

Fire Futures

# Efficiency, Effectiveness and Productivity Report

Workstream Chair: CFO Max Hood, West Sussex FRS

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## ➤ 1. CHAIR'S INTRODUCTION AND EXECUTIVE SUMMARY OF OPTIONS AND PROPOSALS

The Fire and Rescue Service (FRS) in England faces a significant challenge over the next few years. Overall an average of an 11% reduction (DCLG figures) in spend needs to be found, although some individual authorities will need to find significantly more than this. At the same time there are some underpinning issues that create major obstacles:

- 1 The FRS in England consists of 46 independent fire authorities and there are no established cross sector bodies with a mandate and sufficient capacity able to take on the general functions or activities better delivered collectively.
- 2 Fire and rescue authorities (FRAs) vary significantly in size and capacity to deliver savings and are affected very differently by funding reductions. This is due both to the different proportions of council tax and grant contributing to individual budgets and that the grant distribution system has no regard to capacity to make savings in how it makes funding available. This is further exacerbated by historical funding and savings patterns which have resulted in an uneven funding base across the Service.
- 3 Change in the FRS can be difficult to achieve for a number of reasons - lack of local political will, difficult industrial relations and a reluctance to erode operational independence.
- 4 At the same time changing demographics, the impact of recession and climate change will all increase the pressures on services to communities over time.

Looking at the range of submissions and options generated during the Fire Futures work on efficiency and productivity, it is clear that proposals to address the challenge in themselves are neither radically new nor innovative – unless a national consensus supports an agenda for significant overall change in the structure or delivery model as considered elsewhere in Fire Futures. This is not surprising in that all authorities have had efficiency programmes in place over recent years, external scrutiny bodies have had a strong focus on challenging and supporting improvement in this area and on learning from wider local service models. However it can be argued that only a relatively small number of authorities have made difficult decisions to change models of delivery to achieve significant savings.

The wider delivery of these and other savings needing significant change quickly and effectively

is the real challenge for FRAs individually and the sector collectively. This workstream has identified that savings in the order of magnitude needed in the coming Spending Review period will not be achieved through the usual approach of year on year budget trimming in the costs of existing services and supporting structures. Indeed this work has identified general consensus that the worst approach the FRS in England could take to the challenge would be to continue to “salami slice” individually.

The “big ticket” items are of course wholetime staff costs and the management and democratic overhead of having 46 different services. It is important to note that several more factors have a bearing here in terms of government’s aspirations for public services:

- 1 Government has been clear that individual authorities are sovereign and that achieving the savings and looking at areas such as the number of authorities and the degree to which joint working is undertaken is a local matter. Indeed savings are to be achieved while at the same time enhancing the role and involvement of communities and citizens in decision making and being more responsive to the needs and desires of individual communities.
- 2 Employers are equally clear that individual authorities’ sovereignty is paramount and that local choices will determine approaches to how savings are achieved.

This at least gives a consistent view of where decision making is to be taken. What seems clear at the moment however is that this is leading generally to the “salami slicing” approach being taken. Some authorities are having to look at almost nuclear options to achieve savings, likely to have a disproportionate impact on prevention and protection, whilst those not affected to anything like the same degree are looking at much more modest change. What is arguably lacking is the collective motivation or will to look at making some of the changes that would drive out the existing inefficiency and duplication that exists across the Service, to the collective benefit of all. Principally this is looking at much more meaningful collaboration locally, the possibility of fewer authorities and an over-arching approach to delivering work that would be much better done collectively (but are not necessarily national functions).

So the catalyst for change the Service might expect the Spending Review to be is actually diluted by the very uneven impact of funding reductions and the issues already covered. What might change this and produce a more consistent and progressive approach to meeting the Spending Review challenges?

- 1 Removing barriers to change and giving authorities greater freedom to act will certainly help deliver local change.
- 2 But this needs to be combined with incentivising more consistent change and change on a larger scale, addressing issues cooperatively with partners or collectively at a national level. The Service has previously responded well to this approach. Given the scale of the challenge, incentivisation should be targeted at things which will have the biggest impact. Incentivising local initiatives to build one new station to replace two existing stations, however beneficial locally, is not the right order of magnitude. Schemes which tackle bigger underlying inefficiencies, service-wide should be the focus.
- 3 The Service itself needs to own this agenda and show a new level of cohesiveness.

I am convinced that the Service can make the necessary change to deliver real savings and maintain or even improve the really excellent work it currently does in prevention and protection as well as emergency response. To do this local leadership and the workforce must be open to significant change in how services have been traditionally organised and delivered. The Service's principal constituent bodies, supported by government, must generate the will and create the necessary structures for the Service to act together where it needs to do so. Those for whom the Spending Review outcome is less challenging must be incentivised to act collectively. If we fail to do this it may result in a minority of Fire and Rescue Authorities being forced into front line service cuts of a scale which could threaten the safety of communities. The sector and government has a joint responsibility to ensure that this does not happen.

### **Early priorities**

- Government should ensure FRAs have the necessary powers to deliver efficiencies through the adoption of new local models including through joint delivery of services with other local providers;
- A sector owned joint procurement process should be developed;
- The FRS should fully engage with the LG Group Productivity Programme to drive down costs as well as supporting harmonisation in approach with other local public services;
- The Service should develop a VFM benchmarking and peer review model drawing on existing examples in other local government services;

- An invest to save fund for the FRS should be considered.

### **Balance of resources**

- The latent resource capacity of the FRS should be maximised and used to extend the productivity of the Service – either through local models or enabling national change.

### **Alternative models**

- If a local choice model is pursued this should be combined with a harmonised approach on some issues at an appropriate spatial level to deliver savings and maintain/enhance inter-operability.

### **Asset management**

- Each FRA should ensure its Asset Management Strategy is clearly defined in the strategic responsibility of the authority and in principal management – drawing appropriately on private sector expertise;
- A further sector-led study should be undertaken to assess how well the FRS meets the principals suggested by Sir Michael Lyons in 2004 and in Audit Commission reports and the potential benefit of encouraging a cross border and more collaborative view of property and other assets;
- That the FRS should ensure all fixed assets are included in wider strategic cross service reviews to encourage greater rationalisation and reduction in duplication of assets between partners at a local level;
- The FRS should actively use the OGC Benchmarking Tool and establish some norms on building performance.

### **Charging and trading**

- Options to extend charging more broadly should be considered as well as evaluating the merits of applying charging in areas such as response to road traffic collisions;
- The potential of revenue raising through a levy on home and/or motor insurance policies should also be explored more fully;
- The opportunities for FRAs to extend trading activities should be explored more fully with the wider sector.

### **Workforce, skills and training**

- A collective funding mechanism for the work of the Skills for Justice programme should be retained;
- A sector-led national training review should be undertaken encompassing both efficient provision and options to ensure effective inter-operability.

## Volunteering

- Options for expanding the role of volunteers within the FRS should be pursued, and a model for changing emergency cover to a local community based voluntary run station accounted for within the IRMP should be developed.

## Pay and conditions

- Change in the current NJC mechanism would most appropriately be driven by change in the way FRAs function.

## 2. KEY QUESTIONS POSED TO THE WORKSTREAM BY THE FIRE FUTURES REVIEW

*We are in a tight fiscal environment where the Fire and Rescue Service is likely to be expected to do more or at least the same with less. Are there changes in how fire and rescue services are provided which would enable improvements in cost effectiveness while improving or at worst having a neutral impact on effectiveness? And are there opportunities to improve productivity?*

*Q1: Is the balance of where the FRS spends its resources correct?*

*Q2: What alternative options for providing FRS could be considered?*

*Q3: The local government funding system (including that for the FRS) is to be reviewed in 2011 – however are there additional funding mechanisms which could contribute to FRS resourcing?*

*Q4: How could FRAs make better use of their assets?*

*Q5: Are the current arrangements for pay and conditions delivering value for money?*

The Fire and Rescue Service faces significant challenges – it must find new models of delivery locally that give effect to the Government's ambitions for a greater role for citizens, enable the Service to absorb the funding reductions announced in the recent Spending Review and contribute to the overall public spending reductions required. Change in the FRS can be challenging to deliver – communities and staff can find this difficult. The FRS will need to be able to continue to respond to local service pressures from an ageing population as well as the need to maintain effective regional support for neighbouring FRAs and national capacity to respond to large scale incidents and risks from climate change, terrorism and other sources. Other sections of the Fire Futures review have addressed the potential for significant change in the structure or delivery model which could deliver step change in addressing the Government's reform

agenda and the cost of delivery of fire and rescue services. This workstream has therefore focused on how to deliver improved value for money (VFM) and productivity broadly within the context of the current national structure as savings are needed in fairly short timescales.

Annual spending on the FRS in England amounts to around £2.3 billion and services are delivered through 46 FRAs. The main sources of funding are government grant and council tax, although the relative proportions vary quite significantly both geographically and between different categories of authority. Within England there is a range of governance structures (Counties/unitaries; Combined Fire & Rescue Authorities (CFAs); Metropolitan Fire & Rescue Authorities (Mets); London Fire and Emergency Planning Authority (as part of the GLA group)), each with their own distinct funding arrangements. The Service also generates some limited income from charges, and to a minor extent trading activities. Taking all this into account means that the Spending Review will affect different authorities in different ways.

The largest area of spend for FRAs is staff costs. Whilst this is common to all FRAs, there are big variations in the efficiency of staffing structures and this significant current variation in response planning to address similar risks suggests some authorities could deliver early savings from adopting or adapting the leaner models in use by others. This is not a new conclusion, but the challenge for local leaders and for the sector collectively is to deliver the efficiencies available in this area consistently at their own initiative.

The other big area of spend is in functions in place to support front line service delivery. These include functions such as development of operational policy, health and safety teams, senior managers on flexi duty systems, risk teams, HR, finance, IT, democratic services and training. Due to the current structure of the Service in England it is generally accepted that resources are not used as efficiently as they might be and there is significant duplication of effort. Collaboration between Services is fairly limited and since the de-nationalisation of the Fire Service in 1947 there has only been one voluntary combination, Devon and Somerset. This lack of change has resulted in many functions that might be done better collectively, continuing to be undertaken within each FRA.

Full combination is not the only answer to a better use of FRS resources. Full scale, structured collaboration can drive out much of the duplication that exists currently, whilst maintaining local identity and democratic control. This is an approach which has been adopted successfully elsewhere in local government and is gaining in popularity. There are a range of activities that should be examined by individual FRAs with neighbouring authorities in considering scope for local savings:

- Streamlining management teams - this would include CFO/CE and principal managers;
- Training, this would include all aspects of operational training, trainers and training managers;
- Health and Safety services;
- Fleet services including workshops;
- Operational officer rotas;
- Operational planning/risk teams;
- Media/Communications;
- Special appliances, eg Command Units, Water Carriers and Operational Support vehicles;
- Logistical support and resource management;
- Control room (dependent on future of Regional Control Project);
- Fire Investigation;
- Arson Task Force and dog handlers;
- Fire Safety enforcement;
- Community Safety teams;
- Hydrant inspection.

The above list consists of generally FRS-specific functions. Other support functions such as finance, HR and IT could also be shared or sourced externally. Some Services already do this, particularly those part of County Councils. The list above is not exhaustive, and the sector should consider collectively the scope for larger scale savings through joint action at a spatial level above the local. This is discussed further under "Alternative Models" below.

There is both a broad consensus and clear evidence that collective delivery of services and support functions will deliver savings.<sup>1</sup> Many FRAs have been planning or actively exploring options for closer integration within the FRS sector, across the wider emergency services sector, and with other parts of both the public and private sector anticipating the need for savings to be delivered. Government must

encourage and enable FRAs to take forward these opportunities for cost saving through integration or merger or enabling the FRS to take on new roles as a commissioned body. Key to this is removing legislative or other barriers and broadening the powers of competence available to FRAs as proposed elsewhere in Fire Futures. Government should review these with the sector to ensure all potential barriers or obstacles to local solutions are removed.

### ➤ 3. EARLY ACTION FOR THE FRS SECTOR

There are many examples of good practice across FRAs in England and the Service should continue to share these and actively promote their uptake. Part of developing this further must be greater accuracy and commonality in costing. This allows better comparison with private sector options (something the Service as a whole has been cautious in exploring.) This should be a first step in the Service developing a robust model for benchmarking of costs and outcomes which can be used within a peer review process, built upon the peer methodology already used in the area of operational performance. This peer review model should also offer challenge in the area of adoption of the leaner staffing models which are already tested within the Service. Effective VFM peer review models are already in use in other local government service areas and the FRS should borrow from the best of these rather than re-inventing the wheel. The LG Group Productivity Programme provides a ready made means to take this forward.

### ➤ 4. LG GROUP PRODUCTIVITY PROGRAMME

The LG Group Productivity Programme is addressing many of the areas covered in this section of Fire Futures and the FRS should fully engage with the Programme. The programme has nine workstreams and with the exception of the two on adult social care and children's services, all have resonance for FRAs. Key workstreams are:

- Procurement, capital and shared assets;
- Shared services across areas, tiers and partnerships;
- Data and transparency;
- Shaping markets and new models for service delivery;
- Democratic leadership;
- Workforce and skills;

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1. EEP-WW, EEP-RP



- Tackling central government barriers and burdens.

Learning from other parts of local government and sharing good practice from the FRS as part of this programme will help drive better value for money and drive down costs, as well as supporting harmonisation in approach with other local public services.

## ➤ 5. BALANCE OF RESOURCES<sup>2</sup>

VFM in the funding of the FRS is essentially about making sure existing capacity costs are reduced whilst making more effective use of that capacity. The FRS is almost unique within the public sector in being resourced on risk rather than demand. Resources are placed largely responding to this identified risk, though centres of population do generally receive greater resourcing in part due to higher demand levels. This in practice establishes a lower limit on FRS resourcing below which it would be unable to respond either to local needs based on agreed IRMP requirements or national resilience requirements. Assuming this risk based resourcing approach continues, effective management of capacity is a primary objective for the FRS in delivering VFM. It has implications for the way that services are funded, managed and delivered and it creates opportunities to increase productivity and extend the Service's role. In isolation, taking forward these opportunities will not alter the risk based resourcing level for the Service, but they could create scope, through more effective use of capacity, to generate financial benefits and savings for the FRS and/or other local services.

Risk resourcing means the Service has a "latent resource" capability (although the size of this resource is not easy to quantify) over and above that required in normal circumstances for response, training and community fire safety work. This latent resource is currently utilised, to different levels locally, in fire prevention and protection and other partnership activities. There is scope for this latent resource to be maximised and used, improving efficiency and productivity, in a number of different ways. For example:

- Expanded emergency response capability into new areas eg meeting the rising demand on the ambulance service through provision of appropriately trained staff as outlined in the EMS model suggested elsewhere in Fire Futures;
- In helping address wider community issues and building social capital in line with the aspirations of the Big Society;
- Accepting commissions from other public service

providers to deliver services eg taking on wider community safety roles on behalf of the police;

- Expanded trading in fire prevention/protection activities to provide additional income.

The latent resource capability could potentially be expanded to facilitate new roles by better evaluation of current activities and alternative approaches to provision of prevention/protection services including fire safety enforcement eg commissioning, pooling of resource and provision of services across FRA boundaries and scope for Big Society community/volunteer action.

## ➤ 6. ALTERNATIVE MODELS<sup>3</sup>

The effectiveness of the FRS cannot be measured solely in financial terms. Any evaluation of the future direction of the Service, or the opportunities for alternative approaches, must take into account the socio-economic costs and benefits. However, the national delivery model is not optimal from an efficiency perspective but it has clear and strong advantages in terms of localism and accountability to communities. Economies of scale and improved efficiency and effectiveness can be delivered by better integration and collaboration, harmonisation of practices across FRAs and delivery of services across FRA boundaries.

However centrally driven change to the delivery model would not fit well with a localism approach and the evidence from the last few years of imposed national or regional solutions is that they may not deliver best outcomes in VFM terms and in improving efficiency and effectiveness of FRAs. This suggests a more appropriate approach in the short to medium term may be local collaborative models developed by FRAs, and potentially other delivery partners, driven by local will and priorities between authorities best suited through culture, organisation and geography to do so.

Government would need to facilitate this by removing or reducing any legislative or other barriers. Change growing from the local level could potentially be reflected nationally in the longer term. However this approach would need to be **combined with a harmonised approach by authorities on some issues at an appropriate spatial level to deliver savings and maintain/enhance interoperability.**

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2. EEP-SEB

3. EEP-RP

Areas for ensuring continued/increased harmonisation at appropriate spatial levels include:

- Vehicles – acquisition, disposal, maintenance;
- Equipment – acquisition, disposal, maintenance;
- Fuel – procurement and storage, resilience;
- Buildings – acquisition, disposal, maintenance;
- Electricity and gas – spot pricing, hedging;
- PPE – interoperable – full maintenance package;
- BA – the best with communications and telemetry – full maintenance;
- Work-wear – massive buying power;
- Payroll – just one system;
- HR – same policies and procedures;
- Training – facilities and packages designed with interoperability in mind;
- IT of all kinds – resilient with fall back arrangements;
- Communications – resilient with fall back arrangements;
- Mobilising – dependent on future of RCC project though; an opportunity to make large savings?
- Consumables – single supplier;
- Occupational health – single supplier.

Limited evidence is currently available on alternatives to direct delivery of FRS local services but these should be explored further as they may well provide further opportunities for financial efficiencies through creating a greater diversity of supply. These include:

- Commissioning services direct from the private sector
- Arms length joint FRS/private sector companies
- Opportunities for the FRS to operate more closely with the Fire industry, particularly in the areas of inspection and assessment, and the joint use of data and analysis
- Mutual based arrangements

### Procurement

Centralised procurement is one of the functions that arguably should remain at the national level to help make local resources go further. However, the agency “Firebuy” has recently been abolished as part of the Government’s policy of reducing NDPBs and hence a new approach will be necessary for this function.

Theoretically, centralised procurement should be able to acquire goods at a lower cost than individual FRAs.

However, with Firebuy this was not always perceived to be the case. FRAs may have contributed to this by demanding too wide a variety of specifications for products they were requesting, which reduced the scope for economies of scale in bulk purchasing. Government has made it clear that procurement is a matter for the sector to take forward and FRAs will need to act together effectively to agree common specifications and new joint procurement mechanisms. A catalyst for this could well be collective development of operational procedures which would encourage harmonisation. Areas listed earlier highlight some of the opportunities both for savings through collective purchasing and, in many cases, areas where standardisation will enhance inter-operability.

Research and development capacity is not collectively harnessed in the sector and there is a strong case that this would be better delivered on a collective basis which would in turn promote a more coherent dialogue with suppliers.

## ➤ 7. FUNDING STRUCTURES<sup>4</sup>

The FRS is a front line emergency service, which serves all parts of the public, private, and personal sectors. This suggests perhaps that the current funding structure based on government grants funded by national taxation, business rates, and council tax, with a small amount of recharges and income generation is broadly right as a concept. The issue therefore is whether changes in the relative balance between the individual elements would more accurately reflect the incidence of costs and benefits.

## ➤ 8. AGGREGATE FINANCIAL PROVISION

The present aggregate national provision for FRS spending has been arrived at incrementally, and not through a bottom up assessment of the cost of resourcing local patterns of risk. For many years, the Service has argued that total provision has not kept pace with the expansion in the role of Service, or the addition of new expectations in areas such as RTCs, water rescue, and cliff rescue. This has been compounded by authorities receiving unequal settlements, based on a limited and outdated funding formula, which fails to reflect key resource drivers for some FRAs such as geographical sparsity. The recent debate about flood response is a good example of where there is lack of clarity about the Service’s statutory requirements and their resourcing. The picture is complicated by national initiatives such

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4. EEP-WW



as New Dimensions, which are well intentioned in terms of recognising new needs, but even the funding for that initiative lacks permanence in a number of important areas.

In reviewing aggregate funding provision, a reliable base position is essential. A national risk assessment, looking at risks facing the nation, but not providing a national standard for emergency cover, might provide the basis for this, from which authorities could then build local services through local choice. Differential precepting could make local choice even more tailored and would also facilitate combination of authorities where previously council tax differentials have provided an insurmountable obstacle. At present, the Service lacks a robust mechanism for modelling the financial requirements of each FRA's risk-based resourcing. The more localised approach which came with the introduction of IRMP has in some ways made it more difficult to generate a nationally applicable model.

Protection of capital funding streams is a central theme of the Service's development plans:

- Investment in new stations is often the catalyst to achieve efficiency savings, either in running costs or from two-into-one initiatives, this could be looked at cross service and from a locality perspective, rather than just within the FRS;
- Similarly, new types of vehicles, in particular combined aerial/pumping appliances, can enable the Service to operate with a smaller workforce;
- Delayed replacement of buildings and equipment may save investment in the short term, but can be very quickly offset by increases in repair and maintenance, or lower reliability;
- Jointly used community safety facilities, or combined emergency service sites, are likely to require new investment.

If capital grant availability is restricted, there would be merit in a national Invest to Save Fund dedicated for the FRS, under which initial funding could be made available from the centre on the basis that part of the future revenue savings would be redirected back to the Treasury. This could also be linked to delivering change in specific areas and may well be better targeted at schemes which deliver wider involvement and therefore have the potential to deliver wider benefits and bigger savings.

Specific grant funding is under pressure within the Comprehensive Spending Review 2010. In a situation where all sources of funding will be restricted, there

are advantages to the service in securing as much as possible through non-hypothecated funding streams, which allows maximum local flexibility.

The introduction of area based funding would of course have a major impact in changing the nature of local services and might drive service provision away from a risk resourcing basis. However, it would also provide a significant driver for change at a local level towards more integrated service provision and it is recommended that the implications of such an alternative funding approach are fully explored for fully or part funding local Fire and Rescue Services in the longer term.

In the longer term there may be benefit for the FRS in maintaining access to specific grant funding in circumstances where a national initiative needs to be rolled out across the Service. The most recent example is Home Fire Safety grants, which met a need at a particular time, and which moved the whole service forward significantly over a relatively short period, helping improve public safety and change culture within the service.

## ➤ 9. SHARING OUT THE NATIONAL FUNDING POOL<sup>5</sup>

There are wide variations in costs per 1000 of the population and also in the workload of the FRS in terms of calls and fire safety workloads. This is partly driven by the way in which the service is resourced; in tightly condensed areas, a predominantly whole time service is often the most cost effective approach, whereas in less densely populated areas, part time working is often the norm, and this generates totally different cost structures not currently reflected in the funding formula. The very localised risk patterns across the 46 FRA areas make it very difficult to arrive at a grant formula what can be applied fairly and consistently.

Risks are not the same as workload, and to use workload factors in the formula was dismissed some years ago as a perverse incentive. But in the short term, workload arising is a reasonably good indicator of the scale of the risk; in other words the propensity for the risk to turn into an incident or call.

The present formula seeks to identify factors which explain the levels and variations in spending between different areas. Intuitively one would expect these factors to be the same as the ones used by the

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5. EEP-WW

6. The National Interests Workstream discusses ways for improving the use of knowledge management. NI-LC

service in preparing its risks assessments for IRMP and resourcing. However the funding formula is only as good as the data which supports it, and lack of reliable or consistent data is a limitation on developing the formula as a mirror image of the risk assessment process.<sup>6</sup> There may be scope to develop the FSEC model in this direction, using national indicators and values established independently to measure potential risk, likelihood of impact, cost/benefit implications of different risk patterns, and variations in unit costs which arise due to different structures and local characteristics.

Any model to be used as a substitute for the current funding formula has to be capable of identifying a figure representing the minimum resource threshold, because this establishes the baseline costs before any action is taken to utilise capacity in a way that generates income.

Change in the FRS will be driven by the financial challenges all authorities face supported by strong political leadership; the challenges will not however be the same for all and changing behaviour in the Service has often been achieved through incentivising change rather than mandating it. An invest to save scheme linked to delivering significant change in specific areas using properly costed options should promote further change and help deliver longer term savings.

## ➤ 10. CHARGING AND TRADING<sup>7</sup>

Charging and trading, whilst providing some income, are never likely to go anywhere near meeting the current financial challenges FRAs are facing. Greater freedom to trade, and thus to generate income to support FRS activity is supported, though parts of the sector have expressed concerns about possible conflicts of interest and the possibility of an unfair competitive advantage existing. Wider trading by FRAs would need to be carefully managed to address these concerns. Options to extend charging more broadly should be considered as well as evaluating the merits of applying charging in areas such as response to road traffic collisions in line with the existing health service charging regime in this area. The potential of revenue raising through a levy on home and motor insurance policies, where a precedent model already exists in London, should also be explored more fully – although there would clearly be significant sensitivities in pursuing such an option as insurers have already indicated they would be against this. Similarly some further explicit linkage to FRS funding through business rates could be explored.

## ➤ 11. ASSET MANAGEMENT<sup>8</sup>

Public services are evolving in the context of rising public expectation, increasing focus on improving efficiency and value for money, and the continuous emergence of new technologies. For the FRS, with an asset base estimated to be worth around £5 billion underpinning services, how we use these assets needs to develop to reflect and support their evolution. The Government's strategy for increasing efficiency in the public sector gives further impetus to these developments.

FRAs have a range of opportunities to use their current asset base more effectively. Fire stations provide in many instances a valuable community asset that could be used more widely, this already happens in many instances but there is scope for considerable extension and linkages to taking forward the localism agenda. Properly developed asset management strategies are needed to support this; integrating and rationalising assets across FRA boundaries and with other local public service providers.

The range and number of fire appliances is considerable across England and there is significant scope for more sharing of specialist vehicles and to utilise smaller, bespoke vehicles to address specific risks and to harness new technology. The Fire Futures review would propose a number of actions in this area for FRAs and the sector collectively:

- Each FRA should ensure an Asset Management Strategy is clearly defined in the strategic responsibility of the authority and in principal management – drawing appropriately on private sector expertise;
- For a further sector-led study to assess how well the FRS meets the principals suggested by Sir Michael Lyons in 2004 and in Audit Commission reports, and the potential benefit of encouraging a cross border, more collaborative view of property and other assets;
- That the FRS should ensure all fixed assets are included in wider strategic cross-service reviews to encourage greater rationalisation and reduction in duplication of assets with partners at a local level;
- The FRS should actively use the OGC Benchmarking Tool and establish some norms on building performance.

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7. EEP-WW

8. EEP-MT

9. EEP-MT

## ➤ 12. WORKFORCE, SKILLS AND TRAINING<sup>9</sup>

The approach the Service takes to delivering a competent workforce is an increasingly important area. The engagement of Skills for Justice as the Sector Skills Council has been successful and continued collective funding of this is vital to the sector as a whole. The maintenance of occupational standards and the development of a qualification framework, specifically focusing on risk critical activities is vitally important. From an efficiency perspective the relationship with Skills for Justice has enabled the service to tap into additional funding and other development programmes. However, training capacity and resource is inefficiently deployed nationally and would benefit from better coordination and a national review could provide an appropriate driver for change. Large capital investment facilities such as real fire training units and other specialist training could be provided by the private sector. There is general consensus that how FRAs train locally, with neighbours and at the Fire Service College is not the optimal model from an efficiency perspective.<sup>10</sup>

## ➤ 13. RETAINED DUTY SYSTEM

The retained duty system (RDS) already provides the FRS with a resource that is drawn directly from the communities it serves, exemplifying Big Society objectives, and which can provide a highly cost effective means of service delivery. The RDS model has significant potential, currently largely unused, for expansion including within an urban environment and in providing, for example, night time cover. To secure and expand the willingness of employers to allow their staff to participate, the Service must build stronger links with the business community both locally and collectively on a national basis.

Where RDS stations work well they provide a very cost effective operational option; however, there are issues which need to be addressed in the Service's reliance on RDS in some localities. Firstly staffing costs are rising due to changes nationally and also local moves to part time contracts. In some areas recruitment and retention is very volatile and maintenance of competence is an ongoing issue. Managerial overheads to support and sustain retained/part time staff have risen over recent years to address some of the issues listed above so overall the utility and economy that retained/part-time staffed stations provide is not as compelling as it once was for a number of FRAs.

## ➤ 14. VOLUNTEERING

Volunteering is already used in a number of FRAs to support and enhance the delivery of services. The Fire and Rescue Service as a whole is ideally placed to build on this, through its presence in fire stations in many communities, its highly regarded brand and its ability to broaden out what it does, depending on local choice. Volunteering has significant scope to improve the core Fire and Rescue Service offer, through functions such as after the fire support, translation, penetration of harder to influence groups and delivering community safety initiatives. Whilst there is a need to make a modest investment in developing and delivering volunteer schemes, the potential benefits are big and linking what FRAs do with the Big Society agenda on a more structured basis could help broaden and embed volunteering in the Service. Another aspect of this is the use of volunteers to undertake fire and rescue response work. There are many overseas examples of this and some UK experience too. Big Society may provide an opportunity to develop this further, however, there are significant risks attached to this which would need to be effectively managed.

- Volunteering in the FRS should be developed, further building on existing good practice;
- In the area of FRS response services, a model for changing emergency cover to a local community based voluntary run station accounted for within the IRMP should be developed.

## ➤ 15. PAY AND CONDITIONS<sup>11</sup>

Since the paybill is the biggest single cost for all FRAs, this workstream has considered whether existing arrangements for determining pay and conditions are cost effective and flexible enough for the future challenges facing the Service. It was important to consider this in the context of three closely related issues: the process for negotiating and agreeing terms and conditions, the right balance between local and national determination, and the industrial relations climate in the FRS. The current model has a number of significant strengths but the alternative would be greater local negotiation with some or no central support.

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10. For a discussion on the future of the Fire Service College, please refer to the National Interests Workstream overview and paper NI-MD

11. EEP-RH

The consensus view from contributors to the Fire Futures review has been that change in the current mechanism would most appropriately be driven by change in the way FRAs function – i.e. if localism drives local change in the function of FRAs then this might argue for greater local determination of pay and conditions. The impact the constitutional changes have had raised the issue of separating out an English NJC, though the case for this change was not widely supported. Options therefore are that any change should reflect change in the way FRAs function and are:

- Retention of the current system broadly as it stands;
- Greater local flexibility within a continuing national framework;
- A system based on locally negotiated terms and conditions;
- Establishment of an England-only NJC.

## ➤ ANNEX

### **List of contributing policy papers coordinated and written by the listed author with wider sector contributions**

Ellison-Bunce, S., London Fire Brigade. Balance of resources **[EEP-SEB]**

Hobbs, R., Warwickshire Fire and Rescue Service, Pay and conditions **[EEP-RH]**

Pearson, R., Surrey Fire and Rescue Service, Delivery models **[EEP-RP]**

Thomas, M., Lincolnshire Fire and Rescue Service, Use of assets **[EEP-MT]**

Wilkinson, W., South Yorkshire Fire and Rescue Service, Future funding of the FRS **[EEP-WW]**



