



AGENDA ITEM: 6

NORTH WALES FIRE AND RESCUE AUTHORITY EXECUTIVE PANEL

21st November 2011

PROGRESS TOWARDS BUDGET SAVINGS 2011-2014

Report by Dawn Docx, Deputy Chief Fire Officer

PURPOSE OF REPORT

- 1 This report forms part of the regular reporting mechanism to the Executive Panel of the progress towards, and any difficulties encountered, in achieving the required savings of £2.4 million. This is the level of budget reduction as directed by North Wales Fire and Rescue Authority at its meeting on 10th December 2010.

BACKGROUND

- 2 Members are well aware of the background to the decisions taken by the Authority regarding its revenue budget for the next three years. The reasons for the cuts and the means by which these savings are to be made were explained in some detail in the Budget Option paper which was presented to the Fire and Rescue Authority on 17th October 2011.
- 3 As it is now over seven months into the first financial year following that strategic decision, it is timely to report on progress on implementing the first £800,000 of those reductions. Wherever possible the impact of those savings will be stated, although it should be borne in mind that it is still too early to recognise any long term potential impact they may have on service provision.
- 4 The decision to mandate officers to pursue a negotiated rostering system with the representative bodies was only made last month. Nevertheless both the officers and the representatives of the Fire Brigades Union (FBU) are conscious that there is very little time in which to conclude an agreement so that a rostering system can be

ready for introduction on the 1st April 2012. Crucially there is a need to reach a local agreement as to what will happen to the people who could be in scope for redundancy, once the posts are no longer part of the establishment. With this in mind work has started straight away and the second part of this report will set out the direction of this work.

INFORMATION

- 5 Members have already received a number of briefings regarding the officer cover review and the resulting structure. One of the outcomes of the review was to reduce the establishment of operational middle managers by eight posts, making a saving of £450,000. Because of earlier long term planning this was achieved without the need for redundancies. Some of the legislative fire safety duties that used to be undertaken by operational officers have now been transferred to compliance officers on green book terms and conditions. These people have now been recruited and they commenced their training on 1st September 2011. It is pleasing to note that the new structure appears to be bedding in well.
- 6 After reviewing all non-statutory duties it was found that North Wales Fire and Rescue Service spends very little of its own revenue budget on such activities. However Members did decide not to fund the Young Firefighters' Event. Although very supportive of the Young Firefighters' scheme in general, Members agreed to no longer run the annual event which resulted in savings of £12,000.
- 7 Over £200,000 was to be saved by reducing discretionary budget lines. Some budget lines, such as for recruitment advertising and expenses, were reduced by 50%. This has had no impact at the moment when there has been very little recruitment carried out externally. When a vacancy arises it has either been held vacant or, following human resources good practice guidelines, advertised internally. The remaining budget will be inadequate once there is a need to go out to external recruitment, particularly in the case of key posts which require specialist skills.

- 8 Non operational learning and development and conference fees were reduced by £36,000. In the short-term this gap is being filled by the use of e-forums and webinars in order to keep our employees informed about the latest developments. A more stringent system of control of conference attendance has resulted in savings on course fees and associated travel and subsistence.
- 9 Other cost saving measures included ceasing to provide flu vaccines for employees, although still encouraging them to remain fit and healthy. The combination of the Long Service and Good Conduct medal and Award ceremonies saved £8,000. Publications have been cancelled and negotiations with the Police to provide an investigation service were discontinued.
- 10 The Community Safety budget was reduced by £50,000. This has meant that fewer practitioners have been recruited than intended and this in turn has delayed the transfer of the bulk of Home Fire Safety Checks from firefighters to specialist practitioners. The Fire and Rescue Authority's target of 30,000 home safety checks will be more difficult to achieve this year than in previous years.
- 11 In addition to the work undertaken through the job evaluation project a further review of administrative posts is currently underway. The intention is to provide administrative support to the new structure and for retained duty system stations but within the existing budget. Support staff costs have been carefully managed by the prudent use of two long standing policies for members of the Local Government Pension Scheme. Members will recall that the Authority has had in place since 2007 a voluntary redundancy scheme and an "early retirement on the grounds of efficiency" policy. These have been voluntarily accessed by some members of staff which have generated gross savings of £174,000 pa by reducing the number of support staff posts.
- 12 As already disclosed to Members of the Authority in the provisional out-turn report, a number of one off savings have been identified which could contribute to a potential underspend for the 2011/12 financial year, over and above the £800,000 base budget savings. This underspend could be used to fund short term transitional costs as part of the introduction of a rostering system in 2012/13.

- 13 As for the progress towards a negotiated rostering option, it is pleasing to be able to report that the Deputy Chief Fire Officer and senior managers have met with representatives from the FBU to discuss this issue on three separate occasions to date. These meetings took place on 13th October, 3rd November and 14th November 2011. Officers are pleased with the proactive and helpful approach of the local FBU who have put forward a number of cost saving suggestions, all of which are being carefully considered. Both parties recognise the serious nature of the financial situation and are working together to find common ground in order to develop new ways of working.

- 14 Representatives from the FBU have received an in depth briefing as to the potential rostering options already in existence, from the watch managers who made up the initial fact finding team. All facts and figures from that presentation were made available to the FBU to take onto stations. In subsequent meetings the FBU have reported back the concerns expressed by firefighters and have made alternative suggestions. These suggestions are currently being explored with the union to see if they can be accommodated within the Authority's objectives. These objectives are to ensure that the correct number of skilled firefighters are available at all times to attend incidents whilst still producing the required level of savings. The next meeting is scheduled for the 21st November 2011 and it will concentrate on the legal aspects of redundancy and developing the criteria for assessing those employees who may be in scope for redundancy.

RECOMMENDATION

- 15 Members are requested to note the progress towards making the required financial savings in the current year and the positive ongoing negotiations between senior managers of the Service and the FBU around implementing new ways of working.