



Hereford & Worcester Fire Authority

Annual Report to Herefordshire Council

18 July 2014

Authority Chairman and Vice-Chairman 2014/15

1. Councillor D W Prodger MBE, from Worcestershire County Council, was re-elected as Chairman of the Authority and Brigadier P Jones CBE, was re-elected as Vice-Chairman.

Financial Information

2. The final out-turn position for 2013/14 shows an expected underspend of £1.537m, which is £0.564m lower than originally anticipated. There are two fundamental reasons for this:
 - a. Continued pressure on budget holders has produced further net savings of £0.211m.
 - b. Specific one-off issues arising after the previous projections were prepared, totalling £0.353m.
3. As the areas of underspend were planned they have already been taken into consideration in forward budget planning and therefore do not affect the savings targets required for future years.
4. In February 2014 the Authority approved a Capital and Budget Programme for 2014/15 of £7.0m, a Revenue Budget for 2014/15 of £32.637m and an increase in Council Tax Precept of 1.93% for 2014/15. As mentioned in paragraph 13 the Authority also approved that £485,000 be made available from non-earmarked general reserves to support frontline services for 2014/15. However, this will remain unused as the Authority had set a balanced budget for 2014/15 which does not need to draw on reserves.
5. The anticipated cumulative year-on-year budget gap has reduced slightly from £4.7m to £4.0m by 2016/17. This has enabled officers to recommend fewer changes to fire and emergency cover than were originally proposed in the draft Community Risk Management Plan that went to consultation.
6. As is the case in many organisations, the Authority continues to face a challenging financial situation. Whilst we will have made savings of £6.2m to the end of 2016/17 (74% without impacting on front line response to the public),

projections indicate that further savings of £2.5m - £3.5m may be needed over the following three years to 2019/20.

Closer Working with Warwickshire Fire and Rescue Service

7. We know from Government (and those that aspire to be in government) announcements that restrictions on public sector funding are likely to continue until at least 2020, and it therefore appears inevitable that the Authority will need to find further significant savings beyond those currently envisaged. Unless alternatives are identified, it is inevitable those savings will impact to a greater or lesser degree on front line service delivery.
8. One of the alternatives is closer working with other organisations, such as neighbouring Fire and Rescue Services. The 'Sir Ken Knight Review' published last year recommended that where Fire and Rescue Authorities can provide business cases for local collaborative solutions showing clear, achievable efficiencies, central government should step forward to provide financial support for transition. In addition, the Fire Minister has also set out the challenge for Fire and Rescue Authorities to engage in greater collaboration.
9. At its meeting on 11 December 2013, the Authority considered a proposal for future collaborative working with Warwickshire Fire and Rescue Service (WFRS) and agreed that a joint officer team be established with WFRS to examine the feasibility and potential benefits of collaboration.
10. A Project Team was established in January 2014 comprising officers from Hereford & Worcester, WFRS and Warwickshire County Council (WCC). A Project Board is also in place to provide strategic guidance to the project leads and ensure that outcomes, risks, issues and decisions are shared at a senior management level. The membership of the board consists of senior officers from each FRS, WCC and Elected Members. The Project Board is aiming to have the final reports completed and ready for the consideration of Elected Members in autumn 2014. If this collaborative work can deliver savings it is highly likely that these savings would protect frontline services.

Community Risk Management Plan (CRMP) 2014-2020

11. On 3 October 2013 the Authority gave approval for a new draft Community Risk Management Plan to be published for public consultation; this document incorporated a review of fire and emergency cover arrangements and also included an overview of the financial issues facing the Authority.

12. The fire and emergency cover review was designed to assist the Authority to make decisions about how future savings could be achieved, whilst minimising the impact on frontline services and on local communities as far as reasonably possible. The potential savings contained in the proposals only represent 26% of the overall savings requirements of the Authority over the current six years of projected austerity.
13. £4.1m of savings have already been made away from front line services and there are also proposals in place to make additional non-front line fire engine savings of £0.5m in future years. Changes to front line fire engines are necessary due to all other avenues having been explored and addressed. These avenues have seen significant reductions in areas such as back-office services, senior and middle management, procurement and general spending budgets – the front line has so far been protected but with the level of cuts faced by the Authority this can no longer be the case.
14. At the meeting on 19 February 2014, Members resolved to make £485,000 available from general reserves to support frontline services for 2014-15 and deferred the item, asking the Chief Fire Officer to bring forward a report setting out options for how this one-off finance could be used. The Authority had set a balanced budget for 2014-15 at its February meeting which did not rely upon any additional savings from frontline services being made in this financial year. It therefore followed that there was no need to utilise the available £485,000 in 2014-15 and this would remain unused in this specified year.
15. At its meeting on 9 June, the Authority was provided with various options to consider which included making a set amount of general reserves available on an 'as and when needed' basis rather than being constrained to any particular financial year. Some Members still expressed concerns about the impact of the proposed reductions in fire cover, particularly in Herefordshire and some Members suggested there were other alternative options which should be investigated. The Authority has therefore agreed to again defer the Community Risk Management Plan 2014-2020 to a future meeting.

Joint Property Vehicle

16. The Authority is currently exploring the potential of a property Special Purpose Vehicle (SPV) between partner organisations. Such a model would bring together the respective estates functions of partner organisations without authorities losing individual sovereignty over their properties or losing local control over the services delivered. It is expected that a possible Joint Property Vehicle between partners managing the collective estate could realise potential revenue savings through more efficient management of public property, joint

procurement of services, access to a greater range of expertise and improved resilience.

17. The other partners in addition to the Fire Authority, are:

- Herefordshire Council
- Redditch Borough Council
- Worcester City Council
- Warwickshire Police
- West Mercia Police (the two police forces have been working together as one on this project)
- Worcestershire County Council, and
- Worcestershire Health and Care NHS Trust.

18. The Authority has agreed to use a small amount of an earmarked reserve to support the work and Members will be provided with a full business case when it is released.

New Fire Station for Hereford

19. Following detailed discussions between the Authority and Herefordshire Council, it has been agreed that a land swap can take place. Herefordshire Council will acquire the freehold of the current Fire Station site at the same time that the Authority acquires the freehold of the current Bath Street Council Offices.

20. In addition to the demolition of the existing building in Bath Street and the construction of the new fire station, the Authority will hand back part of the Bath Street site on completion of the construction of the Fire Station for use by Herefordshire Council's staff.

21. A lease-back arrangement will exist between both parties so that the Fire Station can still be occupied by fire service staff as the new fire station is being built. The financial consideration for this rental period will reflect the cost of the demolition of the current fire station, which will balance the overall differences between the valuations.

22. Work will commence subject to the necessary planning permissions being granted.

Performance 2013/14

23. The total number of incidents attended in 2013-14 is the second lowest total in the eight years that the current data set has been collected. In addition, 2013-14 saw a reduction in total incidents compared to the same period last year. This is despite a spike in incidents recorded in July 2013.

24. The number of fires attended in 2013-14 have increased when compared to the previous year. This is mainly due to increases in the number of secondary fires in July 2013. Secondary fires are generally small fires which start in, and are confined to, outdoor locations. Typically, they are fires in grass or heathland, fires involving rubbish, fires involving street or railway furniture and fires in derelict buildings or vehicles and are more prevalent in hot weather.
25. The previous 2012-13 year had predominantly wet weather conditions and therefore the expected seasonal increase in secondary fires during the summer of 2012-13 had been lower than usual. The 2013-14 year saw a return to more usual summer weather conditions and hence the increase in secondary fires.

Total Incidents	2012-13	2013-14	Percentage change
All Fires	1770	1987	12.3%
Special Services	1698	1458	-14.1%
False Alarms	3175	3177	0.1%
Total Incidents	6643	6622	-0.3%

Strike Action

26. In July and November 2013, the Fire Brigades Union (FBU) balloted for industrial action in a dispute with the Government over pensions. There were two ballots held. The first ballot involved operational staff not including Fire Control and was for strike action. The second ballot was for Action Short of Strike (ASOS) and included all operational staff including Fire Control staff. Both ballots were successful.
27. To date there have been twelve periods of strike action, for varying periods of time up to twelve hours, and two periods of ASOS to date. Although the majority of wholetime firefighters took strike action, the majority of officers and retained firefighters were working as normal. A maximum of 51 wholetime firefighters and 48 retained firefighters were on strike during any one strike period.
28. Contingency arrangements have been successfully implemented and continue to provide a robust plan during all periods of strike action. Fire appliances are crewed through a mixture of firefighters who are non-union members and those who have decided to work normally. In addition, the majority of standalone on-

call stations have continued to work normally. The highest number of appliances available during a period of strike action was 35 out of a total of 43, with the average number of appliances available being 26.

29. The financial cost of providing fire cover during strike action is approximately £41,000 (excluding the two recent periods of strike action in June). This includes the cost of one-off preparatory costs and the cost of paying volunteers less pay deductions for striking employees plus the cost of the alternative locations providing catering and radio campaigns. In addition, there are also the costs of those staff attending Industrial Action Management Group and engaged in pre-planning for each period of strike action, which has accumulated approximately £80,000 of opportunity costs (excluding the two periods of strike action in June).

Members' Allowances

30. Members have voted not to increase their allowances and kept them pegged to those paid in 2010.

Authority Plan 2014/15

31. The Authority's Annual Plan for 2014/15 was approved for publication and is available on the Service's website at www.hwfire.org.uk

External Audit Opinion and Financial Statements 2012/13

32. The External Auditor issued an unqualified opinion on the Authority's financial statements for 2012/13. The financial statements were considered to be true and fair and presented without material misstatement.

33. The External Auditor also issued an unqualified Value for Money Conclusion as his work did not identify any matters which would lead him to believe that the Authority did not have proper arrangements in place for securing economy, efficiency and effectiveness.

Brigadier P Jones CBE

Vice-Chairman – Hereford & Worcester Fire Authority

FURTHER INFORMATION

Any person wishing to seek further information on this report should contact Committee & Members' Services on 01905 368209/241. Further information on the Fire Authority and the Fire and Rescue Service can also be found on the Internet at (www.hwfire.org.uk)