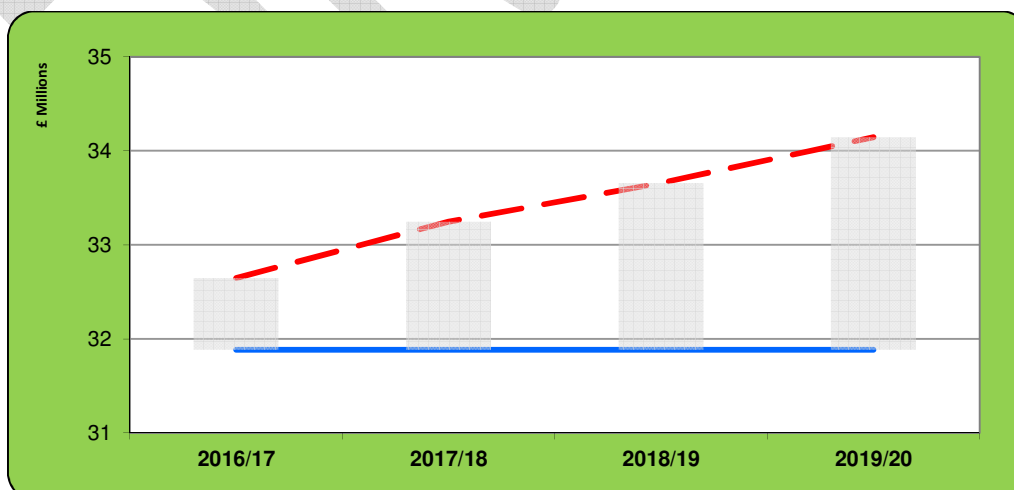
- Taking a new approach to meeting the Authority's costs.

The Authority's second objective is about ensuring that it has enough money to cover its running costs in the next few years.

Since 2011/12 it has cut its annual running costs by over £3.5million and has managed to absorb many of the unavoidable cost increases that have cropped up from year to year. Most of the savings have come from workforce changes and cuts in general spending with very little discernible change to the level of service that the public receives.

Up to now the Authority has successfully avoided fire station closures and compulsory redundancies of firefighters, but it has stopped providing some non-statutory services and adopted a new policy as regards responding to automatic fire alarm signals. Looking ahead, however, the choices become more difficult.

Based on the 2016/17 level of revenue budget and our best estimates of annual costs until the end of this decade, the Authority is facing the prospect of having around £2.3million less coming in every year than it actually costs to deliver fire and rescue services (a 'funding gap').



Graph showing the increasing gap between the amount coming in as revenue budget (solid blue line) and the estimated running costs (broken red line). By the end of this decade the gap could reach £2,259,859.

How much does North Wales Fire and Rescue cost per year?

North Wales Fire and Rescue spends around £32million a year. Around 70% of what it spends goes on staff salaries and other costs. There is more information about this on page 17.

Where does the money come from?

Most of the money (the revenue budget) that the Authority receives to cover the cost of delivering fire and rescue services comes from financial contributions from the six county councils in North Wales in proportion to their resident population. The more people live in a county, the more that county council contributes towards fire and rescue services. Councils in North Wales typically contribute around 2% of their total annual revenue budget to the Authority. There is more information about this on page 10.

What options are there for closing the £2.3million funding gap?

Theoretically,

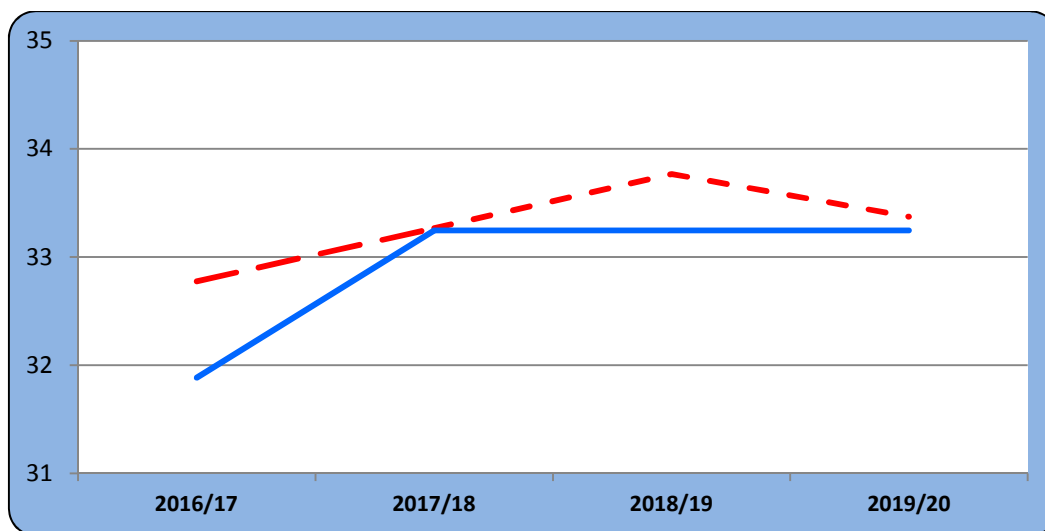
- a) the North Wales county councils could together contribute an additional £2.3million to the Fire and Rescue Authority every year, so increasing their combined annual contributions to £34.2million by 2019/20; OR
- b) the Fire and Rescue Authority could make large cuts to its emergency and prevention services to maintain the current level of county council contributions until at least 2019/20; OR
- c) a mix of both, with the county councils contributing more money and the Fire and Rescue Authority cutting its own running costs.

Taking everything into account, the Authority is proposing option c), with a suggested increase of £1.4million from the county councils from 2017/18, and savings of £0.9million by the Fire and Rescue Authority by 2019/20.

This would reduce the financial impact on the county councils but would mean cutting fire and rescue services and reducing the number of operational firefighter posts.

What would increased contributions and Service cuts look like?

The Authority is proposing to increase the amount that it receives from the county councils by around £1.4million from 2017/18, and to also cut its own costs by around £0.9million from 2019/20. There is more information on other options on page 19.



The graph above illustrates the effect of:

- (solid blue line) increasing the financial contributions from the county councils in 2017/18 and then maintaining that same level of contributions until at least 2019/20. This would not be enough to cover costs in 2018/19 (the same situation as in 2016/17), so money would have to be taken out of the Fire and Rescue Authority's reserves for this; and
- (broken red line) the Fire and Rescue Authority's running costs increasing until 2018/19, but then a large cut of £0.9million in 2019/20.

So rather than progress to a situation where the Fire and Rescue Authority had a £2.3million funding gap by 2019/20 (illustrated in the graph on page 7), this proposed strategy would see its costs reduced and met from a combination of annual contributions and some use of reserves.

However, using up reserves for general running costs is not without risk. As a rule the Authority would try to keep a sum equivalent to at least 5% of its running costs in a general reserve to cover unforeseen situations. The proposed strategy could potentially take the level of reserves down to below £1.7million (5% of £34million).

What would this strategy mean for the North Wales county councils?

In 2016/17 half of the county councils in North Wales paid less for fire and rescue services than they did in 2011/12 – typically around 2% of their spending. The biggest increase in a single county council’s contribution was less than 3% over the whole five years.

The additional contributions of £1.4million being suggested in this strategy would be distributed between six county councils according to the size of their population at the time. Based on current population figures this would range between about an additional £137,000 for the smallest county and about an additional £300,000 for the biggest county. The cost per head of population for North Wales would increase slightly to around £47 – the same as it was in 2011/12.

£	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Anglesey	3,236,545	3,219,270	3,216,231	3,198,669	3,200,523	3,190,812
Gwynedd	5,588,685	5,525,827	5,507,985	5,588,255	5,602,787	5,598,221
Conwy	5,240,568	5,206,959	5,198,570	5,283,704	5,289,891	5,277,177
Denbighshire	4,549,039	4,569,316	4,593,630	4,342,155	4,360,740	4,363,962
Flintshire	7,051,716	6,981,590	6,955,089	7,018,721	7,033,548	7,022,578
Wrexham	6,266,101	6,269,049	6,300,506	6,340,507	6,398,354	6,433,093
TOTAL	31,932,654	31,772,011	31,772,011	31,772,011	31,885,843	31,885,843

Population estimate	688,417	690,434	691,986	694,038	694,473	701,290*
Cost per head	£47	£46	£46	£46	£46	£46

**projected estimate*

What would this strategy mean for North Wales Fire and Rescue Authority?

Cutting North Wales Fire and Rescue Service's annual running costs by £0.9million would mean making significant cuts to the Service. Because over half of the Service's budget is spent on operational firefighters, making savings on the scale being proposed will inevitably affect that part of the Service.

The Service is predominantly 'retained', but for several reasons the Authority is not proposing to make the £0.9million of cuts in this section of the Service. One reason for this is that the Authority would have to close a large proportion of its retained fire stations in order to achieve savings of that magnitude (between 8 and 10 out of a total of 36 retained fire stations in North Wales would have to close). Retained firefighters are paid an annual retaining fee with additional fees per incident attended. Because the number of incidents is thankfully low, the annual cost of a retained crew is also comparatively low, so it would mean cutting a lot of retained firefighter posts to make £0.9million of savings.

Also, passing an emergency call to another retained fire station further away would simply transfer the cost rather than save the cost of attending, so the calculation is by no means straightforward.

Another way of achieving the £0.9million of savings would be to remove a wholetime fire engine from a 24-hour shift fire station. There are only three 24-hour shift fire stations in North Wales – at Rhyl, Deeside and Wrexham. Rhyl and Deeside have just one wholetime fire engine each, but Wrexham has two. The obvious choice is therefore to remove one of the two wholetime fire engines from Wrexham, cutting 24 wholetime firefighter posts.

Based on anticipated turnover of wholetime operational staff over the next two or three years, it would seem sensible to work towards achieving this by 2019/20, thereby avoiding some of the costs associated with compulsory redundancies of firefighters. Of the 156 wholetime firefighter and crew manager posts at wholetime shift and day crewed fire stations in North Wales currently, 24 posts (15.3%) would be lost. The remaining 132 would continue to provide emergency response across all parts of North Wales.

Objective 3

- Protecting all our communities with better planning of firefighting crews.

In our public consultation last year we explained how we would be improving our planning of the availability of retained fire crews.

The retained duty system has been used to provide fire cover in less populated parts of the UK for many years, but societal changes mean that it has become increasingly difficult to attract and keep firefighters who are able to commit to stay within four or five minutes of a fire station for up to 120 hours per week.

Over time we had come to accept that it would not be possible to guarantee the continuous availability of all 44 retained crews in North Wales, which had led us to consider what would be a better alternative.

We proposed planning according to the level of risk, so at times of lower risk (generally during the day) we would focus on guaranteeing the availability of at least 20 strategically placed fire crews in North Wales and at times of higher risk (generally overnight) this would increase to at least 38. Of the people who responded to our consultation on this last year: 48.7% agreed that this would be a good level of improvement; 28.3% agreed that we should change the way we organise our crews but wondered whether 20/38 crews would be enough; and 23% thought we should just keep trying to recruit more firefighters.

We are pleased to report that this work of planning on the basis of 20/38 crews has started but we also continue to try to recruit more retained firefighters.

We have many retained firefighters who have been with the Service for years and who get a great sense of fulfilment from providing such a valued and well-respected service to their community. But staff turnover remains high and although we are making headway in ensuring that enough crews are available, the underlying problems of an outdated national duty system remain. For this reason we intend to keep this as our third strategic objective for next year.

Objective 4

- Exploring how we can do more things for our communities.

At the start of this century fire crews were attending around 6,000 fires in North Wales every year. By now they typically attend around 2,500 fires per year – welcome evidence of the effectiveness of the fire prevention strategy.

Other parts of the public sector, however, have not seen a similar reduction in demand, so we think it is worth exploring the possibility of involving fire and rescue service personnel in helping to improve people's lives in different ways.

Our public consultation last year supported this view - 83.7% of the responses agreed that we should look at what else firefighters could do and which other services we could offer. If a member of the public needs a service we think it is probably more important that the service is easily accessed, reliable, timely and of a high quality than that it comes from any particular organisation.

But branching out beyond traditional organisational boundaries is easier said than done. It takes time to organise, train and equip staff for new roles, for them to share learning and build up experience as well as expertise. The less visible aspects such as work plans, contracts, financial arrangements, information management and reporting also need to be organised.

We have already started trialling some new initiatives with the Welsh Ambulance Services NHS Trust, responding to life-threatening medical incidents (co-responding) and to vulnerable people who have experienced a fall in their home. So as well as saving lives, we hope to reduce the pressure and demands on ambulance, medical and social care services in the area. At the end of these pilot projects we will evaluate the overall impact of taking on these new services permanently.

There is plenty more to be done, and several other potential projects that we would like to explore. Consequently, we intend to keep this as our fourth strategic objective for next year.

WHAT DO YOU THINK ABOUT OUR IDEAS FOR IMPROVEMENT?

North Wales Fire and Rescue Authority will be submitting an estimate of its required level of funding for 2017-18 to the county councils in North Wales in December 2016, and confirming the final figure by mid-February 2017.

We want to get our plans ready before the start of the 2017-18 year, but before we make our final decisions we want to know what people think about our proposals. Is the Authority right to keep the prevention of fire deaths and injuries as its first objective? Is the funding strategy of increasing contributions and cutting services a good one? What about our plan to remove one of the Wrexham-based fire engines? Are you content with how we organise our fire crews, and what do you think of the fire and rescue service taking on different roles in the community?

Please submit your comments before 12 December 2016:

By post to:

North Wales Fire and Rescue Authority
Fire and Rescue Service Headquarters
Ffordd Salesbury
St Asaph Business Park
St Asaph
Denbighshire, LL17 0JJ

By e-mail to:

futurefire@nwales-fireservice.org.uk

You can also visit

www.nwales-fireservice.org.uk

Twitter @northwalesfire

www.facebook.com/northwalesfireservice

By completing the questionnaire:

[DETAILS TO BE ADDED]

SOME QUESTIONS ANSWERED

You talk about ‘unavoidable cost increases’. What are those?

As with any household budgets the Authority has to budget for things such as general inflation, increases in energy, fuel and insurance costs and indexation on service level agreements (contracts). These have to be worked out as ‘best estimates’ when setting the budget as no-one can foresee with absolute certainty what additional costs may arise. Pay awards for staff are determined nationally, but even a 1% pay increase would cost about £150,000 more every year to the Authority. There are also things like interest rates on capital spending (the cost of borrowing) and UK Government decisions about National Insurance contribution rates and rebates.

Why don't you make the savings by cutting the number of senior managers and back office staff instead of cutting the number of firefighters?

We do recognise the need to protect front line services, but we do not accept that transferring management and specialist responsibilities (e.g. for finance and payroll, ICT, and HR) to more junior front line staff without additional pay or training – in order to achieve the savings - is a realistic prospect. The figures on page 17 show the actual amounts spent.

The approach that we have taken up to now has been to make savings across the whole workforce:

1. Operational officer posts have been reduced through two restructures. This cut the number down to the minimum level required to safely implement the incident command system. Further reductions would not be possible without compromising the safety of personnel at operational incidents.
2. The budget for support staff has been reduced despite increased workloads arising from new external regulation and legislation.
3. The option of cutting the number of support staff allocated to fire safety and community safety work could be seen as counter-productive as it risks simply transferring costs to dealing with more and more fires and fire casualties. The impact of such a decision on the environment, businesses, local communities and other public services also make this an unpalatable option.

4. The option of outsourcing the emergency Control function to another organisation was considered but rejected on the basis that it would be unlikely to generate much saving in practice and it would mean losing the North Wales presence with North Wales Police in the joint Communications Centre in St Asaph.

Why don't you make the savings by spending less on buildings and cars?

The amount spent on capital (e.g. for new buildings, replacement vehicles and equipment) is reflected in the cost of financing, but is a separate budget. The capital budget is similar to a mortgage or a loan – it is money borrowed by the Authority for a specific purpose over a period of time and that needs to be repaid with interest. It is not cash in the bank that can be used to pay for day-to-day running costs.

Why don't the county councils pay more?

When we asked the public last year whether we should keep trying to freeze the Fire and Rescue Authority's annual budget until the end of this decade, 40% of the people who responded thought that the county councils should spend more on fire and rescue services and less on other services, but 60% thought that the Fire and Rescue Authority should continue to play its part in reducing the financial burden on the county councils.

Our proposed strategy, therefore, is to seek additional contributions from the county councils and also to cut the cost of providing fire and rescue services.

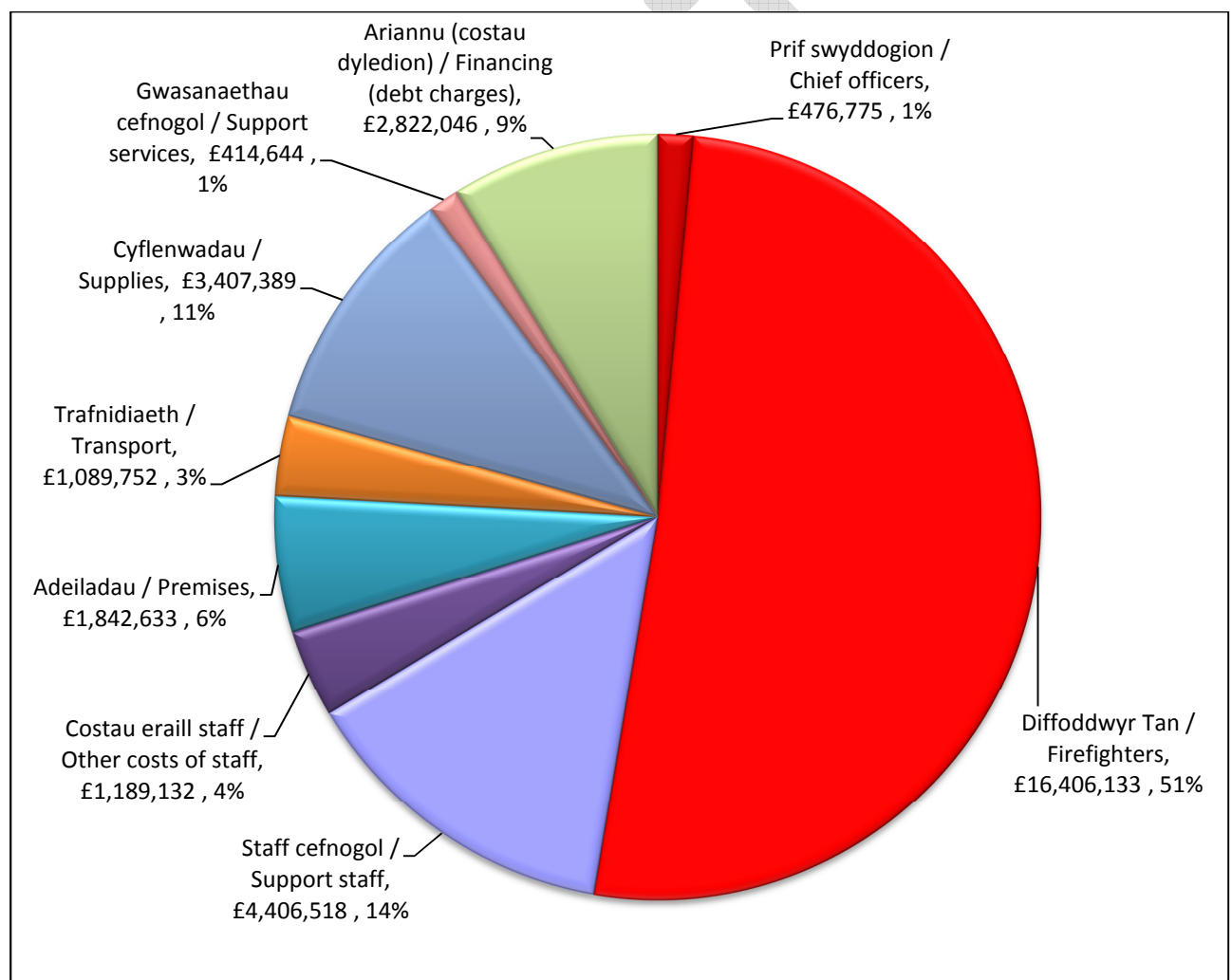
Why don't you just pay for things out of your reserves?

General reserves are intended to cushion the impact of unexpected events and uneven cash flows. Unlike an annual budget that is used to pay for running costs, reserves are not replenished every year, so if they are used one year it will not solve the problem of affordability in the following year.

Is cutting firefighter posts really the only option? There must be other ways of making the savings?

The Authority has been cutting its costs and making savings for a number of years now, so many of those other options have already been explored. With 70% of the annual budget being spent on staff, and most of that on operational firefighters, it would not be possible to make this level of savings without affecting firefighter posts.

The graph below shows the actual amounts that were spent in 2015/16 by North Wales Fire and Rescue Authority (revenue), and those amounts as percentages of the total:



There is a more detailed report of 2015/16 spending on the Authority's website at:

<http://www.nwales-fireservice.org.uk/media/337106/8-financial-performance-201516.pdf>

<http://www.nwales-fireservice.org.uk/media/337108/8i-fin-perf-annex.pdf>

Why don't you close fire stations in quieter areas? Why choose Wrexham, a town with much higher risk than a small village?

The Authority considered a range of options before settling on the removal of one of the wholetime fire appliances from Wrexham as a viable proposal. As explained on page 10, the comparatively low costs associated with retained fire crews means that it would mean removing around 8 to 10 of them in order to make the savings that are being sought now. That would mean leaving large parts of North Wales with no fire station. Removing a wholetime fire engine from Wrexham, however, would still leave one wholetime fire engine and one retained fire engine based in Wrexham itself without affecting the additional support that would still be available from other fire stations. The closest would be Johnstown and Chirk, but emergency response does not stop at county boundaries, so in practice additional support would be provided by the closest available resource.

The three Wrexham fire engines were put there at a time when fire calls and false alarms were much more commonplace. Thankfully, the Authority's fire prevention strategy and new policy for responding to some automatic fire alarms has significantly reduced the demand for emergency response in the area. When emergency incidents do occur, fire cover would continue to be maintained by the remaining fire appliances in Wrexham and/or fire appliances from other fire stations.

We recently reviewed the fire risk profile of North Wales and this confirmed that fire risks are distributed across the whole area, not just in particular towns or counties. The Authority has a duty to ensure that the whole of North Wales and the whole population is as well protected as it can be, so although removing one fire engine from Wrexham would not be an easy decision, people could continue to have confidence that wherever they live, work, visit or travel in North Wales they will be protected by an excellent fire and rescue service.

Which other options did you consider?

1. There are eight wholetime fire stations in North Wales – three are always open (24-hour shift stations) and five are open between mid-day and 10:00p.m. They then operate as retained fire stations outside those hours. Each wholetime fire station has one wholetime fire engine (two in Wrexham) plus a retained fire engine. The retained fire engine provides additional support at larger incidents that require two or more fire crews, or when the wholetime fire engine is committed elsewhere and the Service needs to maintain residual cover in an area. The Authority considered saving money by removing the retained fire engine from these eight wholetime fire stations but saw the disadvantage of not having that additional local support nearby.
2. The possibility of transferring the Control (999) function to a different organisation was also considered. However, the Authority was not convinced that this would achieve the necessary savings and were concerned about the negative impact on bilingual Welsh and English call-handling. It would also mean losing the advantages of working alongside North Wales Police in the Joint Communications Centre in St Asaph.
3. Another option was to make changes to day crewing arrangements which would mean that wholetime firefighters on a day crewing contract would no longer be paid to provide overnight cover, relying instead on retained firefighters to provide that overnight cover from the day crewed stations. However, the £300,000 saved would fall short of the required savings and there was concern that it would risk leaving some larger towns without cover if the retained crews were not available.
4. Fire and rescue authorities must by law promote community fire safety, with the aim of preventing deaths and injuries and reducing the impact of fire on the community as a whole. How much prevention work is undertaken is a matter for the Authority, so it could reduce the amount spent on community safety. However, cutting this service would increase the risk of having more fires and other emergency incidents.