NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

FACING THE FUTURE: FINDINGS FROM SIR KEN KNIGHT'S REVIEW OF EFFICIENCIES AND OPERATIONS IN FIRE AND RESCUE AUTHORITIES IN ENGLAND

Report of the Chief Fire Officer

Agenda Item No:

Date: 28 June 2013

Purpose of Report:

To bring to the attention of the Fire Authority the findings of Sir Ken Knight's review into efficiencies and operations in Fire and Rescue Authorities in England and to highlight the potential implications for the Nottinghamshire and City of Nottingham Fire and Rescue Authority.

CONTACT OFFICER

Name :	Frank Swann Chief Fire Officer
Tel :	(0115) 967 0880
Email :	frank.swann@notts-fire.gov.uk
Media Enquiries Contact :	Tel: 0115 967 0880

1. BACKGROUND

1.1 Late in 2012 Sir Ken Knight, the outgoing Chief Fire and Rescue Adviser to the Government, was commissioned by Brandon Lewis MP, the Fire Minister, to undertake a review into efficiencies and operations in Fire and Rescue Authorities in England. The intention of the review was to look at ways Fire and Rescue Authorities could deliver further efficiencies in operational arrangements without reducing the quality of front line services to the public.

1.2 The review took place primarily during late 2012 and the early part of 2013 and the final report was published in May 2013. Nottinghamshire Fire and Rescue Service (NFRS) did volunteer to participate in the review, but on 20 December 2012 Sir Ken Knight declined this invitation due to timeframes and capacity. However, a submission highlighting much of the work recently undertaken in NFRS was made to highlight the savings and efficiencies already accomplished.

1.3 The final report is attached as an appendix to this report, which seeks to identify the key elements and how these relate to NFRS and any implications which may arise.

2. REPORT

SIR KEN KNIGHT'S REPORT

2.1 In summary, Sir Ken Knight's report focuses on five main areas. These are:

- What is efficiency and how efficient is the delivery of Fire and Rescue Services in England;
- Deploying resources;
- Collaborating for efficiency;
- Driving efficiency;
- What is the future for Fire and Rescue?

2.2 As previously explained, the review was undertaken during the latter part of 2012 and the early part of 2013. The full terms of reference for the review are included as Appendix A6 of the attached report, which has been previously circulated to all Fire Authority members. In total, 15 Fire and Rescue Services were visited across a broad range of geographical differences and governance types. Sir Ken Knight also met with representative bodies and those with an interest in the Fire and Rescue Service, such as those associated with the wider fire industry.

2.3 Sir Ken Knight also returned to previous reviews undertaken, including the 2002 Bain Review and the Audit Commission 'Rising to the Challenge' review from 2008.

2.4 The report itself was presented formally to the Minister who commissioned it, and following a teleconference on 23 May 2013, with both Chief Fire Officers

and lead elected members, the Minister has confirmed that a proper response will be delivered in the autumn.

2.5 The key findings of the review can be summarised as follows and are contained within the report.

What is efficiency and how efficient is the delivery of Fire and Rescue Services in England?

2.6 Sir Ken Knight articulates the view that fires in the home are at an all-time low having reduced by 40% in the last decade. Despite amendments to shift patterns and variations in levels of fire cover, the current national expenditure and fire fighter numbers remain broadly the same. Fire fighter numbers have reduced by 6% over 10 years.

2.7 Also identified in the report are the apparent inequalities between spend per head of population on Fire and Rescue Services. Sir Ken Knight questions whether population density, industrial profile and deprivation, which are all used to justify differences, are really valid. The average spend per resident per authority is £38 per year, but has a variance of between £25 and £50 depending on where you live. The review identified that if everyone's expenditure was closer to the average, then savings of £196 million per annum could be achieved.

2.8 Clearly the largest expense is spent on salary with £1.73 billion of a total annual budget of £2.2 billion (2011/12 stats) spent on staffing.

Deploying resources

2.9 The successes of the prevention agenda have resulted in significant reductions in the need to respond and this is recognised in the report. However, what is identified is the fact that there has been a lack of progress in managing the new response required to meet that risk. A process of transformation is now required.

2.10 This element of the report reads as being critical to both senior officers and elected members for failing to make the necessary changes. The avoidance of redundancy, station closures and fire appliance reductions are quoted as being put ahead of a focus on reducing fires and improving service to the public. Risk reduction activity is seen in this context as being as much front line as responding to emergency calls.

2.11 Terms and conditions of employment, as well as redundancy compensation for uniformed staff, are identified as barriers to workforce reduction.

2.12 Additionally, the review steers authorities towards more flexible and effective crewing models to reduce costs and match levels of staff towards demand. Increasing on-call fire fighters by 10% (from 30 to 40% of fire cover) could save up to £123 million per annum nationally. The report also questions the variances in officer numbers, as well as a lack of sharing officers and other services.

Collaborating for efficiency

2.13 With only one merger of Fire and Rescue Services since the revised Fire and Rescue Services Act 2004 was published and with obvious savings in the longer term, the review offers some criticism for the lack of progress in this area.

2.14 Sharing central facilities, operational procedures, training, back office and blue light response, all have the ability to make savings. The report challenges Fire and Rescue Authorities' acceptance that to achieve interoperability would need to forgo an element of customisation, and that the duplication of effort is costly.

Driving efficiency

2.15 The review focuses on the perception that the need to reduce cost due to the current economic climate is seen as the key driver for change. Greater integration with ambulance services, co-location, and new approaches to invest to save and charging and trading are seen as new and innovative ways to improve efficiencies. The report is critical of the level of reserves held, with one metropolitan authority quoted as having 55% of their annual revenue outturn in reserve

2.16 The report challenges both authority members and the leadership of the sector to drive through change and ensure that the public really understand the changes required.

What is the future for Fire and Rescue?

2.17 This aspect of the report focuses as much on central government as it does on local government and the Service itself. The potential to move towards a national model (as per Scotland), more mergers supported by government, and greater working between government departments which operate a blue light response (eg: Home Office and Health) are mooted. Even the sharing of the role of the Fire Authority with the Police and Crime Commissioner is not discounted as an option.

2.18 The report recognises that the transformation required at this level is unlikely to be achieved through local action alone, but that any savings are unlikely to be sufficient enough for authorities to continue to operate as they are and action is required now rather than to wait for a national approach.

2.19 A final comment about concern around the pace of change is levelled as a challenge to all.

SUMMARY

2.20 As detailed earlier in this report the Minister is as yet unwilling to clarify his view on particular points until government has formally considered the report in detail. A proper response has been signalled for the autumn, and it is the intention of DCLG to seek the views of Chief Fire Officers, Fire Authorities, the wider fire sector and representative bodies to inform their response. A formal consultation process has not yet been launched, but submissions have been

invited. What has been made clear is that the financial aspects of the report are indicative of the potential savings and not targets for the Service to make. It is also accepted that the figures only represent the period up to 2011/12, although the principles still hold regardless of any change made since the data was used.

Nottinghamshire Fire and Rescue Service Implications

2.21 Clearly the report contains significant implications for Nottinghamshire Fire and Rescue Service, not least because of the budget issues affecting the Service. Having already reduced its budget from circa £48 million in 2010/11 to just under £44 million in 2013/14, the Service faces an additional savings requirement in 2014/15 of £1.8 million, rising to £4.5 million in 2015/16 if further changes are not made. This excludes the additional 10% spending reduction which will be applied to Fire and Rescue Services to some degree following the outcomes of the 'mini' spending review.

2.22 To put this into context, the following details actions which the Service has already taken, and what options may potentially be taken. Elsewhere on this agenda are reports relating to the medium term financial strategy, current operational activity levels and further structure amendments, which will help inform the future direction for the Fire Authority.

What is efficiency and how efficient is the delivery of Fire and Rescue Services in England?

2.23 NFRS is not unlike any other Service nor does it vary too much from the statistical reduction in incidents. From a peak of just under 24,000 incidents in 2003[1], incidents have fallen to a little over 10,000 in 2012[2].

2.24 Elsewhere on this agenda the Chief Fire Officer is presenting a report on how to further respond to this reduction, however the Fire Authority has already reduced from 36 front line appliances to 33½ over the last two years. The Chief Fire Officer has previously stated that a reduction to 30 would not place the public at additional risk, but would need to be balanced with improved retained availability to ensure adequate provision.

2.25 The current spend per head of population is around £38 which is similar to the national average. With predicted shortfalls in budget and funding over the next two – three years, it is likely that this will further reduce.

2.26 As part of its review of operational cover, the Fire Authority adopted a model for its community risk analysis, and despite the comments within the report regarding risk profiles, Officers firmly believe that the model adopted gives an accurate reflection on where Nottinghamshire's high, medium and low risk areas are located. This has to be a sound basis for basing any prevention and response activity. However, it is acknowledged that the only real significant way to reduce spend from the revenue account is to reduce unnecessary salary expenditure, through internal rationalisation.

[1] Agenda Item 5b, Paragraph 1.10, Fire Authority meeting, 24 June 2011 – Options for Addressing the Outcomes of the Fire Cover Review

[2] Agenda Item 9, Paragraph 2.7, Fire Authority meeting, 22 February 2013 – Operational Activity 2012

Deploying resources

2.27 NFRS has been very proactive in already addressing many of the issues cited in Sir Ken Knight's review. Re-negotiated shift working amongst wholetime staff, re-negotiated shift working amongst Control staff, flexible working outside of Grey Book by all Officers contracted predominantly to day duty working, and a flexible approach by staff not in uniform have all realised efficiencies.

2.28 Additionally, a Service re-structure has re-focused existing community safety staff into the front line, albeit reduced in number, with no significant or noticeable reduction in service to the public and partners.

2.29 The Fire Authority has not avoided redundancy when it needed to, both within uniform and non-uniform staff numbers, and has not refused to reduce appliances, as cited above.

2.30 However, there will be a need to do more in order to balance budgets moving forward. Options around more flexible crewing, the changing of roles between uniform and non-uniform staff, and a further review of management structures will all be necessary. These options are also presented in a further report elsewhere on this agenda.

Collaborating for efficiency

2.31 NFRS is already part of a major collaboration on its Control service with neighbouring Fire and Rescue Authorities (Derbyshire and Leicestershire). It is hoped that the technology invested in it will bring about greater integration as all three Services involved will have to reduce revenue costs from their budgets.

2.32 Additionally, NFRS does deliver co-responding and co-working with other blue light services. The current arrangement with EMAS is being discussed by the Chief Fire Officer with the Chief Executive and options around premises sharing are looking positive.

2.33 The reality is that any savings or income of such activities is unlikely to meet any revenue shortfalls and further innovation will be required.

2.34 A potential merger between one or other of neighbouring Fire Authorities should not be discounted from consideration, although members should be made aware that this will not avoid difficult decisions around fire stations and appliances. In reality, savings from 'back-office' functions can be made, but are unlikely to fill any funding gap. It is true to say that both may be required in the longer term.

Driving efficiency

2.35 NFRS is being very proactive in its desire to improve efficiency. Co-location with EMAS, a joint venture with Nottinghamshire Police to dispose of a joint city centre property, discussions with a local district council regarding out of hours support for public housing calls and an invest to save approach with regard to green technology, may all reap rewards.

2.36 The establishment of the company, Nottinghamshire Fire and Rescue Service Trading Ltd, should be seen as a vehicle to generate greater income and key decisions will need to be made over the forthcoming weeks regarding the future direction of the company. The Fire Authority should be minded however, that any returns should be invested in the reduction of revenue budgets and not for the underwriting of revenue budgets.

2.37 Reserves for the Fire Authority are set at a minimum of £3.5 million (approximately 7%), although stand a little higher at present, at around £7 million. These reserves will diminish over the next few years and should be used prudently to transition any changes to the current delivery models and Service structures.

What is the future for Fire and Rescue?

2.38 There is no doubt that NFRS will look and operate very differently in five years' time, to the way it does today. The reality is that with anticipated budget reductions it will be impossible to continue as things are. This can be potentially summarised in the following list, which it is stressed is not exhaustive:

- Fewer stations;
- Fewer appliances;
- Fewer staff (uniform and non-uniform);
- Potential mergers (fire service and wider public sector);
- Greater collaboration;
- Greater diversity in roles;
- Investment in technology;
- Leaner structures;
- Increased trading;
- Increased charging;
- More invest to save projects;
- Greater sharing of services.

OVERALL SUMMARY

2.39 The outcomes of Sir Ken Knight's review and his report to the Minister do not present any significant surprise for NFRS. The Fire Authority has already made significant steps towards implementing a great deal of change and there will be more to do. The wider aspects of governance are a matter for national government through structural reform, and as the report states, "cannot be considered in isolation", but where more local changes can be made to reduce costs, it will be essential for the Service's very survival that they are.

3. FINANCIAL IMPLICATIONS

3.1 There are a number of references to financial implications within the attached review by Sir Ken Knight and within this report. Elsewhere on this agenda the Fire Authority will be asked to consider the medium term financial strategy of the Authority.

3.2 The key aspects to highlight are that Nottinghamshire Fire and Rescue Service needs to identify £1.8 million in further savings in 2014/15 rising to

£4.5 million in 2015/16, subject to any grant changes from the mini comprehensive spending review.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

Any changes to the structure and delivery model presents significant challenges in relation to staff and their development. A positive approach from both management and trade unions has resulted in a number of achievements already that have had positive results for the Service. On-going dialogue will need to be maintained if further changes are to be achieved against further budget reductions.

5. EQUALITIES IMPLICATIONS

Whilst there are no direct equalities implications arising from this particular report, there will be undoubted equalities implications arising from any changes to the Service and its staff. The requirement for equality impact assessments at all stages of change will be required, not only to meet legal compliance, but also to ensure that moral obligations with regard to equality of opportunity are met.

6. CRIME AND DISORDER IMPLICATIONS

Fire and Rescue Authorities have a duty to exercise their functions in a way that prevents crime and disorder in their area.

7. LEGAL IMPLICATIONS

7.1 The Fire Authority has a range of duties under various legislation including primarily the Fire and Rescue Services Act 2004, the Civil Contingencies Act 2004, the Regulatory Reform (Fire Order) 2006, and the Health and Safety at Work Act amongst other legislation

7.2 The responsibility for compliance with such legislation is delegated to the Chief Fire Officer and any proposals for change within the organisation in line with the outcomes of Sir Ken Knight's review will be carefully assessed to ensure they do not breach the Authority's responsibility.

8. RISK MANAGEMENT IMPLICATIONS

Whilst the publication of Sir Ken Knight's report does not present any specific risk management implications in itself, the report is intended to provoke debate and signpost Authorities to where future savings can be made. The risk to the Fire Authority is that if such savings are not made then the Authority will not be able to balance its budget over forthcoming years.

9. RECOMMENDATIONS

It is recommended that Members:

9.1 Note the contents of Sir Ken Knight's review.

9.2 Task the Chief Fire Officer with formulating a response to be agreed at the next Policy and Strategy Committee meeting before submission.

9.3 Accept the Chief Fire Officer's report and associated implications for Nottinghamshire Fire and Rescue Service and request that the Chief Fire Officer produces a series of proposals in relation to the budget challenges which will be brought back to Fire Authority at a future date.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Frank Swann
CHIEF FIRE OFFICER

FACING THE FUTURE:

Findings from the review of efficiencies and operations in fire and rescue authorities in England

Sir Ken Knight CBE QFSM FIFireE

May 2013

The findings and recommendations in this report are those of the author and do not necessarily represent the views or proposed policies of the Department for Communities and Local Government.

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Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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Foreword

I was pleased to be invited by Brandon Lewis, the Fire Minister, to undertake this review of efficiencies and operations in fire and rescue authorities in England. Having started my fire service career as a firefighter, serving for a number of fire and rescue authorities, and retiring as London's Fire Commissioner I had the privilege of working in the fire and rescue service for over forty years.

I joined the fire and rescue service because I cared about the community in which I lived and the risks from fire it faced at that time, like many still employed and responsible for the service. But those risks have changed over my long career.

It is a really good news story that there has been a massive reduction in emergency incidents in the last decade, particularly in fires of all kinds. Fire and rescue authorities have played a pivotal role in this, and have moved from predominantly emergency response organisations to organisations that look to reduce risk. There is little doubt that prevention is better than cure. But the reduction in fire risk is not solely due to the actions of fire and rescue authorities – societal changes, technological improvements, the increase in smoke alarm ownership, safety campaigns and government regulations for both buildings and furniture have played a huge part.

Despite these changes, no similar significant change in the makeup or cost of the service has taken place. Fire and rescue authorities do now need to transform themselves to reflect the entirely different era of risk and demand they now operate in.

I am cognisant of the time in which this review is published, a time of austerity which is likely to continue with downward pressure on public expenditure. I was struck in my conversations that the financial pressures of recent years seem to have been the driving force behind many of the changes and innovation I have seen. It is a fact that whilst most local authorities are feeling the pressure of reduced funding against increased demand for their services, in the case of fire and rescue services there remains a significant decrease in demand for its operational response.

During my review I have found inexplicable differences in the expenditure of different fire and fire and rescue authorities in England. It's apparent that we spend almost twice as much in some areas as others and yet there seems to be little relationship between expenditure and the reduction in demand for operational response in different fire and rescue authorities. Differences in operational practices, including minimum crewing levels and the ratio of senior managers to firefighters further show that there are savings to be made without reducing the quality of outcomes for the public. This report looks to give a sense of the scale of this, though these numbers are simple calculations for discussion, not targets in themselves.

There are some good examples from fire and rescue authorities that show the potential for savings and there is much to be done at a local fire and rescue authority level. I am concerned that while I found evidence of sharing between services, there was little evidence of *learning*, and replication and economies of scale are likely to be missed in this way without greater leadership and a willingness to put interoperability above personalisation.

But I am not convinced that local action alone will achieve the most efficient service or enable efficiencies much beyond what is already needed in the current spending review. Compounding this, local politics and the public's seemingly unconditional attachment to the fire and rescue service can act as constraints on really pursuing the most efficient ways of working, holding on to outdated configuration or location of fire stations and fire appliances rather than changing service delivery to improve overall outcomes.

I am extremely grateful for all those I spoke to as part of my review and those who wrote to me. I am also indebted to my team who assisted me in the collation of the information I gathered. I do not pretend to have all the answers, nor have I made specific recommendations, although I hope that this review has asked the right questions. Almost my entire working career has been associated with the fire and rescue service and I care deeply about the service it provides and the people who deliver it. It is in this spirit that I offer my findings, in anticipation that the political and professional leaders of today will face the future in the confidence that the fire and rescue service must and can adapt to provide an effective and efficient service.

Sir Ken Knight CBE QFSM FIFireE

How this review was conducted

1. In December 2012, the Fire Minister, Brandon Lewis MP, commissioned me to undertake a review of efficiencies and operations in fire and rescue authorities in England. This report is the culmination of that work. My terms of reference (Appendix A6) were broad: to explore the activity of fire and rescue authorities and see what the scope for change might be.

2. I took the view that these very broad terms were to enable me to follow the evidence – to look both at what efficiency might be and at how far fire and rescue authorities have gone in trying to achieve it. I was keen, therefore, to hear as many views as possible; I visited 15 fire and rescue authorities, chosen for their spread across governance types and geographical and industrial differences. I also met with all of the key representative bodies in the fire and rescue sector, as well as hearing from, and taking submissions from, other fire and rescue authorities and interested parties. I have listed all of these in the Appendix (A3-A5).

3. To ensure that I took a rounded approach to my review, I undertook two key desk-based analyses.

    - I returned to the numerous reviews of the fire and rescue service that have been conducted in the last ten years, from Sir George Bain's *The Future of the Fire Service* in 2002 to *Fire Futures* in 2010. As I drew up my findings, I reflected on the findings of these previous reviews: many of the problems identified by previous reports remain, albeit often to a lesser extent.

    - Supported by a small team from the Department for Communities and Local Government, I took an analytical look at the national picture on fire and rescue, in particular on expenditure and the differences between fire and rescue authorities. The statistics used in this report are as recent as possible, based on publicly available data, in most cases, from 2011/12. I would like to acknowledge at the start that further efficiencies will have been sought and achieved in 2012/13 that are not reflected in this data.

4. This report is for the Minister who commissioned it, though there is much in here that is for fire and rescue authorities to consider and pursue themselves. I hope that it will inspire debate and provoke action.

Executive summary and key findings

Chapter one: What is efficiency and how efficient is the delivery of fire and rescue services in England?

- Deaths from fires in the home are at an all time low; incidents have reduced by 40 per cent in the last decade, but expenditure and firefighter numbers remain broadly the same. This suggests that there is room for reconfiguration and efficiencies to better match the service to the current risk and response context.
- Some fire and rescue authorities spend almost twice as much per person per year in some areas than others, but there seems to be little relationship between expenditure and outcomes.
- If all authorities spending more than the average reduced their expenditure to the average, savings could amount to £196 million a year.

Chapter two: Deploying resources

- Fire and rescue authorities have transformed themselves from organisations that dealt with fire response to organisations also covering preventative and wider rescue work and they have succeeded in reducing incidents. They now need to transform themselves again to reflect the completely different era of risk and demand.
- The focus for the future must be on protecting front-line services; this does not mean a protectionist approach to jobs. Avoiding redundancies, station closures or reductions in fire engines is often the focus for elected members and officers, and there is anecdotal evidence of some self-censorship by Chief Fire Officers.
- Innovative crewing and staffing models are being pursued, and there is some evidence that these are being shared – but there is little evidence of areas implementing learning from others.
- Increasing the total 'on-call' firefighters nationally by just 10 percent (to 40 percent) could provide annual savings of up to £123 million. All fire and rescue authorities must consider whether 'on-call'

firefighters could meet their risk – it is an invaluable cost-effective service.

- £17 million could be saved if authorities adopted the leanest structure in their governance types.
- The Grey Book can lead to some self-limitation by leaders not to introduce change that would require lengthy negotiation. It should be reviewed.
- Authorities are right to capitalise on their reputation to help deliver other services to hard-to-reach communities. But this should only be where they are commissioned to do it, or have identified a clear cost benefit to their own aims.

Chapter three: Collaborating for efficiency

- The 46 fire and rescue authorities, each with different governance structures, senior leaders, and organisational and operational quirks does not make for a sensible delivery model. Mergers can be a solution, but there is a lack of local political appetite and incentive to combine.
- There is widespread duplication of effort in the design, commissioning and evaluation of fire-specific products. A greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology.
- The challenge for fire and rescue authorities is to accept that to achieve interoperability, we all need to forgo an element of customisation. What I've seen throughout this review is that fire and rescue authorities are not yet prepared to take this step – but I hope that the future holds greater pragmatism.
- Collaboration, co-responding and co-location with other blue-light services does happen and can deliver efficiency through consolidating public sector assets as well as closer working. But progress is patchy and driven or hindered by local relationships.

Chapter four: Driving efficiency

- The major driver for change has been reduction in central government funding and the freeze in local council tax revenue. Fire and rescue authorities spend to their budgets, not to their risk. How to use funding to incentivise further change must be a key consideration for government.

- Fire and rescue authority reserves increased from just over £200 million to more than £400 million in 2008-2012. These levels are well above the average for local authorities (including police). Prudent reserves should be held, but funding reductions were backloaded to enable authorities to invest in service transformation – reserves should be used to invest in spend-to-save projects.
- Authority Members need greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency. Scrutiny of authorities and services varies considerably, some more robust than others. Elected Members must ensure that local people understand their service and encourage an informed debate about change.
- Greater sector leadership is needed to drive through a culture of learning from good practice and challenging services to rise to the level of the best.

Chapter five: What is the future for fire and rescue?

- Where fire and rescue authorities can provide business cases for local merger, showing clear, achievable efficiencies, central government should step forward to provide financial support for transition.
- The potential savings identified in this review are unlikely to be sufficient for some fire and rescue authorities to be able to live within their reducing budgets.
- The scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through local action alone. But authorities should not wait for national action before fully exploiting the large number of opportunities already within their grasp.
- National level changes to enable greater collaboration with other blue-light services, including through shared governance, co-working and co-location, would unlock further savings.

List of Figures

Chapter 1: What is efficiency and how efficient is the delivery of fire and rescue services in England?

1

A service that prevents fire, protects people, property and businesses from fire risk, and which responds to fires, road traffic collisions, flooding and other emergencies is a public good, funded by all for the benefit of all. It is clearly essential that the country has a fire and rescue service of some kind, but the public investment in it does not tell us much about whether or not the service is actually cost efficient. It also does not tell us that value for money and the return on that public investment is the same across all 46 fire and rescue authorities in England.

Efficiency does not just mean doing the same for less, nor is it just about one-off cashable savings. It is an entire approach to service delivery, achieving the best possible service for the public. A thorough approach to achieving efficiencies would cover both where the same activity is done differently, such as changing procurement policy or crewing system; as well as wider structural and collaborative approaches. This report considers both but is mindful that the biggest opportunities are in the latter category, requiring ambition and leadership to achieve.

To consider whether authorities are already delivering the most efficient service possible, I have considered how risks have changed over time (section 1.1); how fire and rescue authorities compare (section 1.2); and how funds are currently spent and where efficiencies might be made (section 1.3).

Section 1.1: How have risks changed over time?

1. Understanding the context in which fire and rescue authorities are operating is essential to understanding the efficiencies picture. This context has changed significantly over the last decade:

    - Overall attendance at incidents is down 40 per cent;
    - Attendance at fires is down 48 per cent;
    - Building fires, down 39 per cent;
    - Minor outdoor fires, down 44 per cent;
    - Road traffic collisions, down 24 per cent; and,

- Flooding, down 8 per cent.[1]

The latest half-year statistics published in March 2013 show the continuation of the trend, with total fires from April to September 2012 down 37 per cent on the same period in 2011, and incidents overall down 17 per cent.[2]

2. Over the longer term, the reduction in risk to the public from fire is even more dramatic. In 2011/12, 186 people died in accidental fires in the home. This is 60 per cent lower than the average figure we saw annually in the 1980s. Firefighters themselves are also much safer today, even though they risk their lives to save the public.

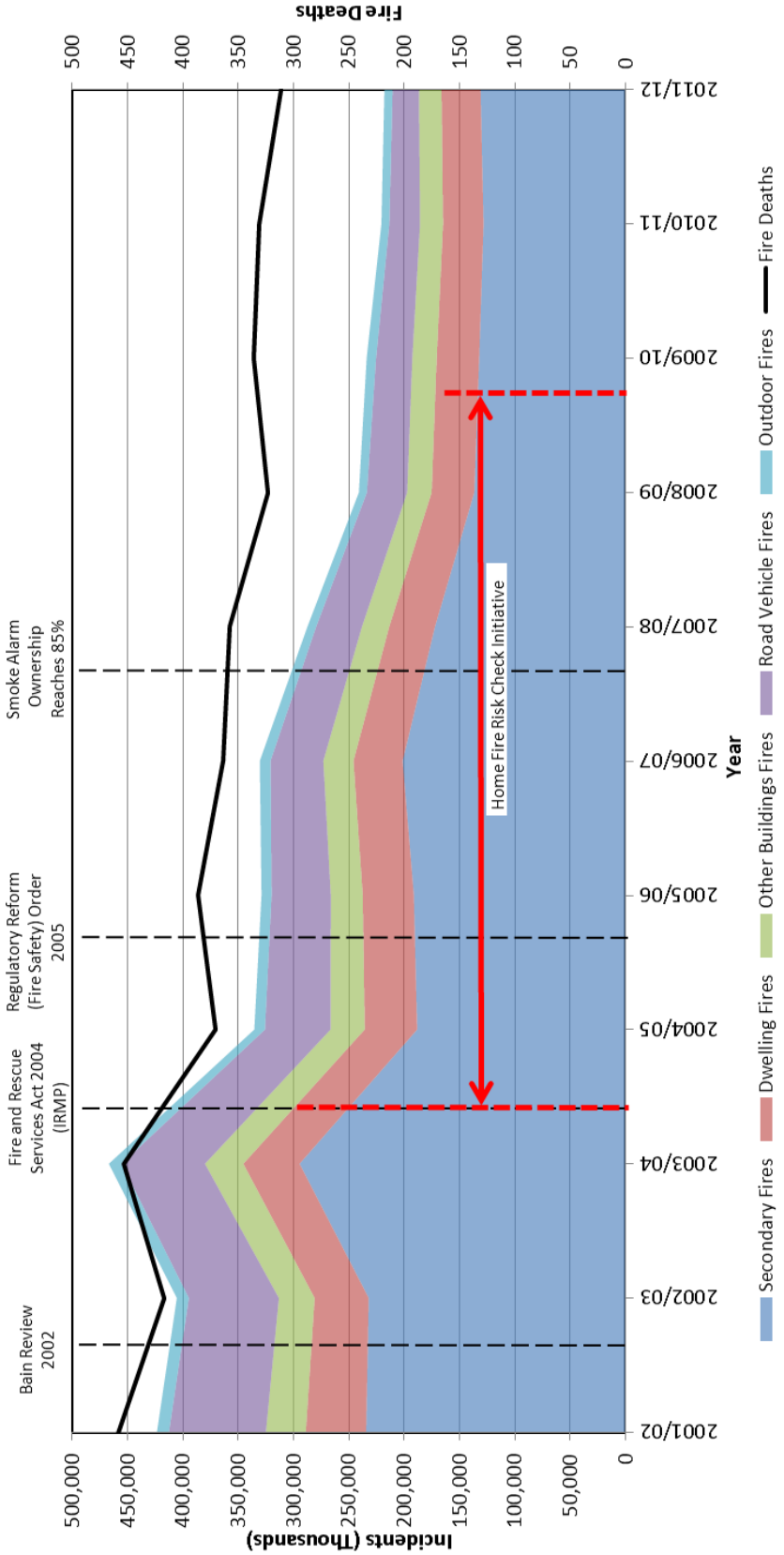
3. These reductions are significant and have, in part, been delivered through the dedication and professionalism of members of the fire and rescue service. It is clear that the cumulative effect of building and furniture regulations, Integrated Risk Management Planning and the localisation of decision-making, and importantly the fire prevention and protection work carried out by fire and rescue authorities has significantly reduced the risk of fire in England. The Department's award-winning 'Fire Kills' campaign and the Home Fire Risk Check initiative have also been clear drivers of change (see Section 2.2).

4. Figure 2 demonstrates change in activity over time. This change has increased capacity for other services, such as responding to road traffic collisions and flooding and co-responder activity, that, along with increased fire prevention and protection work, has helped what were fire response organisations become more rounded safety and rescue organisations.

[1] With the exception of numbers of road traffic collisions and flooding prior to 2009, whose source is Fire and Rescue Operational Statistics Bulletin http://webarchive.nationalarchives.gov.uk/20121108165934/http://www.communities.gov.uk/fire/researchandstatistics/firestatistics/firerescue/, these data are published in the *Fire Statistics Monitor* https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/fire-statistics-monitor.

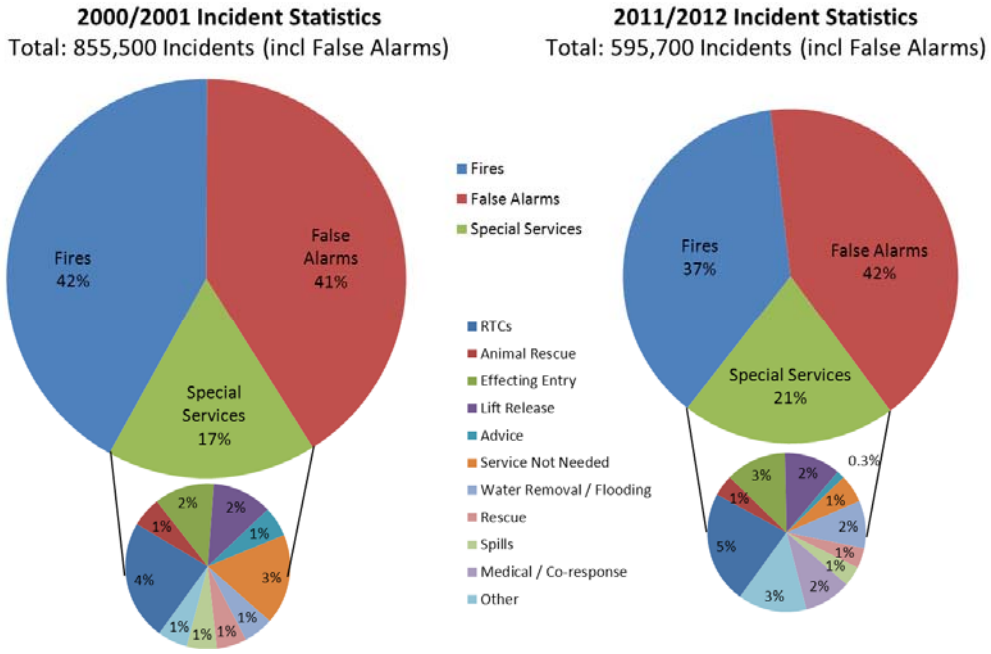
[2] https://www.gov.uk/government/publications/fire-statistics-monitor-april-to-september-2012

Figure 1: Change in incidents between 2001/02 and 2011/12 (England)[3]



[3] Analysis of fire and rescue incident records, DCLG various years

Figure 2: Types of work done by the Fire and Rescue Service, 2001/02 and 2011/12 (England)[4]



5. But even for those incident types where fire and rescue authority involvement has increased, the number of incidents themselves has still decreased considerably. At the same time, the expenditure of fire and rescue service services, and firefighter numbers, have remained broadly the same. Figure 3 looks at percentage change in fires, casualties, fatalities, expenditure and firefighters since 1998-99. While casualties and fatalities have fallen continually, and fires, after peaking in 2003, have fallen dramatically, expenditure has actually risen and has only in recent years declined.

6. Firefighter numbers, however, have remained relatively stable over the period, only reducing by 6 per cent in the last 10 years. Can it be right that expenditure and staffing have stayed broadly the same while incidents have fallen across the board, changing the whole environment in which fire and rescue authorities operate? What is reasonable to conclude is that there must be room for reconfiguration and efficiencies to better match the service (and the cost) to the current risk and response context in which it operates.

[4] Analysis of fire and rescue incident records, DCLG various years. The 2000/01 incident statistics were set out in the Bain Review (figure 3.1, p.10).

Figure 3: Percentage change in fires, casualties, fatalities, FTE firefighters and expenditure by fire and rescue services in England, 1998 – 2012[5]

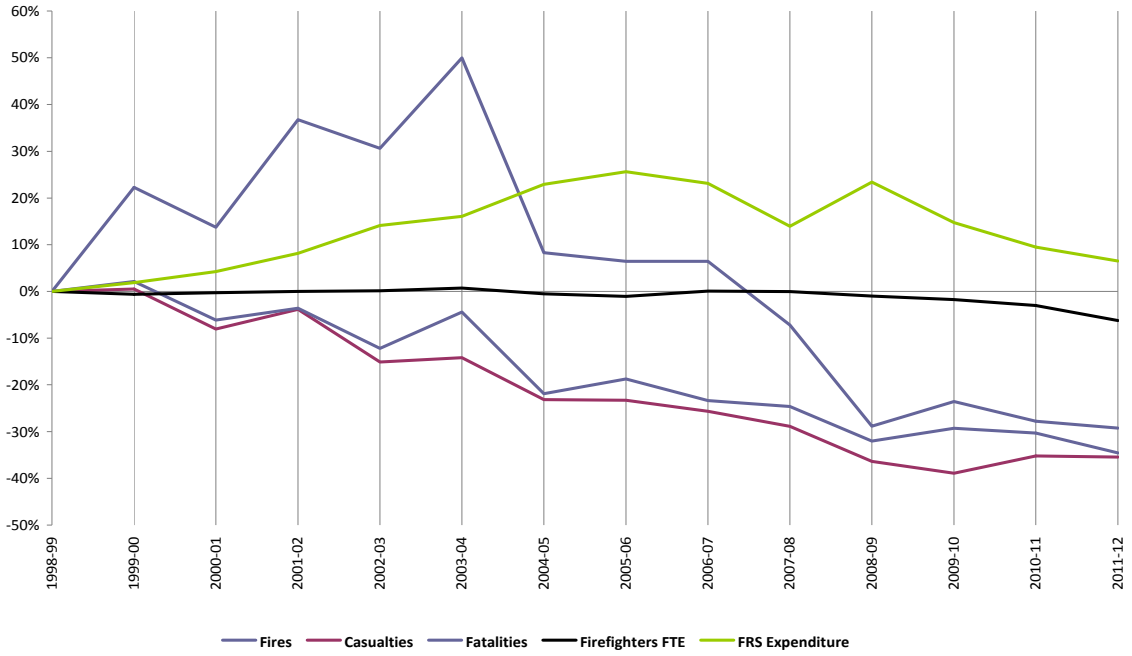
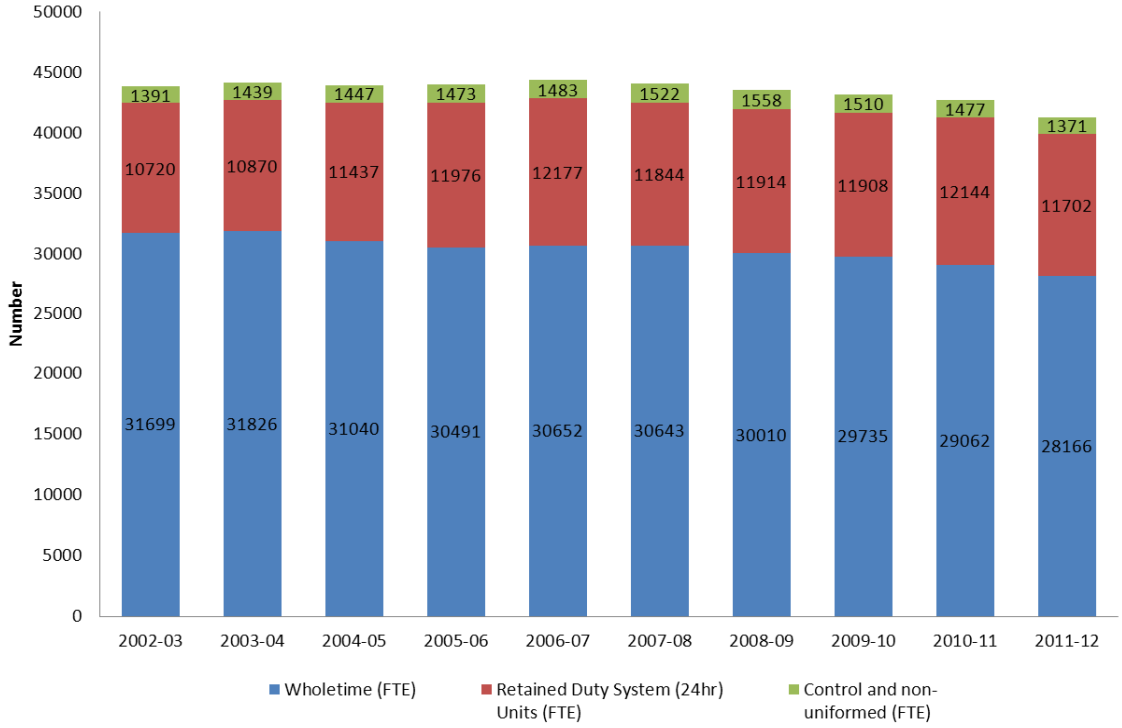


Figure 4: Fire and rescue service employees, 2002/03 to 2011/12 (England)[6]



[5] Analysis of fire and rescue incident records, DCLG and CIPFA Fire and Rescue Statistics actuals various years

[6] CIPFA Fire and Rescue Service Statistics, actuals, various years.

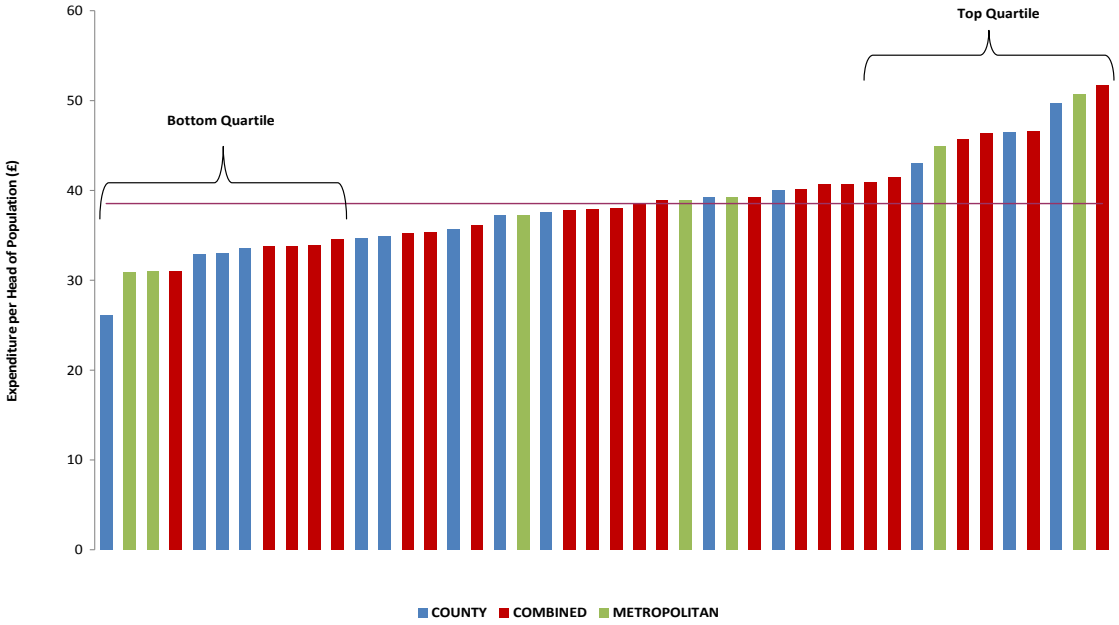
Section 1.2: How do fire and rescue authorities compare?

7. There are a number of ways of comparing the efficiency of fire and rescue authorities – from expenditure per head of population to expenditure per hectare or per incident, fire engine or firefighter. They are all useful measures, but used selectively or in isolation they can be misleading. A large area will benefit from comparing by landmass, a densely populated area will benefit from measuring by head of population, and a service with a large number of firefighters will have a good position on a graph showing expenditure per firefighter. All of these measures, however, show how much was spent, not how much ought to have been spent.

8. It is therefore not appropriate to choose just one of these measures to demonstrate efficiency, though they can and should all be used by fire and rescue authorities to build a picture of their service and how it compares to others and for authorities to look at their performance over time.

9. Population density, industrial profile, and deprivation are all used to explain the differences in cost across the 46 fire and rescue authorities, but do they really? Figure 5 shows the cost per head of population for each authority. In 2011/12 fire and rescue authorities in England spent in total some £2.2 billion in providing their services. On average the median spend per resident per authority was around £38 per year. But the actual range for providing what is broadly the same service to the public was nearly twice as much in some areas as others (from £26 per resident per year to more than £50 per resident in another area).

Figure 5: Expenditure per head of population versus type of fire and rescue authority (England)[7]



10. This difference in expenditure does not appear to be related to different authority types – county, metropolitan and combined fire and rescue authorities are spread right across the range.

11. Figure 6 shows the same data arranged by population density. Even within the three density categories there is significant variation in expenditure. Figure 7 shows the same data arranged by how industrial each area is, again showing a wide range between the most and least expensive service in each category. Figure 8 ranks fire and rescue authorities by the level of deprivation in their areas, based on the Index of Multiple Deprivation – there does not appear to be a relationship between expenditure per head and the relative ranking of deprivation. Lastly, in Figure 9 the data is arranged by 'family groups', groups chosen by fire and rescue authorities as similar authorities to compare themselves against. The spread of expenditure remains.

[7] CIPFA Fire and Rescue Statistics 2011/12 Actuals.

Please note that this figure, and figures 6 – 9, only show 44 fire and rescue authorities. The Isles of Scilly have been excluded as they are too small to make a true comparison. Cambridgeshire fire and rescue authority did not submit data to CIPFA for the year in question.

Please note that given the small number of Unitary fire and rescue authorities, these have been marked as County fire and rescue authorities for the purposes of figures throughout this report.

Figure 6: Expenditure per head of population versus sparsity classification (England)[8]

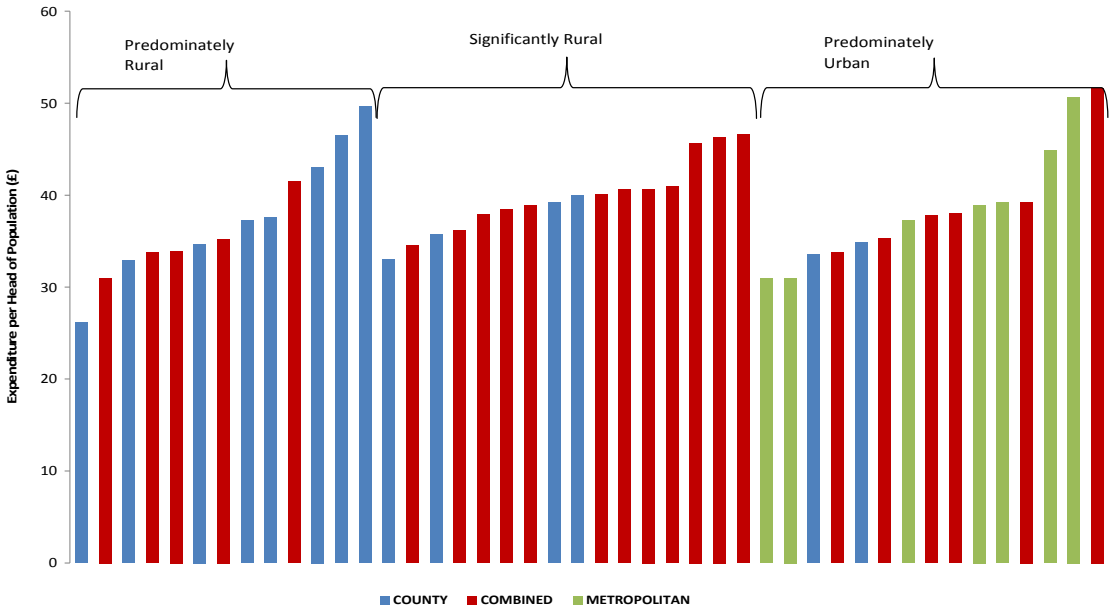
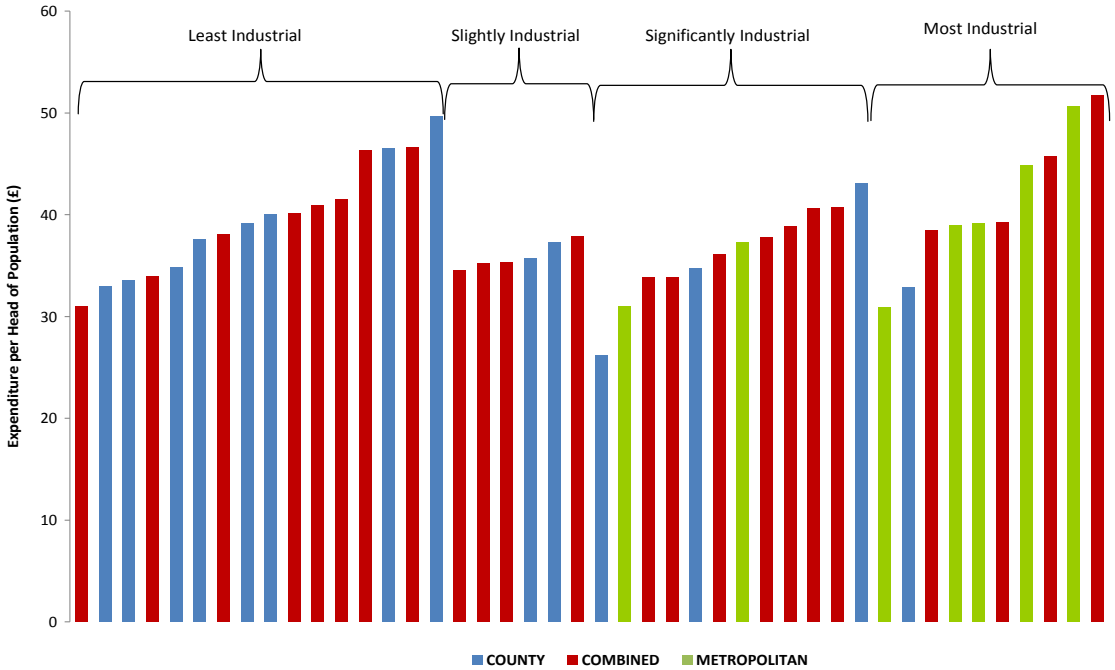


Figure 7: Expenditure per head of population versus industrial profile (England)[9]



[8] CIPFA Fire and Rescue Statistics 2011/12 actuals, DCLG
[9] CIPFA Fire and Rescue Statistics 2011/12 actuals, DCLG

Figure 8: Expenditure per head of population versus level of deprivation (England)[10]

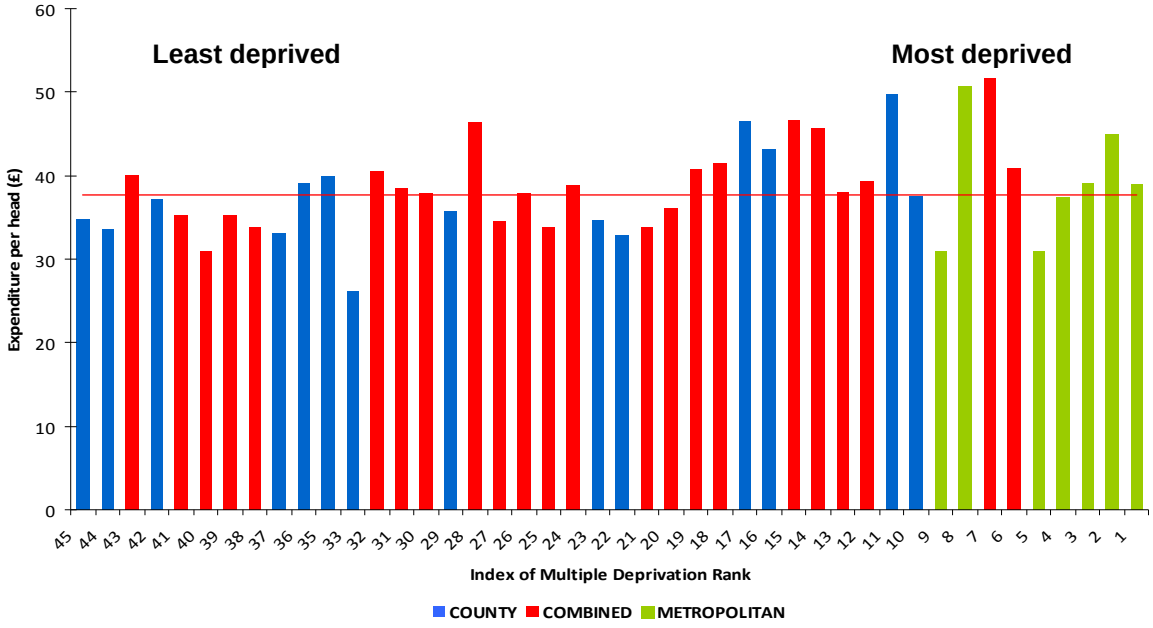
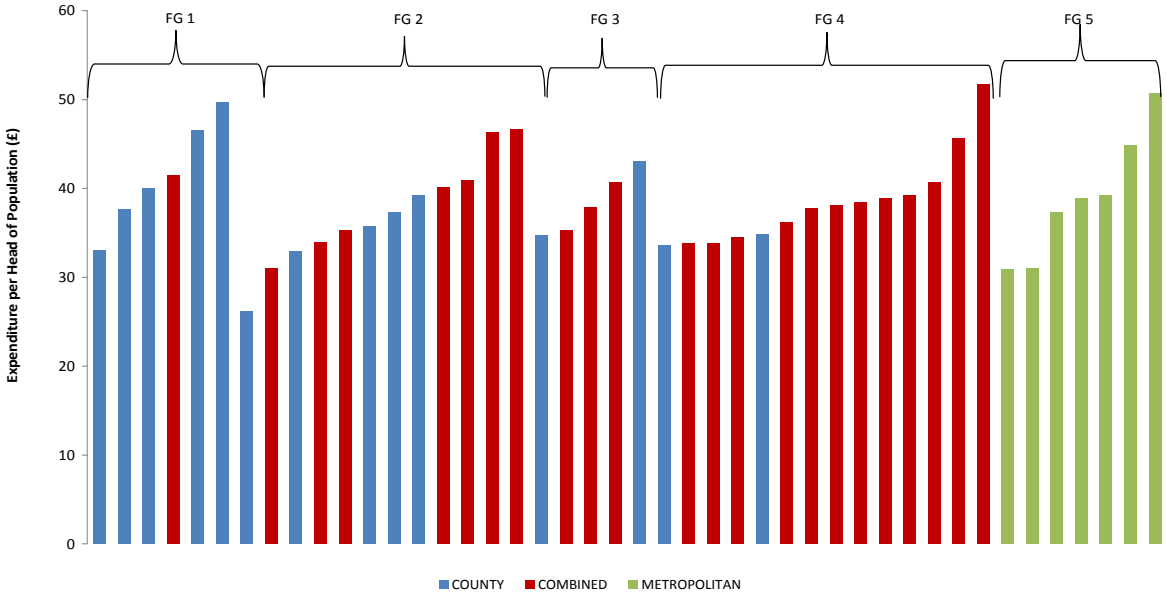


Figure 9: Expenditure per head of population versus family group (England)[11]



[10] Deprivation is measured using the Index of Multiple Deprivation (IMD). Where an authority covers more than one Lower Super Output Area, a population-weighted average of the combined ranks for Lower Super Output Areas in the authority is used). 1 = most deprived, 45 = least deprived.
[11] CIPFA Fire and Rescue Statistics 2011/12 actuals, DCLG

12. I am not able to see an obvious justification for the variation in expenditure involved in providing broadly the same service in each of our 46 fire and rescue authorities. What we cannot tell from these variations is the difference in levels of service provided – all the measures we have discussed so far are, to some extent, measures of expenditure, rather than the quality of the outcomes achieved for the public, like reductions in incidents and fire deaths.

13. The scattering across the graph in Figure 10 shows that there seems to be little relationship between the expenditure and the reduction in fires in different authorities. Compare County authorities A and B - they both achieved similar reductions in fires of around 40 per cent, but one spent almost 50 per cent more than the other over the decade.

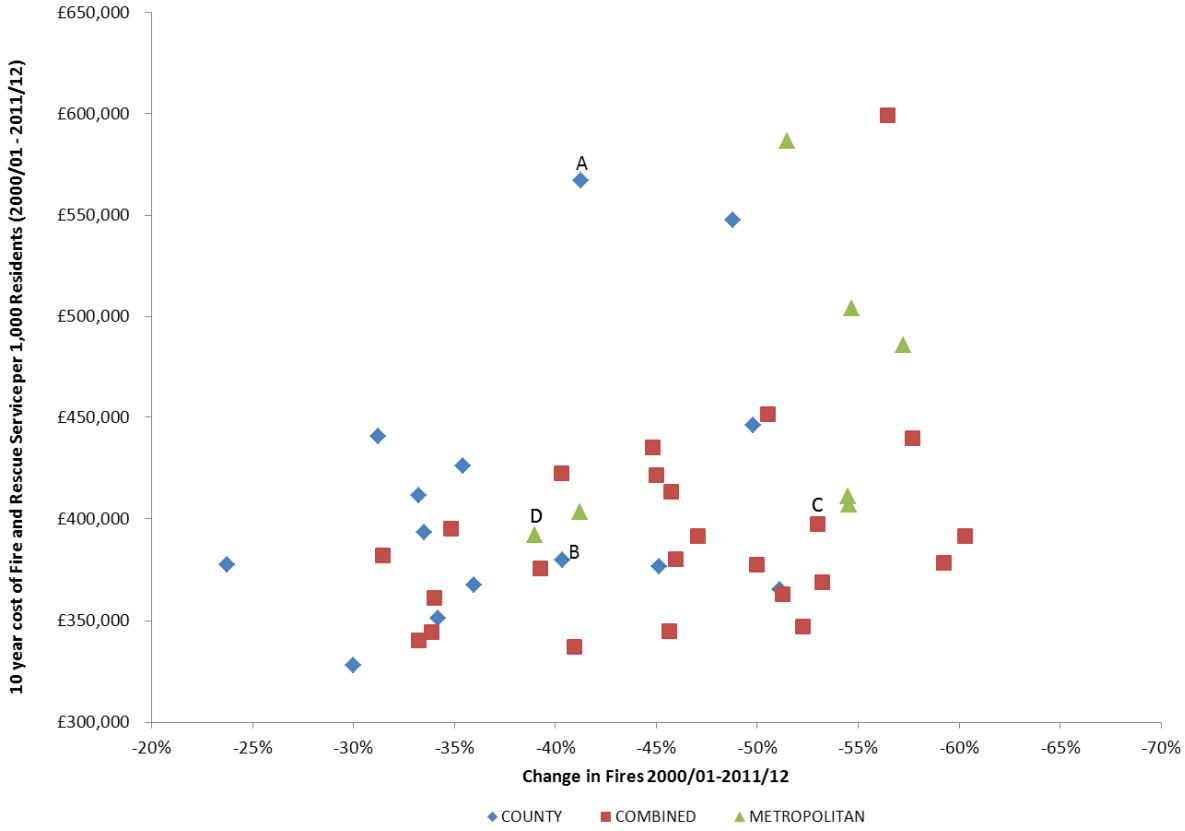
14. It could be posited that those areas that had the biggest reduction in fires had the biggest opportunity, i.e. they began the period with the highest numbers of fires. However, it does not appear that this is the case. Nine authorities had between three and four thousand fires in 2001-02, but reduced those fires by between 30 and 50 per cent. Even more markedly, authority C had 14,300 fires in 2001-02, and reduced these by 53 per cent. Authority D had 15,200 fires and reduced these by just 39 per cent. But both spent between £391,000 and £397,000 per 1000 population over the 10 year period.

The public might accept higher costs per head if it was clear that these resulted in better outcomes… but there does not appear to be any such link between spend and safety.

15. The public might accept higher costs per head if it was clear that these resulted in better outcomes such as fewer fires or deaths. But there does not appear to be any such link between spend and safety. Money goes further in some areas compared to others.

16. It is also important, of course, to consider international comparisons; unfortunately these are scarce in the fire sector and given the range of factors at play should be treated with some caution. However, they appear to show that the relationship between what is spent and what is achieved is fragile and inconclusive.

Figure 10: Expenditure and reduction in fires in fire and rescue authorities in England, 2000/01 to 2011/12[12]



17. Work by the Geneva Association of Risk and Insurance Economics shows that the UK spends 0.2 per cent of Gross Domestic Product (GDP) on fire and rescue services,[13] compares this with a number of other countries, and puts alongside these figures the number of fire deaths per 100,000 population. Some countries, like New Zealand and Sweden show perhaps what might be expected – if less is spent on fire services, the number of deaths is correspondingly higher. But it is interesting to note that while Japan and the USA spend a little more, proportionately, on their fire and rescue services, their outcomes, when measured by fire deaths, are considerably higher than the UK. The real anomaly is Singapore, which spends a tiny 0.03 per cent of GDP on firefighting, but has just 0.05 fire deaths per 100,000 population.

[12] Analysis of fire and rescue incident records, DCLG and CIPFA Fire and Rescue Statistics, actuals various years

[13] Unfortunately this research is done at an UK level, rather than England-only, but is used in this Report by way of broad comparison.

Section 1.3: What is the scope for efficiencies?

18. While expenditure measures do not show the complexity in different areas, they do show an unacceptable level of variation in the cost of the service to the public. If we assume that all fire and rescue authorities are currently providing an appropriate service, managing and responding to the risk in their areas, then we must assume that there is potential for cost reduction in the most expensive areas without affecting front line service outcomes.

19. For example, if those authorities in the top 25 per cent of the spending range reduced their expenditure to match that of the next most expensive, there would be savings of just under £124 million a year to the public purse. If all those spending more than the average reduced their expenditure to the average, the savings would rise to £196 million a year.

If those spending more than the average reduced their expenditure to the average, savings could be £196 million a year

Figure 11: Potential savings if total service expenditure in high spending FRAs were reduced to third quartile or median expenditure[14]

	Total Service Expenditure	
	At or below 3rd quartile	At or below median
County (and Unitary)	£8,358,000	£18,551,000
Combined	£16,070,000	£33,955,000
Metropolitan (and London)	£99,541,000	£143,297,000
Total	**£123,969,000**	**£195,803,000**

20. These numbers are broad estimates, designed only to give a sense of the scale of the potential for savings in fire and rescue authorities providing similar services. Those authorities at the lower end of the scale when measured on cost per person may, of course, also be able to make further efficiencies.

21. Fire and rescue authorities were given back-loaded spending power reductions to allow time for them to deliver efficiencies.[15] The need to achieve these efficiencies is now immediate and real. The scale of the challenge means that fire and rescue authorities cannot just consider those efficiencies they can achieve by reviewing their own

[14] CIPFA Fire and Rescue Statistics 2011/12 actuals
[15] Spending power broadly represents fire and rescue authorities' combined income from council tax, central government grants and retained business rates.

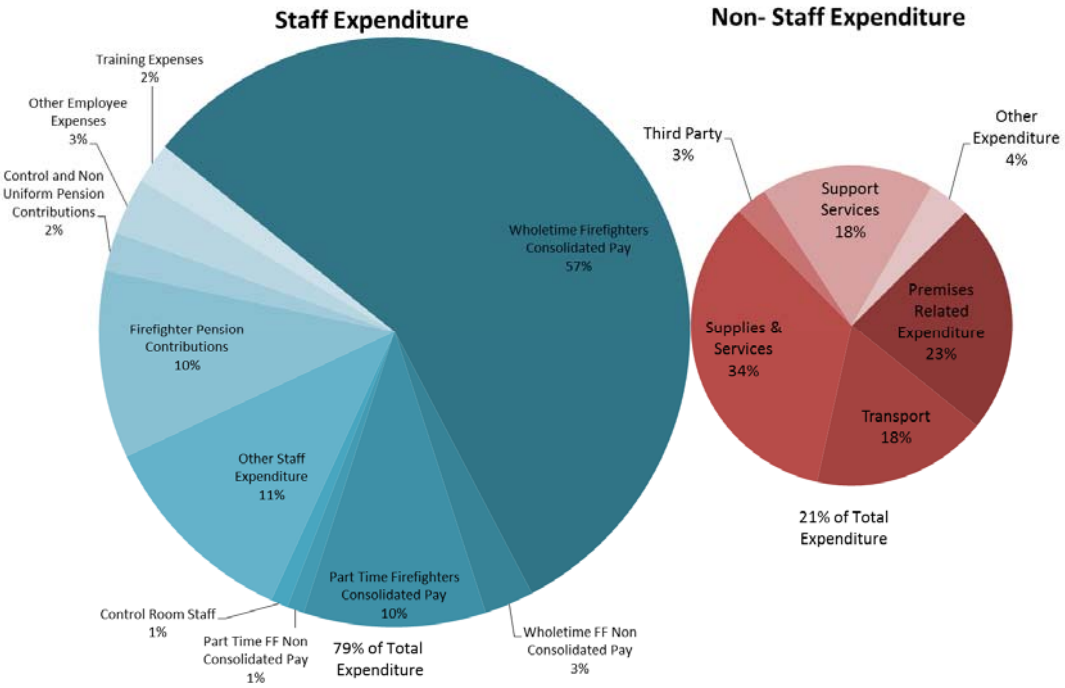
services, but need to review and embrace the opportunities that wider reform and collaboration can bring.

Figure 12: Spending power reductions 2011-12 to 2014-15[16]

2011-12	2012-13	2013-14	2014-15
2.2%	0.5%	4.7%	3.3%

22. So where could these savings be realised? Figure 13 shows the breakdown in how fire and rescue authority budgets are currently spent. The vast majority, £1.73 billion of £2.2 billion in 2011/12 (79 per cent) is spent on staffing costs (including managers, control room staff, pension costs and training, as well as employment costs of wholetime and on-call firefighters) which is comparable with other blue-light services. Other expenditure includes premises, vehicles, supplies and support services.[17] It is natural that authorities try first to make savings in non-staff expenditure, but deeper efficiencies will be delivered by better service configuration, having the right people in the right place at the right time, providing the right level of risk cover.

Figure 13: Breakdown of fire and rescue authority expenditure[18]



[16] DCLG Local Government Finance 2012

[17] We cannot see from the data available how these costs further break down. Staff expenditure includes overtime pay and bonuses, senior management costs and allowances, along with sickness absence, not just firefighters' salaries. 'Transport' in non-staff expenditure is not just response vehicles – it would also include subsidised officer car arrangements.

Chapter One: Key Findings

- Deaths from fires in the home are at an all time low; incidents have reduced by 40 per cent in the last decade, but expenditure and firefighter numbers remain broadly the same. This suggests that there is room for reconfiguration and efficiencies to better match the service to the current risk and response context.
- Some fire and rescue authorities spend almost twice as much per person per year in some areas than others, but there seems to be little relationship between expenditure and outcomes.
- If all authorities spending more than the average reduced their expenditure to the average, savings could amount to £196 million a year.

[18] CIPFA Fire and Rescue Statistics 2011/12 Actuals

Chapter 2: Deploying resources

2

When it comes to the question of matching resources to risk, the answer has not changed since Sir George Bain published his report in 2002[19] – fire and rescue authorities need to have a solid understanding of the risk in their area and make decisions based on that information, effectively prioritising and comparing risks. In the last ten years, we have seen much greater emphasis on reducing and managing risk through effective fire prevention work and fire and rescue authorities have transformed themselves from primarily fire response organisations to include preventative and wider rescue work. The reduction in incidents, casualties and deaths we saw in Chapter One is a testament to that approach. But fire and rescue authorities now need to transform themselves again to reflect the lower-incident context in which they now operate.

It is interesting to note that Bain's recommendation for the introduction of Integrated Risk Management Planning was driven not only by saving lives – it was to be a tool to help fire and rescue authorities provide better value for money for their communities.[20] It is time that this latter aim was better drawn out by fire and rescue authorities.

This chapter examines opportunities for efficiencies in how services manage their staff and resources (section 2.1); at using prevention work to reduce risk (section 2.2); and at the wider community role that many fire and rescue services play (section 2.3).

Section 2.1: Right people, right place, right time

Focusing on front-line service

1. What is quite clear after hearing from so many fire and rescue authorities in the course of this review is that those areas which are taking the most decisive steps towards efficiencies are those with the clearest separation of responsibilities between operational advice from the professional arm (officers of the authority) and the decisions taken by the political arm (members of the authority). In many of the

[19] *The Future of the Fire Service: reducing risk, saving lives*, December 2002.
[20] *The Future of the Fire Service*, paragraph 5.12, page 39.

authorities I visited, whether I spoke to members or officers, there was a strong focus on avoiding any redundancies, station closures or reductions in fire appliances (inputs), sometimes seemingly ahead of focus on reducing fires and incidents and improving services to the public (outcomes).

2. Government ministers have given strong statements about the need to protect the front-line from the funding reductions implemented to reduce the national deficit. But this should be about front-line service. That is not automatically the same as protecting jobs as they stand. Front-line service encompasses everything that leads to reductions in incidents, casualties and fatalities and has to include a major focus on the role of fire prevention and protection work, often overlooked when the media, or fire and rescue authorities themselves, fall into the trap of counting the front-line solely in terms of operational firefighters.

3. Fire and rescue authorities need to be prepared to consider all options, accept and defend decisions and take these back to their respective local authorities. There is anecdotal evidence of a level of self-censorship by Chief Fire Officers, knowing or assuming that members will not want to consider fire station closure, or changing crewing arrangements at particular stations. Nearly all I spoke to are instead opting to achieve savings through 'natural wastage' and frozen recruitment, but this is a piecemeal approach that gives no control over who leaves and creates considerable work to rebalance crews, fire stations and areas.

There was a strong focus on avoiding any redundancies, station closures or reductions in fire appliances, sometimes seemingly ahead of focus on reducing fires and incidents and improving services to the public

4. I identified two particular barriers to effective risk-to-resource planning:

   - The use of Private Finance Initiatives to fund the building of new fire stations, locking in resource, stifling options for change.

   - The lack of provision to allow authorities to offer uniformed staff enhanced compensation in the event of redundancy, something they can offer their non-operational staff.

A number of authorities want to use voluntary redundancy to help them undertake resource planning and many others said it would be a useful tool to consider. The Government is currently considering a formal request from the Fire and Rescue Employers along these lines and I would encourage them to agree.

5. A further consideration is the National Joint Council Scheme of Conditions for Local Authority fire and rescue services (the Grey Book). It covers the national pay and conditions for operational and control staff in fire and rescue authorities, and was last overhauled in 2003 (sixth edition) with the aim of being a less prescriptive document than previously, with some revisions since. It can be argued that because of, or in some cases despite, the current Grey Book, some of the fire and rescue authorities I have heard from have negotiated local changes to facilitate flexible arrangements that suit their local need. But in other areas the current Grey Book stands as either a perceived or actual barrier to change, with some self-limitation by local leaders not willing to try something that would require lengthy local negotiation.

6. Many of those I met felt that in order to deliver a flexible localised service that dovetails with expectations of the authority's Integrated Risk Management Plan it is now appropriate to remove the national role maps from the Grey Book. Such a move would facilitate the use of resources to meet local need whilst adhering to the National Occupational Standards.[21] In the interim, it is recognised that the development of robust job descriptions at local level could similarly facilitate such change as has been done in some fire and rescue authorities.

7. I hope that the national employers (as representatives of fire and rescue authorities) together with the representative bodies recognise that it is timely to review whether the current Grey Book is fit for purpose a decade after the last significant revision.

[21] Skills for Fire and Rescue are in charge of developing and maintaining the national occupational standards (NOS) for the United Kingdom's fire and rescue services. http://www.sfjuk.com/sectors/fire-rescue/developing-talent/nos/

CASE STUDIES: proving the case

One metropolitan authority is taking a data-driven approach to calculating risk, balancing their areas' number of recent incidents against their risk factors and against the amount of prevention and protection work carried out. This enables them to prioritise areas for prevention and fire safety audit work, compare stations and areas objectively with elected members, and helps with the planning of new stations that can merge the activity of two less busy stations.

A county authority is taking a different but similarly evidence-based approach. They are proposing steps such as changing stations from whole-time to on call, but implementing them incrementally through slowly changing crewing models, using nucleus crewing as a mid-way point. In monitoring the data carefully, they are able to provide assurance to the public and the authority that while crewing decreases, risks in the area do not increase.

A rural authority used detailed risk analysis to show that moving two stations to new locations would enable a further 13,900 people to be covered in their 10 minute emergency standard.

More effective crewing

8. The model of crewing wholetime, 24 hour, fire stations that has been in place for some 30 years is starting to change to more flexible models and I was pleased to see a level of innovative thinking here. But this is not universal. The traditional short day shift and long night shift with on duty sleeping arrangements together with excess resources built in to cover sickness absence and annual leave has no place in a modern fire and rescue service where operational utilisation rates are reportedly between three and ten per cent.[22]

9. There remain many opportunities for the traditional system to be reformed, such as shorter night shifts to increase the number of usable day time hours when, for example, firefighters can perform fire safety duties; or switch crewing with specialist vehicles to allow firefighters to cover either appliance. Many of the fire and rescue authorities I visited have taken steps to change their crewing and staffing models and the case studies in this section illustrate this work. One of the key drivers to efficiency in some of these models has been annualised hours and self-rostering, putting responsibility

[22] *The Future of the Fire Service*, paragraph 3.6, page 11.

into the hands of firefighters themselves to ensure that their fire engines are kept available.

10. A number of areas I visited have looked at ways of achieving flexible cover for sickness and training absences rather than need a built-in high ridership factor. In some areas this has manifested as a small cadre of whole-time firefighters who provide flexible cover across either the whole authority or a number of fire stations. Other areas have created a 'strategic reserve' of whole-time firefighters who also hold a secondary contract – the authority then pays plain rate for hours over their standard contract, providing the firefighter with additional employment and the authority with a way of reducing overtime costs. Ten years ago the Bain report was critical that there were restrictions in wholetime firefighters also undertaking retained duties. During my review, I found that considerable progress has been made in this area, with firefighters taking on secondary contracts in their own or another fire and rescue authority.

11. My review found a significant move by a number of fire and rescue authorities in providing a variable level of response to differing types of incident and thus matching response to risk. One of the constraints on efficiency is the rigidity of dispatching a 'standard' fire engine to all types of incident; I was heartened to see that many fire and rescue authorities have begun to invest in different types of response vehicles that can be crewed by varying numbers of firefighters, enabling a more flexible response.

12. One of the restrictions is the different minimum crewing levels to produce optimum levels of staffing and safe working practices in different authorities for the delivery of the same service. I would encourage fire and rescue authorities to use the basis of business cases and risk assessments from other areas where they wish to adopt their innovative solutions to staffing arrangements, and that employer and employee representative bodies and the Health and Safety Executive urgently examine ways of doing so.

CASE STUDIES: a flexible workforce

24 hour shifts: A combined authority has introduced a 24 hour shift system for its wholetime staff, following a '24 on, 72 off' rotation. Buy in was achieved through engaging early with representative bodies; benefits include reduced handover time from having a single shift change, and it has been welcomed by all staff. The Service estimated that it will save almost £600,000 between 2012/13 and 2016/17 from this change.

Seasonal crewing: A rural authority has responded innovatively to the challenge of population changing by up to 600 per cent in holiday times by creating a flexible, seasonal 24 hour service at one of its stations. Volunteers were sought among other staff across the Service and a rota developed to provide the cover for four months a year.

Swapping shifts: A metropolitan authority has increased the flexibility and satisfaction of their staffing arrangements through an innovative 'Swap a Shift' system. Staff are encouraged to voluntarily work shifts where there are staffing deficiencies and take time off when there is surplus staffing. They have indicated that 1,500 shifts have been swapped annually since this initiative began. This, along with an improved sickness record has allowed this fire service to reduce 12 posts, with reported savings of £451,384, and no impact on risk levels.

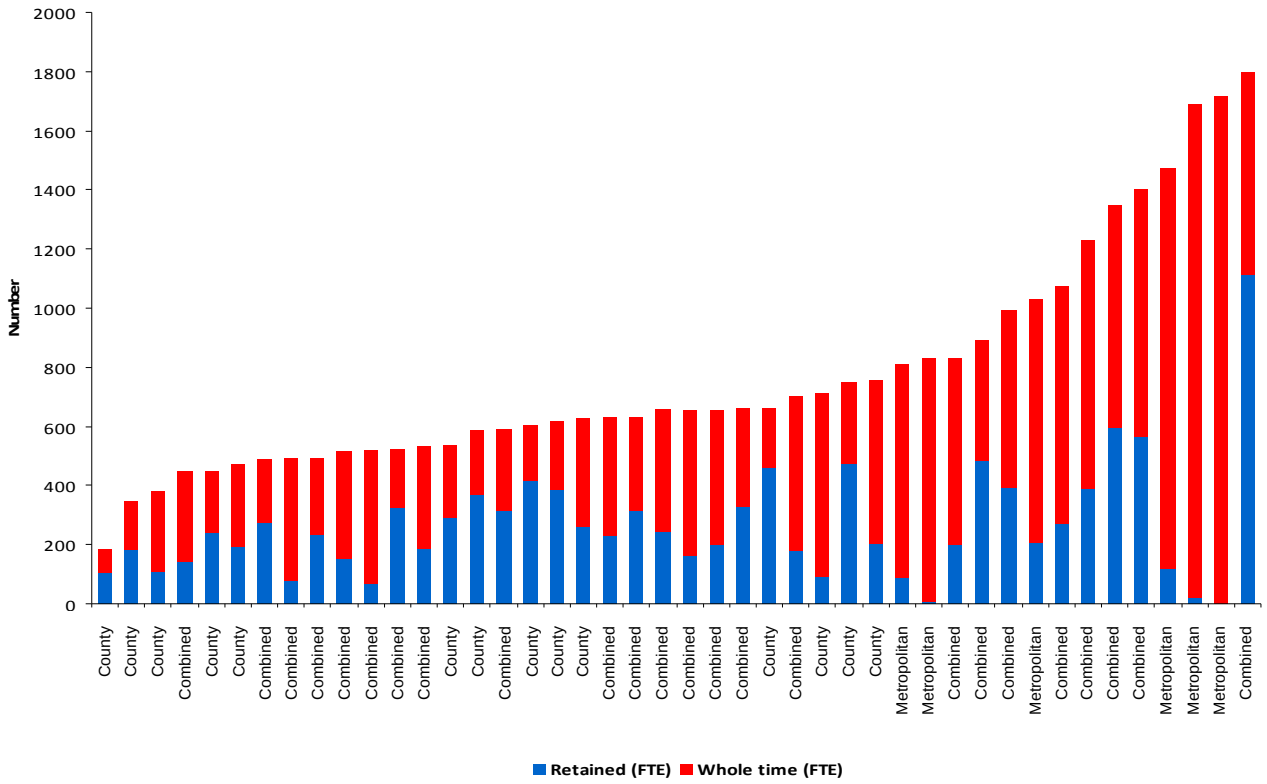
Strategic reserve: One metropolitan authority introduced an 'Operational Resource Pool' of staff who work flexibly to cover sickness, training and annual leave in the Service. These staff follow a pre-arranged 8-week rota, but also have mobile phones to allow them to be called on at short notice to respond to staffing issues as they arise. This enabled a reduction of 60 Grey Book posts, a saving of around £1.2 million per year. On top of this, early estimates show that it has reduced the overtime bill by £70,000 in six months.

Public holidays: A county authority has achieved agreement with the representative bodies that shifts on public holidays will be covered by either a flexibly rostered employee, or an on-call employee, all paid at plain time. Only in exception will overtime be paid – this has reduced the overtime bill from £729,000 in 2010/11 to a projected £200,000 in 2012/13.

On call firefighters

13. Retained duty staff, or 'on-call firefighters', are the backbone of provision for many fire and rescue authorities (Figure 14), particularly those that are most rural, and make up the majority of fire stations in the country. The challenge for all fire and rescue authorities in the new reduced-demand environment is to fully consider how they can make best use of on-call staff. In my discussions for this review I have heard a variety of opinions on the on-call system, but the vast majority feel that it is an invaluable cost-effective service. A retainer is currently 10 per cent of a whole-time firefighter's salary, with additional payments made for training and attendance at incidents. As calls have dropped, therefore, the on-call system has become more expensive on a per call basis. But it still provides excellent value for money – fire and rescue authorities need to think about what call volume they consider justifies a whole-time service.

Figure 14: Retained and wholetime firefighters (FTE) by authority, excluding LFEPA and the Isles of Scilly.[23]



14. Figure 15 shows some simple modelling of potential savings if all 46 authorities increased their use of on call firefighters. Currently 30 per cent of firefighters are on-call, though the difference between

[23] CIPFA Fire and Rescue Statistics 2011/12 Actuals. Note: LFEPA has around 6000 firefighters, all wholetime.

authority types is quite marked. As a discussion point, I looked at what would happen if each of the governance models moved to a higher percentage of 'on-call' staff – namely that of the upper quartile in each type. This would mean counties would move to 65 per cent, combined to 51 per cent and metropolitans to just nine per cent; overall this would increase on-call staff by just 10 percentage points to 40 per cent. Naturally the cost of employing on-call staff would increase as they would attend more incidents, attracting more call out costs, so I have used the upper quartile of the on call salary range (£12,000) in my calculations.

15. While this is very much an estimate, the scale of savings that could be released by fire and rescue authorities increasing the use of on-call staff by just 10 per cent could be up to £123 million per year.

Figure 15: Potential saving from increasing the proportion of on-call firefighters, by governance type[24]

		Percentage of Retained	Cost	Saving
Current model	County	51%	£212,400,000	-
	Combined	40%	£578,400,000	-
	Metropolitan	3%	£576,000,000	-
	England	**30%**	**£1,366,800,000**	**-**
Possible model	County	65%	£176,800,000	£35,600,000
	Combined	51%	£517,300,000	£61,100,000
	Metropolitan	9%	£549,300,000	£26,700,000
	England	**40%**	**£1,243,400,000**	**£123,400,000**

16. Many authorities in England might find this hard to imagine. However, international models show that our configuration is not the norm across Europe (see Figure 16); many countries have almost entirely volunteer-staffed fire and rescue services, and others that use on-call or part-time staff have higher proportions of them. What this illustration and analysis has to be, therefore, is a challenge to authorities to consider how on-call can work for them.

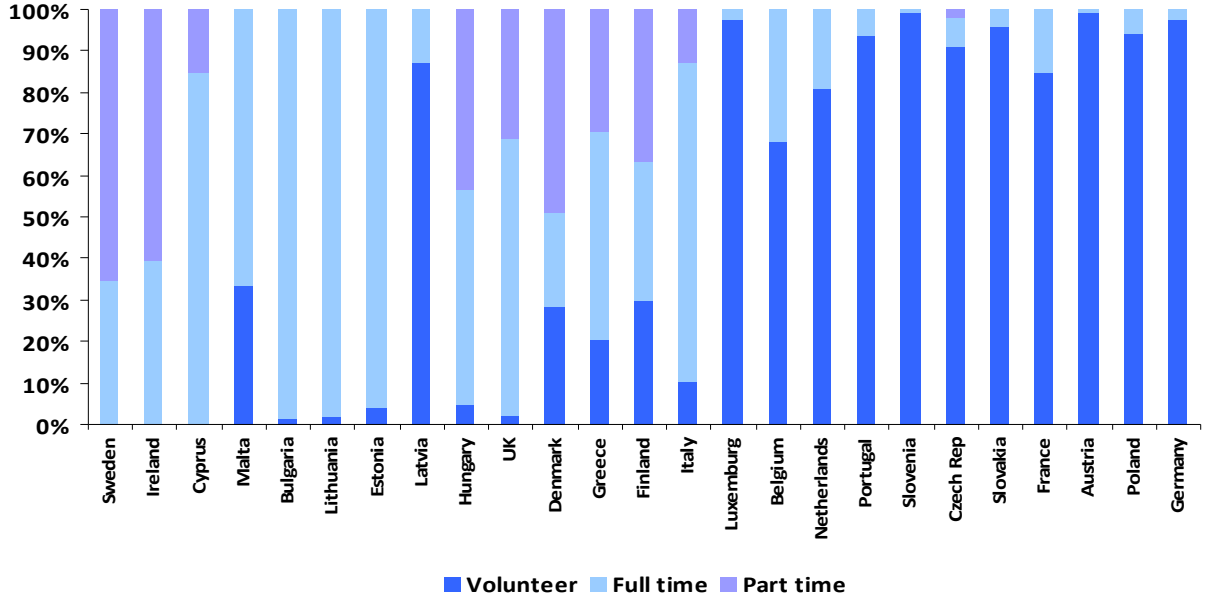
Increasing the use of on-call firefighters by just 10 per cent could be up to £123 million per year

17. Availability is often the key reason given by more urban authorities for why they cannot use on-call staff – the population is too transient

[24] CIPFA Fire and Rescue Statistics 2011/12 Actuals

or works too far from home to provide cover. I am not convinced that this would be borne out if areas advertised and promoted the on-call system. It is for each fire and rescue authority to determine their own rules for response times and the distance of an on call firefighter from a station; in some countries there have even been innovations such as stationing a fire engine outside offices during the day. Availability has been improved in many areas by using electronic rostering and availability systems which provide easy monitoring and lets firefighters know when their unavailability will mean that a fire engine is off the run – as with whole-time firefighters, self-rostering puts the onus on staff to manage availability between them as a team. One of the answers for urban areas might be to try on-call staff to crew the second pump in two-pump stations, providing the weight of attack and resilience for subsequent calls while still having a smaller number of whole-time staff to provide the initial response.

Figure 16: Estimated percentage contribution of different types of firefighter to the overall number of firefighters[25]



CASE STUDIES: good practice on 'on-call'

Selective alerting: By basing call outs on an Incident Needs Analysis rather than available numbers, a county authority expects to save up to £100,000 per year in reduced call out fees and on call staff will not be disturbed in their place of work / home unless it is necessary for them to ride.

[25] Geneva Association of Risk and Insurance Economics October 2011. Estimates between 2006 and 2009 depending upon country.

Support for on call staff: A county authority with a large proportion of its service delivered by on call staff was concerned at the reduction in availability in recent years. They have therefore introduced Retained Station Support Officers, wholetime Watch Managers who are available to RDS staff and champion their roles but also work closely in and with the community to deliver prevention and protection work, building relationships that lead to recruitment of on call staff.

Fire prevention staff

18. Traditionally community fire prevention work has been primarily carried out by operational firefighters during the periods of non emergency response whilst most fire safety enforcement has been undertaken by full time uniformed fire safety officers. Firefighters bring valuable experience to both fire prevention and fire safety roles but several fire and rescue authorities have shown that prevention work can be delivered using more cost-effective non-uniformed (Green Book) FRS staff, in some cases entirely. The issue is that once again, fire and rescue authorities are spending very different amounts to provide broadly the same service – while some use non-uniformed staff, others will only use uniformed firefighters at Watch Manager level or higher. I believe that the answer is in a mixed economy, with the majority of community safety work provided by operational firefighters in conjunction with other public sector services e.g. social care and the third sector. In the case of regulatory fire safety it is appropriate to utilise Green Book staff, at an equivalent level to those doing similar audit roles in other parts of the public sector, providing there remains strong links with operational staff to ensure that the firefighting context is taken into account.

19. Increasingly it seems that fire protection work and Fire Safety Order compliance advice is also being delivered by operational firefighters. My concern here is to ensure that those doing this work have the necessary level of competence in a complex technical field, particularly when there is evidence of a lack of consistency in enforcement of the Order. The emergence of commercial fire risk assessors, whose competency in the field of fire safety has been independently certified and even UKAS accredited[26], will increasingly provide a challenge to fire and rescue authority staff

[26] The United Kingdom Accreditation Service is the sole national accreditation body recognised by government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection and calibration services.

providing business safety advice and, crucially, auditing premises and enforcing the Fire Safety Order. Authorities need to be investing in training (and maintaining that training) of their fire safety officers and ensuring that they employ those best suited to the task.

CASE STUDY: using non-uniformed staff

One Metropolitan authority transitioned from predominantly Grey Book fire safety staff to entirely Green Book, saving more than £700,000 per year, including reductions in the number of posts. The authority invested in training and development of the workforce both through the Fire Service College and an in-house workbook programme and mentoring to ensure that they had the rights skills for the job.

CASE STUDY: use of volunteers

A pilot has been established in an urban authority to enable Neighbourhood Watch members to received training to become Neighbourhood Fire Wardens. Looking out for derelict buildings, abandoned vehicles, rubbish and beds in sheds, the information provided by these Fire Wardens will help the authority, and other agencies, target prevention activity.

Management

20. A number of authorities have not reformed their flexible duty system, which provides management and command capability at incidents by senior uniformed officers. In the light of the significant fall in incident rates, these authorities are adhering to a rota system that can lead to a substantial number of days off during the working week for staff even when they were not required to attend any incidents during the weekend. This approach reduces the time otherwise available for managerial duties.

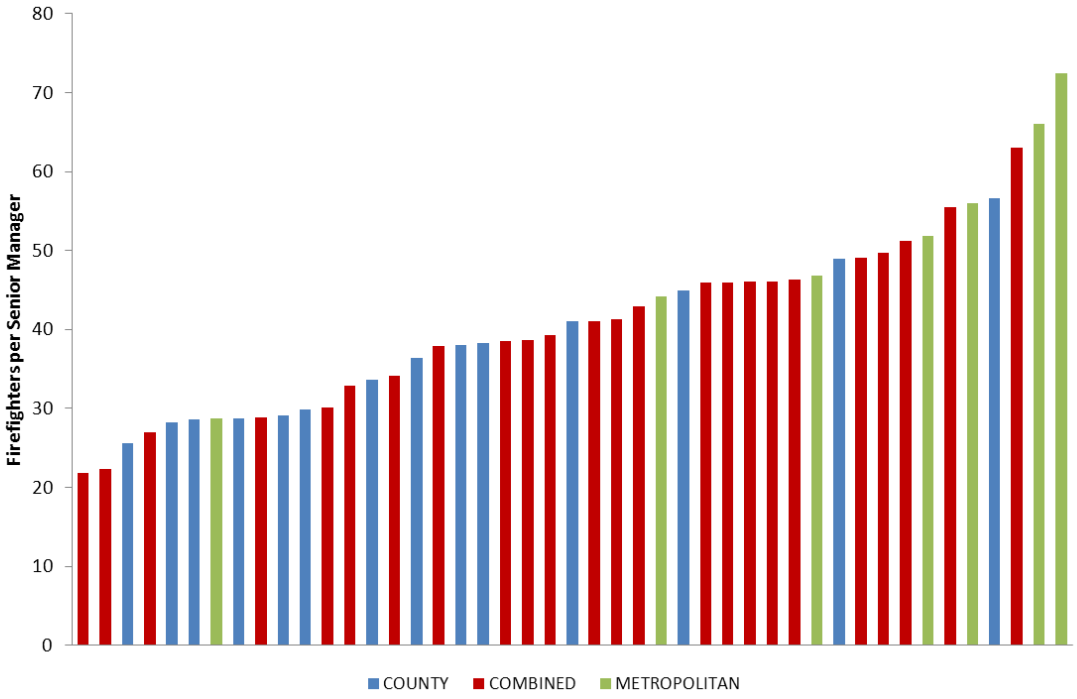
21. Many of the authorities that provided evidence to the review have taken steps to reduce their senior management team in recent years. In only a handful of places was this achieved as part of a complete review of the structural needs of the organisation – the vast majority came from retirements and a subsequent decision not to fill the post. While this has led to authorities making savings, this ad hoc approach suggests a reluctance to redesign how best a service can be delivered. Figure 17 shows the ratio of senior managers to firefighters and evidences a stark difference in approach between

authorities. In one metropolitan authority there are 73 firefighters per senior manager, whereas in another there are 29 and in one combined authority, there are 63, and in a nearby combined authority there are 22.

22. There will of course be reasons why different areas have different management structures; in geographically sparse areas, for example, there may need to be more group managers simply to make it practicable to cover a number of distant fire stations. However, it is clear that fire and rescue authorities need to challenge themselves on the number of managers they have.

23. Up to £17 million per annum could potentially be saved in salary costs alone if each fire and rescue authority moved to the staff to management ratio of the leanest in its governance type (Figure 18) – there would be additional savings to the public purse from employment and pension costs.

Figure 17: Ratio of Firefighters to Senior Manager (Brigade, Area and Group managers) for fire and rescue authorities in England[27]



[27] CIPFA Fire and Rescue Statistics 2011/12 actuals

Figure 18: Analysis of potential percentage and cost reductions if fire and rescue authorities moved to the staff to manager ratio of the leanest in their authority type[28]

	Possible percentage and cost reduction in management requirement by adopting leanest management structure within governance type					
	Brigade Managers		Area Managers		Group Managers	
	%	£ saving	%	£ saving	%	£ saving
County	26%	£1,000,000	53%	£1,170,000	38%	£2,550,000
Combined	11%	£690,000	31%	£1,580,000	46%	£6,910,000
Metropolitan	4%	£60,000	16%	£380,000	35%	£3,300,000
England:	**14%**	**£1,750,000**	**32%**	**£3,130,000**	41%	**£12,760,000**

24. Sharing of senior staff between authorities, particularly Chief Fire Officers, has been suggested as a potential efficiency. Outside of potential savings I do not think that there is currently any incentive for the Chiefs themselves in order for this arrangement to come about, and leading two disparate fire and rescue authorities could be logistically challenging. However, there is evidence of this model working well elsewhere in the public sector, even with different political administrations.

25. There is a lot of evidence of senior staff taking on work beyond their primary fire service role within their organisation. In County and Unitary authorities, the Chief Fire Officer is sometimes situated at Director-level within the council structure and so already has a wider remit than the fire and rescue service. In one authority there has been a move to make the Chief Fire Officer also the Chief Executive of the Police and Crime Commissioner's office. We also know that a large number of senior officers contribute significantly to the work of the Chief Fire Officers' Association.

In one Metropolitan authority there are 73 firefighters per senior manager, in another there are just 29

26. There is scope for efficiencies in sharing a senior operational command rota between services. This has been working in one area that I am aware of since 2006, and a handful of other areas since. The financial benefits of this are obvious,[29] but this would have wider benefits to services through a reduction in the number of senior

[28] CIPFA Fire and Rescue Statistics 2011/12 actuals
[29] A pair of authorities operating in this way estimate that it saves them a combined £100,000 per year.

management roles that need to be operational – this would allow a greater number of leaders to come from other sectors, bringing business expertise and a fresh perspective.

27. It is worth noting that the Department has set up a funding pot to incentivise, encourage and support greater use of shared services and functions in local government, the Transformation Challenge Award. This includes £6.9m that all fire and rescue authorities are eligible to bid for to support work to merge management functions with other local or fire authorities and to encourage those already sharing services to take further radical steps in that direction. I hope fire and rescue authorities will pursue this opportunity.

Section 2.2: Demand reduction

Fire prevention and protection

28. The most effective way to save lives is to prevent fires and other emergency incidents from occurring. The key to efficiency in prevention and protection work comes back to understanding risk and devising strategies to mitigate it. While the response side of the fire and rescue service should be universal, prevention and protection is about targeting those areas, businesses and people most at risk. There is some evidence to show that fire and rescue authorities are doing this – in a period where the overall number of home fire risk checks decreased, the number provided to households with a disabled person increased from 87,000 in 2010-11 to more than 118,000 in 2011-12.[30] And, by far the greatest number of risk based audits of compliance with the Fire Safety Order are carried out in premises in which people are sleeping – care homes, hospitals and hotels – and whose ability to escape easily and quickly may be compromised.

CASE STUDY: Home Fire Risk Check grant

During 2004-08, the Government directly funded Home Fire Risk Check (HFRC) activity for fire and rescue authorities in England through the provision of Home Fire Risk Check grant, which totalled £25m over four years. During this period fire and rescue services carried out nearly two million HFRCs and fitted nearly 2.5 million 10-year smoke alarms free of charge to the householder. An independent evaluation of the HFRC initiative concluded that it was responsible for:

[30] Fire and Rescue Operational Statistics Bulletin for England 2011-12
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15228/2222551.pdf

- a 57 per cent fall in accidental dwelling fire deaths recorded during this period
- 13,670 fewer fires and 888 fewer non-fatal casualties; and,
- delivering an economic value of the reduced numbers of fires, fatalities and injuries, during 2004-2008, of between £926m - £1,943m.

This is a return on investment of between 1.37 and 1.78.

It is worth noting that these 10 year fire alarms are now coming to the end of their anticipated life-span and householders need to be encouraged to check these alarms and replace them, with the assistance of the local fire and rescue authority where appropriate.

29. One of the key outputs of a home fire risk check is the installation of fire safety equipment, particularly smoke alarms. As we saw in Chapter One, the proportion of the population with a working smoke alarm has increased from just eight per cent in 1987 to 86 per cent in 2010.[31] Given this massive improvement across the general population, it is right that fire and rescue authorities target the most vulnerable.

30. Best practice in this area comes from those who are finding ways to share intelligence with local delivery partners to identify homes for risk checks and to equip or support those agencies to deliver the vital safety message. This data sharing seems to work best in County and Unitary fire and rescue authorities by dint of the connectivity between different parts of the wider council and the likelihood of partners using the same IT platform as the fire and rescue service, though this is by no means assured. In combined and metropolitan authorities, where a fire service sits across a large number of different unitary authorities, there is a crucial role for fire and rescue authority members in going back to their home authority and pressing for better data sharing to identify those most at risk in the community.

[31] Fire Statistics Great Britain, Table 2.3 https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/fire-statistics-great-britain

CASE STUDIES: Working with other agencies to help the vulnerable

Sharing information with Adult Social Care
A county authority is taking advantage of their close working with other parts of the county council to share adult client data with Adult Social Care through a Combined Care Service. Vulnerable residents already known to the Council can opt to have their home address details given to the fire and rescue service, leading to home fire safety checks; where the fire service attends an incident involving a vulnerable person, they trigger a follow-up visit from Adult Social Care to support the client in their own home.

Prescribing Home Fire Risk Checks
Another county authority is beginning work with local doctor practices to identify those at need of fire safety advice and support. The doctors can provide a 'prescription' for a home fire risk check for those presenting with at risk 'symptoms' – this helps the message reach those who need it, without the need to share personal data directly.

Working with business

31. The vast majority of businesses want to do all they can to minimise the risk of fire; at the same time they need those who regulate them to act in accordance with the principles of better regulation. The work currently underway with the Department for Business, Innovation and Skills and the Chief Fire Officers' Association to pilot the Primary Authority concept for the Fire Safety Order is to be welcomed. It will mean that a business operating across a number of fire and rescue authority areas can choose a single authority to be their partner in duties under the Fire Safety Order, meaning that advice is given for the whole business, rather than part of it. This is a positive example of the sector rising to the challenge of supporting compliance through a constructive relationship and the provision of assured advice.

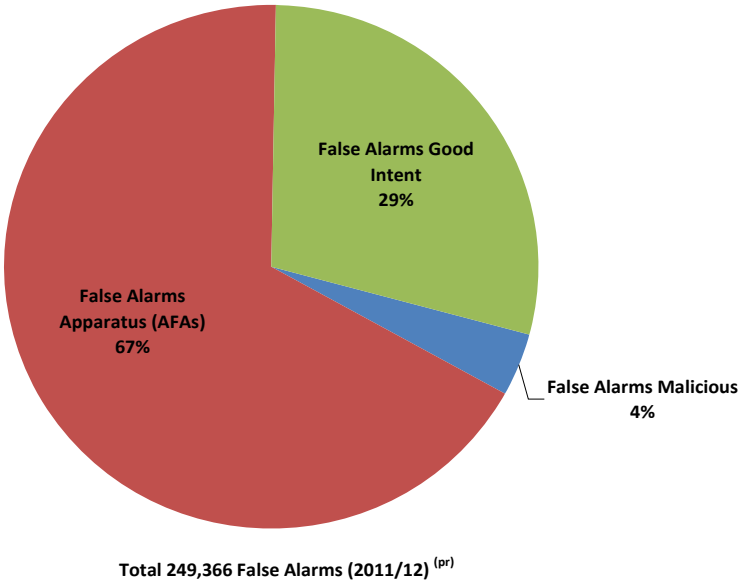
32. However, it was disappointing to hear little during my review about the important role that fire and rescue authorities play – individually and collectively – in ensuring and promoting the safety of business premises in their area. Working with business aspirations for accessible, consistent and proportionate advice on regulatory compliance is a significant area for efficiencies both for business and for fire and rescue authorities. I strongly encourage local leadership to listen closely to the views of those being regulated when framing

their regulatory services and follow the outcome of the Primary Authority Scheme pilots.

Reducing false alarms

33. 42 per cent of all emergency responses for fire and rescue authorities in England are false alarms. Malicious false alarms now stand at fewer than ten thousand per year, a dramatic reduction from almost sixty thousand in 2001/02.[32] This was achieved through a widespread use of call challenge by fire control operators, barring calls from persistent hoax numbers, and prosecutions.

Figure 19: Breakdown of 'false alarms' 2011/12[33]



34. The Fire Protection Association estimates that more than 95 per cent of all fire alarm signals from automatic fire alarm systems are unwanted or false. To reduce attendance at these, a number of fire and rescue authorities have since instituted a 'call challenge' policy for alarms originating from automatic fire alarm systems; usually this means that the control room will call the premises to confirm the fire before responding, although outside of the premises normal business hours or where the call goes unanswered, an appliance will still be dispatched.[34]

[32] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/141791/Tables_1_to_2__2012_Q3_.xls
[33] Analysis of fire and rescue incident records, DCLG 2011/12
[34] High-risk premises such as sheltered housing and nursing homes still attract an automatic call out under this system.

35. While some services began call challenge as long ago as 2003, others are only now taking this step. Some authorities have reported a 40 per cent reduction in attendances to automatic fire alarms since changing their policy, with ensuing benefits to staff time and costs. While overall there has been a reduction in attendances at automated fire alarms since 2003, it is only since 2006 that this reduction has been significant and even by 2011/12 the reduction was only 28 per cent.[35]

36. The Fire Industry Association with the Fire Sector Federation are undertaking some interesting work to look at how unwanted fire alarms can be significantly reduced, studying a number of high offending premises and replacing smoke detection systems with 'multi-sensing' (smoke, heat and carbon dioxide) detectors. They hope that using these more modern systems can reduce unwanted alarms by as much as 80 per cent.

37. Even accounting for the 50 per cent of signals currently sifted out by Alarm Receiving Centres, an 80 per cent reduction could reduce false alarm attendances by more than 100,000 per year; a saving of £7 million could be achieved[36]. This is however, the *marginal* cost, assuming that the costs of those firefighters and fire engines would be otherwise paid for. The real impact of a reduction in false alarms would be the opportunity to reconfigure the service – a reduction of 100,000 incidents would be one in six of all incidents.

Section 2.3: Latent capacity

38. The current operational design and delivery of fire and rescue services has been likened to an insurance policy, with fire and rescue authorities prepared for emergency incidents that we all hope will not happen. Under this model it is inevitable that this over-provision to manage risk will result in latent capacity. How this latent capacity is used is a key issue for efficiency in the service.

[35] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/141791/Tables_1_to_2__2012_Q3_.xls

[36] The average marginal cost in England of responding to a false alarm is £70. *The economic cost of fire: estimates for 2008*, Fire research report 3/2011

Figure 20: What sort of incidents does a firefighter attend in a year – 2001/02 versus 2011/12[37]

	Fires	False alarms	Non-fire incidents	Total
2011-12	**43**	**46**	**21**	**110**
2001-02	80	70	28	178

39. We know that some latent capacity has been invested in increased fire prevention and protection work and to take on community roles, often using the firefighter 'brand' to get traction with those whom other services find difficult to reach, like ex-offenders or children at risk of school exclusion. The question that needs to be asked, and not just because of the current economic pressures, is to what extent community work is done to make use of inevitable latent capacity or whether latent capacity is built into provision to allow time for firefighters to do this work.

40. Funding reductions and the wider economic climate have encouraged some fire and rescue authorities to evaluate their community work, prove its value and try to pass the associated costs to other services. But it can be difficult to work out the costs of community roles and to follow this investment through to a quantifiable outcome. It will be interesting to see how agencies respond to being asked to pay for firefighter involvement. They will need to compare the added value a firefighter can bring to the cost of employing a youth or social worker at lower expense and will need to establish whether the previously 'free good' is a resource worth paying for.

Across England, on average each firefighter attends 110 incidents a year. False alarms now outnumber fires - 46 of the 110 incidents are false alarms, just 43 are fires.

41. Where fire and rescue authorities continue to pay for firefighters to carry out community roles, they need to be assured that it makes a meaningful contribution to reducing risk. The Chief Fire Officers' Association is examining the social return on investment of this work which may help authorities to direct latent capacity to the right projects.

[37] Estimates derived from incident records and fire-fighter staffing returns, Department for Communities and Local Government

Chapter Two: Key Findings

- Fire and rescue authorities have transformed themselves from organisations that dealt with fire response to organisations also covering preventative and wider rescue work and succeeded in reducing incidents. They now need to transform themselves again to reflect the completely different era of risk and demand.
- The focus for the future must be on protecting front-line services; this does not mean a protectionist approach to jobs. Avoiding redundancies, station closures or reductions in fire engines is often the focus for elected members and officers, and there is anecdotal evidence of some self-censorship by Chief Fire Officers.
- Innovative crewing and staffing models are being pursued, and these are being shared – but there is little evidence of areas implementing learning from others.
- Increasing the total 'on-call' firefighters nationally by just 10 precent (to 40 percent) could provide annual savings of up to £123 million. All fire and rescue authorities must consider whether 'on-call' firefighters could meet their risk – it is an invaluable cost-effective service.
- £17 million could be saved if authorities adopted the leanest structure in their governance types.
- The Grey Book can lead to some self-limitation by leaders not to introduce change that would require lengthy negotiation. It should be reviewed.
- Authorities are right to capitalise on their reputation to help deliver other services to hard-to-reach communities. But this should only be where they are commissioned to do it, or have identified a clear cost benefit to their own aims.

Chapter 3: Collaborating for efficiency

3

No one setting out to make an efficient model for the delivery of fire and rescue services for England would develop the model we now have; it has largely been driven by, and subordinate to, wider local government changes. It cannot make sense to have the current range of fire and rescue authorities, each with attendant and often different governance structures, spend levels, senior leaders, and organisational and operational quirks.

However, it is easy to say that there should be far fewer, but because of the paucity of examples of combination, there is little hard evidence of increased efficiency and certainly no evidence that the biggest authorities were necessarily the most efficient.

While I found evidence on my visits of many positive actions to reduce costs, and some sharing of ideas, there continues to be a lack of learning between fire and rescue authorities and from the wider public sector and beyond. Collaboration in all its forms is the answer to improving the service, making services interoperable and, of course, reducing duplication of spend.

This chapter therefore looks at opportunities for structural, operational and organisational collaboration between fire and rescue authorities (section 3.1); and at opportunities for fire and rescue to look beyond its borders and collaborate with other blue-light services (section 3.2).

Section 3.1: Working with other fire and rescue authorities

3.1.1 Structural collaboration

1. The Fire and Rescue Services Act 2004 enabled fire and rescue authorities to voluntarily combine; that there has only been one successful combination since suggests that:
    - there is little appetite or incentive; and/or,
    - there are barriers and difficulties.

2. Naturally, the barriers have been a greater part of the discussions for this review. Numerous mergers have been proposed, investigated and eventually abandoned, with a range of issues cited as barriers, such as differences in council tax levels and the length of the merger process. These are certainly considerations and the equalisation mechanisms for council tax are impacted by the need for a referendum to raise the precept by more than two per cent in a year. However, the key problem compounding these issues seems to be a lack of local political appetite and lack of incentive to combine.

3. The sole driver for mergers in England seems to be the efficiency opportunities it would free up (reducing governance and management structures, for example). What is interesting is that the broad consensus across the sector is that the merger of Devon and Somerset, completed in 2007, was possible because not only was there strong political will but the focus was also not on making *immediate* savings. While not the initial driver, the Devon and Somerset merger was fortuitously timed to respond to the budgetary challenges caused by the economic downturn and they have been able to capitalise on this in the last five years. An independent review of the combination showed that the net cumulative financial savings total £4.2 million between 2006/07 to 2011/12. It was disappointing that during the time I have been conducting this review, Devon and Somerset fire and rescue authority and Avon fire and rescue authority did not take forward their proposal to merge, showing that even with experience of combination, the politics of a merger can be very difficult to orchestrate locally.

4. What is clear is that mergers may offer significant opportunities for efficiencies. But a number of these efficiencies can be made by closer collaboration between fire and rescue authorities without the need for a formal combination. This is so true, in fact, that some mergers have failed in part because the work to merge would outweigh the additional benefits given that the biggest savings had already been achieved through shared control rooms. Some are pursuing ‘strategic alliances’, whereby two or more authorities share as much as possible without a change of legal status, in order to capitalise on these benefits while avoiding the perceived and actual difficulties of merging.

3.1.2 Operational collaboration

Control rooms

5. A large part of the collaboration between fire and rescue services is being driven by the move to shared control room systems, a product from the demise of the FiReControl project. While the jury is out on whether there is a need for 46 different fire and rescue authorities, it is generally accepted that sharing the IT systems, staff and premises for control rooms makes sense, especially in an environment of shrinking call volumes.

6. There are lessons here both for fire and rescue authorities about proactively and positively engaging with initiatives, and for central government in considering how best to use levers to drive collaboration. Using funding to incentivise collaboration but not mandating the method seems to have produced good results.

7. However, I am concerned that a number of fire and rescue authorities have not yet fully taken on the opportunity that control room funding offered. Almost half of authorities have invested in shared *systems* but have declined to take the natural step of merging control rooms, teams and operational practices. Savings in shared fire control do come from shared procurement of systems and efficiencies in interoperability/back up, but they also come from a single location and fewer staff – this is where ongoing revenue savings can and should be made. The reduction in call volume and the fact that there is no need to be geographically adjacent as some collaborations have shown, means that there can be little efficiency in small services in particular retaining their own control room. It is telling that it was Sir George Bain who recommended that all fire authorities retaining separate control rooms should be required to demonstrate how this is cost effective.[38]

Shared operational policies and practices

8. Shared control rooms are driving conversations about operational policies and practices that will lead to greater interoperability as well as considerable scope for efficiency. Much work is now being led by the sector to bring together operational guidance, standard operating procedures, and a professional framework for competence.

9. Major challenges remain, however. The production of easily understandable and updateable guidance is key: previous guidance

[38] *The Future of the Fire Service*, paragraph 6.17, page 49.

has been too long, too onerous to produce, and the consultation and validation procedures too complex and drawn out. My hope is that by being driven by the sector, this work can focus on core needs. One of the work streams developed during the FireControl project was to develop common operating procedures and practices to improve mobilising response procedures and enhance interoperability and firefighter safety.

10. Both of these areas of work are now being coordinated by sector led groups and there is an opportunity for sector leaders to take a strong role in coordinating this work, both to achieve a clear, single set of procedures and guidance, but also to ensure take up of these documents across all authorities to avoid potential duplication or worse, contradicting each others' work.

Shared training

11. Interoperability is a key requirement of the Fire and Rescue National Framework for England and compatible training and exercising is a lever to achieve it; this is at odds with the fragmented local approach I have seen as part of this review.[39] There will always be some training carried out in-house, and it makes sense for routine, on-watch training to be done in this way. However, for fire and rescue authorities to continue to build their own training centres to provide the type of 'off watch' training which the Fire Service College can provide does not seem a sensible use of scarce funds nor an approach that will ensure common standards across Services.

12. I was heartened to hear, however, the widespread support amongst the sector for having a national training institution for fire and also for the wider emergency services. The recent sale of the Fire Service College will help it become more price competitive, free from the constraints of government ownership. But the key to this happening is fire and rescue authorities 'buying-in' to the College and achieving economies of scale, especially training in more specialist areas and recruit training at a time of low levels of recruitment. The challenge for fire and rescue authorities is to accept that to

The challenge for fire and rescue authorities is to accept that to achieve interoperability they all need to forgo an element of customisation

[39] The challenges were highlighted in the HSE Report *"Management of Health and Safety in Great Britain FRS, October 2010"*.

achieve interoperability they all need to forgo an element of customisation. What I've seen throughout this review is that fire and rescue authorities are not yet prepared to take this step – but I hope that the future holds greater pragmatism.

13. It is encouraging that the new owners, Capita, have expressed their vision of the Fire Service College becoming a centre of excellence for interoperable training between fire and rescue services and between Category 1 and Category 2 responders for both training and exercising. They have also made statements on the need for a blended approach to training to a common competency standard, and the development of web-based e-learning packages is welcome, particularly for on call firefighters. This is in line with the Ministry of Defence's Defence Systems Approach to Training[40] and the Civil Service Learning Portal,[41] available to the wider public service sector.

3.1.3 Organisational collaboration

Sharing and outsourcing back office

14. While I have found no evidence to suggest that there is an optimum size of authority; however it is certainly questionable whether each authority should have its own individual HR, payroll, and legal teams. While, many of these support functions are shared, in county authorities in particular, though there is potential for more to be done.

15. One particular example I wanted to highlight is the administration of pensions. In his independent review of public service pensions, Lord Hutton questioned whether it was efficient and desirable for each fire and rescue authority to administer their firefighters' pension schemes. He found clear evidence that the administration of pension schemes can benefit from economies of scale, particularly where schemes were below 100,000 members. Across both firefighter pension schemes, there are around 37,000 active scheme members, 38,000 pensioner members and 4,400 deferred members. There could be an opportunity for authorities to combine their operations to reduce costs and fire and rescue authorities should investigate this further.

[40] http://www.gov.uk/government/publications/jsp-822-governance-and-management-of-defence-individual-training-education-and-skills
[41] www.civilservicelearning.gov.uk

Procurement

16. Collaborative procurement is often suggested to be the silver bullet for efficiency and it is an obvious way to save money, when commissioning expensive or generic items. Procurement collaborations drive two types of efficiency:
    - financial savings through economies of scale; and
    - time savings (and consequently cost savings) through reduced duplication of effort in designing, commissioning and evaluating products.

17. Many fire and rescue authorities have taken steps in the first area and some considerable savings have been achieved. The Firebuy project has left some ongoing value in framework contracts still in use by a number of authorities; others have reported that the framework acts as a sort of 'market price' that they can use to negotiate a better deal with another supplier. I discussed with a number of senior officers whether fire and rescue authorities, even together, can be a big enough purchaser to influence the market. I think it is clear that there are opportunities in fire-specific equipment and services, but for more generic items, the answer is to scale up once again, and purchase alongside other public sector bodies.

18. Fire and rescue authorities in England enjoy great independence in procurement – the police, since 2011, must use national framework contracts for much of their procurement.[42] What is clear is that fire and rescue authorities should adopt a principle of never buying alone (at least one authority is able to make this claim already) and where they do buy alone, because they have driven a harder bargain and made savings, they should share their experiences so that other authorities can benefit. One opportunity for this is the Cabinet Office procurement pipeline, an initiative with great potential, though it is disappointing to see that only a handful of fire and rescue authorities have used this so far. Pipelines highlight opportunities for suppliers and help them align their business to meet projected demand. The Confederation of British Industries considers that pipelines have increased suppliers confidence in UK markets as well as influencing changes in approaches to procurement.

19. However, while steps are being taken in leveraging the power of buying together, I have found widespread duplication of effort in the

[42] http://www.nao.org.uk/wp-content/uploads/2013/03/10092-001-Police-procurement-Exc-Summary.pdf This recent NAO report shows that there is still some way to go with implementing national procurement, but that there are substantial opportunities for efficiency that can be achieved in this way.

design, commissioning and evaluation of fire-specific products and this is where fire and rescue authorities should focus their efforts towards better procurement:

1. ***Design*** – Four authorities visited had started from scratch on substantially the same procurement project rather than agreeing one specification, driving a lower price and improving interoperability. England is not so geographically diverse as to mean that areas need vastly different items – and authorities need to be prepared to buy generic items that meet their needs rather than falling into the trap of over-specification. Tellingly, nearly all areas said they were open to letting other areas use their contracts – but few seem prepared to just buy from another service's contract. This isn't a new phenomenon – *In the Line of Fire* (1995) said that Brigades should agree standard specifications.

2. ***Commissioning*** – The procurement process itself is also an area for efficiency. One way to achieve efficiency is to share procurement teams with another body, an advantage built in to the County governance model, or to share the head of procurement, as one of the visited authorities does.

3. ***Evaluation*** – The lack of learning between fire and rescue authorities leads to an authority testing and approving a new product or new design even where it has already been tested and approved in another authority. This is also true of service delivery models. I do not think that mandatory third party accreditation is the answer, but a greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology, with knock-on efficiencies for manufacturers, particularly small companies.

20. This review did not focus on the detail of fire and rescue procurement; as such, I am pleased therefore that the Department is working with the Chief Fire Officers' Association to capture procurement data on fire specific equipment, hopefully enabling greater savings and further collaboration.

21. The fire supply industry has an important part to play in procurement efficiency. Representatives of the Fire and Rescue Suppliers Association demonstrate a commitment to maintaining a strong UK supply chain to support the fire market. The fire and rescue service is

a trusted brand which in turn can be used to the benefit of UK small and medium enterprises together with export potential for UK Plc.

CASE STUDY: designing and procuring together

Two groups of authorities who chose to continue working together after the demise of Regional Management Boards have been able to make considerable savings through working together on procurement.

One has collaborated on contracts for workwear, firefighter protective clothing, breathing apparatus, officers' cars and specialist training, collectively saving £0.9 million since 2010/11. Across the whole of their procurement work, for a cost of less than £9,000, they have achieved cashable and non-cashable savings estimated at more than £1.5 million. They have also agreed to jointly procure fire engines to a common specification, saving £18-20,000 per vehicle.

The other has collaborated to draw up framework contracts on specialist training, fire fighter clothing and the management and maintenance of personal protection equipment, saving £600,000 per year across four services.

Section 3.2: Collaboration with other blue-light services

22. Efficiency and quality can be driven through collaboration outside of the fire sector, particularly with other blue-light services. Besides finding partners to achieve economies of scale in procurement there are two core operational opportunities for fire and rescue authorities: co-working, and co-location.

Co-working

23. Co-working with other blue-light services is of course essential at the scene of an incident and this is acknowledged through the sector-led Joint Emergency Services Interoperability Programme which has high-level government support. This work is crucial to improved efficiency on the ground – after all, efficiency is not just about money. While this interoperability programme deals primarily with emergency response at incidents, strategic joint working like this can create opportunities from that

Implementation of co-responding and first responder schemes is patchy, but firefighters have shown a real willingness to take on these new responsibilities

greater understanding. It would be valuable if those involved in this work could examine joint efficiencies that could be achieved.

24. Some countries have a single fire, rescue and emergency medical service because of the obvious on-scene synergies and there have been suggestions over the years that as demand for fire and rescue's traditional roles reduces, firefighters should support the ambulance service by taking on some casualty care. This has been left to local determination with the inevitable result that implementation of co-responding and first responder schemes is patchy across England, though in my experience firefighters have shown a real willingness to take on these new responsibilities and be able to provide this higher level of emergency care at incidents.

25. With 10 Ambulance Trusts in England, and 46 fire and rescue authorities, there has been difficulty in achieving a shared way forward, with areas arriving at different solutions. The most innovative I saw was where the Ambulance Trust reimbursed costs where the fire service reached the patient within the response standards set by the Trust, ensuring that fire and rescue is improving the ambulance service to the community rather than subsidising it. In other areas, agreement had been reached for the Ambulance Trust to provide training to fire and rescue staff, and in others a flat rate retainer was paid by the Ambulance Trust per station that could provide casualty response. I would like to see a more uniform approach to take advantage of the possibilities and encourage fire and rescue employers, representative bodies and the ambulance service to discuss how this can be achieved without significant impacts on the public purse.

26. There is a particular synergy between Ambulance Trusts' Hazardous Area Response Teams and fire and rescue's Urban Search and Rescue Teams. These responders from both services go to the same type of incidents and there are inevitable duplications in their expertise, training and equipment. With both the ambulance service and the fire and rescue service operating similar teams in parallel it is now timely to questions how they can be merged to provide a single response team.

27. Co-working with the police service is less developed still than with the ambulance service. I saw some good practice on my visits of firefighters joining community policing teams in order to spread messages about arson and community safety, and this should be

examined further. There are however, more recent developments of fire and rescue authorities joining the police for a single emergency control function. There has also been active consideration as to how Police and Crime Commissioners might also take on responsibility for fire and rescue services (see section 5.2).

CASE STUDY: co-responding

One combined authority has a well-established programme of co-responding and have an attendance-based payment agreement with the local Ambulance Trust. Operating out of 19 fire stations, they receive approximately £90,000 per annum for their attendances at Category A emergencies.

Co-location

28. I was pleased to see that some fire and rescue authorities are taking steps to co-locate with ambulance and police services, albeit on only a handful of stations. The majority of co-location involves ambulance crews using fire and rescue stations as they would an ambulance station – and many fire stations are set up for this, being able to offer space to park and fuel ambulances and provide rest areas for crew. A smaller number of co-locations include the police service, which can be vital in rural areas in keeping a local presence. Part of the reason for this slower pace is cited as ensuring suitable custodial space.

29. I believe that there is significant opportunity to expand on this start and rationalise the public sector estate. Co-location is currently very much the exception and not the rule and discussions between leadership organisations in each service would help facilitate a clearer direction. The best planned co-locations include the ambulance or police service selling their previous location, and then paying rent to the fire and rescue authority, and in some cases supplementing this with a small amount of capital for modifications. The opportunity is particularly attractive in urban areas where land suitable for development has a higher value, of course, but the benefits of co-location could be realised nationwide. The location of fire stations should be primarily based on operational and risk planning, but where fire and rescue authorities decide that a new site would provide better cover, or a station needs renovation, they must show that they have pursued opportunities to co-locate with other services.

CASE STUDY
One Metropolitan authority has worked with other blue light services to set up two Tri-Service stations, with potentially more on the way. In addition to the benefits of closer working with these partners, the authority also reports that it receives annual revenue of more than £40,000 per year.

Chapter Three: Key Findings

- The 46 fire and rescue authorities, each with different governance structures, senior leaders, and organisational and operational quirks does not make for a sensible delivery model. Mergers can be a solution, but there is a lack of local political appetite and incentive to combine.
- There is widespread duplication of effort in the design, commissioning and evaluation of fire-specific products. A greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology.
- The challenge for fire and rescue authorities is to accept that to achieve interoperability, we all need to forgo an element of customisation. What I've seen throughout this review is that fire and rescue authorities are not yet prepared to take this step – but I hope that the future holds greater pragmatism.
- Collaboration, co-responding and co-location with other blue-light services does happen and can deliver efficiency through consolidating public sector assets as well as closer working. But progress is patchy and driven or hindered by local relationships.

4 Chapter 4: Driving efficiency

I have so far discussed the different options that fire and rescue authorities can pursue to make efficiencies. While this report highlights many examples of notable practice, it has also shown the lack of shared learning within the sector, and this has undoubtedly impacted on the rate of change. This chapter therefore asks what drives efficiency in the provision of fire and rescue services and how can it be further encouraged. It includes discussion of the impact of funding (section 4.1); the importance of benchmarking, scrutiny and accountability to the public we serve (section 4.2); and the role of national leaders (section 4.3).

Section 4.1: Funding

Challenging budgets

1. As we saw in Chapter One, there have been central government funding reductions since the 2010 Spending Review which have impacted on fire and rescue budgets. It was striking in discussions with Chief Fire Officers and elected members, and in submissions from others, that it is this funding reduction, combined with council tax freezes, rather than the need to deliver more efficient services per se that has been the driver for the vast majority of changes. Funding reductions also seem to have been a key driver for quantifying the costs and benefits of the different things that fire and rescue authorities do, to help them to prioritise.

2. The difficulty with all statistics relating to fire and rescue authority expenditure is that it is coloured by the amount the authorities are funded, both centrally through government grant and locally through council tax precept. I believe decisions made locally by fire and rescue authorities seem to have, understandably, been made with the budget available rather than necessarily with the level of risk in mind.

3. My view is that the starting point for the funding formula is fair. Central funding takes account of a range of factors that affect the cost of service delivery, including deprivation, and also of the amount

of local income (council tax) which each council has the potential to raise. However, in any system, there are 'winners' and 'losers' and in responding to requests from this latter group government has repeatedly sought to maintain stability of funding through floor damping and ceilings, which limits the effects of reductions and increases in grant. It is these decisions that have led to perceptions of unfairness, as those authorities whose funding is scaled back do not gain their full funding formula allocation, while others are protected from larger reductions.

4. Chapter One (Figure 11) demonstrated that £196 million per year could be saved by reducing the expenditure of the highest spenders to that of the average. However, reductions in funding are applied to the national envelope, not particular authorities. While I believe that £196 million is an achievable sum for the service overall, the spending reductions set out in the current spending review period will drive out most of this slack. Like many I spoke to, I believe further funding reductions will be needed due to the economic situation. The ideas outlined in this report, were they applied by all authorities, would certainly enable further efficiency savings. However, I do not believe that savings much beyond those required by the current spending review period would be achievable without some sort of change or action at the national level, and I reflect on this in Chapter Five.

5. Some of those who engaged in the review said that funding needs to be reviewed, particularly in light of the different speeds that fire and rescue authorities have responded to the efficiency challenge. I am concerned that there are some authorities that would not be able to meet the challenge should substantial further reductions be applied equally across the board. While I agree that there needs to be a way to reflect and incentivise change, previous attempts to do this have not resulted in an agreed way forward and I have not heard from any quarter a way of achieving this. This is a challenge for sector leaders to consider and put to central government.

Reserves

6. It is right that fire and rescue authorities hold and accumulate some reserves as a way of managing contingencies, spreading costs and planning for the future. A fire and rescue authority may also, in certain circumstances, be eligible for central government funding to

reimburse a portion of response costs in significant emergencies under the Bellwin Scheme.[43]

7. National statistics allow us to compare the levels of reserves held by different parts of the local government sector.[44] Fire and rescue authorities have levels of reserves well above the average percentage of revenue outturn. The comparison with police authorities is particularly pertinent – while the police hold 11.9 per cent of revenue outturn in reserves, fire and rescue authorities hold a substantial 21.5 per cent. When reserves are split between 'earmarked' and 'unallocated', the situation is even more pronounced – fire and rescue authorities hold 9.1 per cent of outturn in unallocated reserves, while the police hold just 4.5 per cent.

8. We can only get a true picture of reserves for 'stand-alone' fire and rescue authorities as county and unitary authorities and London Fire Brigade all hold non-ring fenced reserves within their parent organisation. Figure 21 shows reserves for each combined and metropolitan authority compared to their annual revenue outturn, showing an exceptionally high level of reserves in some areas. One Metropolitan holds more than 55 per cent of their annual revenue outturn.

One authority holds more than 55 per cent of their annual revenue outturn in reserves

9. Moreover, if we look at a picture of fire and rescue authority reserves over the financial downturn of the 2008-2012 period, we would instinctively expect to see reserves staying relatively stable as authorities both take advantage of the back-loaded funding reductions to make savings, and *invest* those savings in projects to deliver further efficiencies. What is remarkable about Figure 22 is that it shows that even in 2008-2012 single-purpose fire and rescue authorities' total reserves increased from just over £200m to more than £400m. It is good that authorities were clearly seeking to make efficiencies and made savings of this size, but it poses the question: is this an appropriate amount for fire and rescue authorities to hold and is now not the time for these reserves to be called upon to invest in spend-to-save type schemes?

[43] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5943/2160230.pdf
[44] Local Government Financial Statistics England, No. 22, 2012. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7476/2158981.pdf

Figure 21: Fire and rescue authority reserves as a proportion of annual expenditure 2012[45]

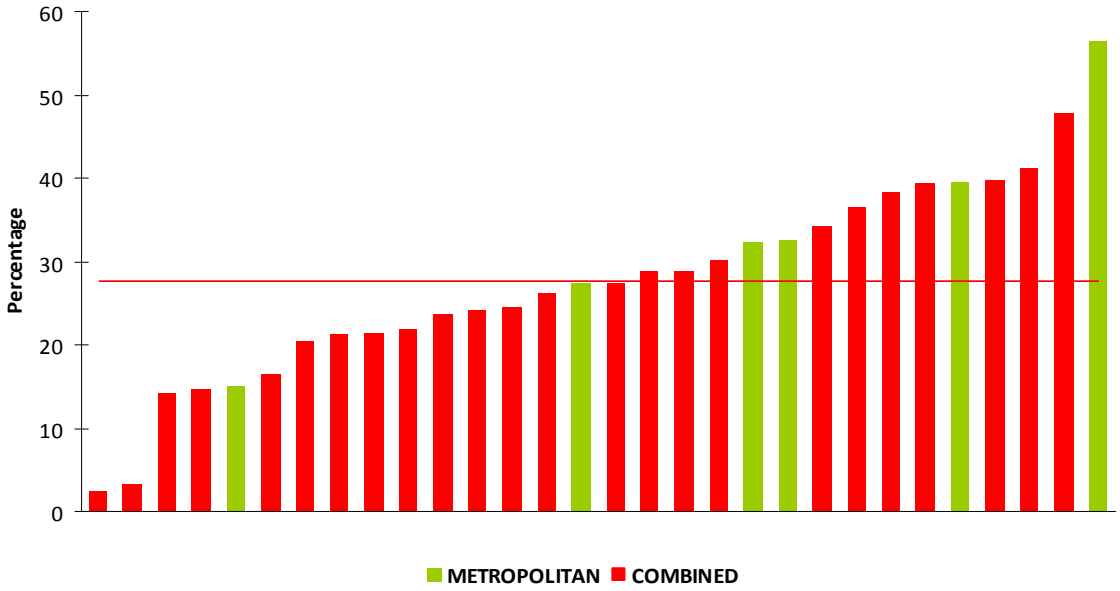
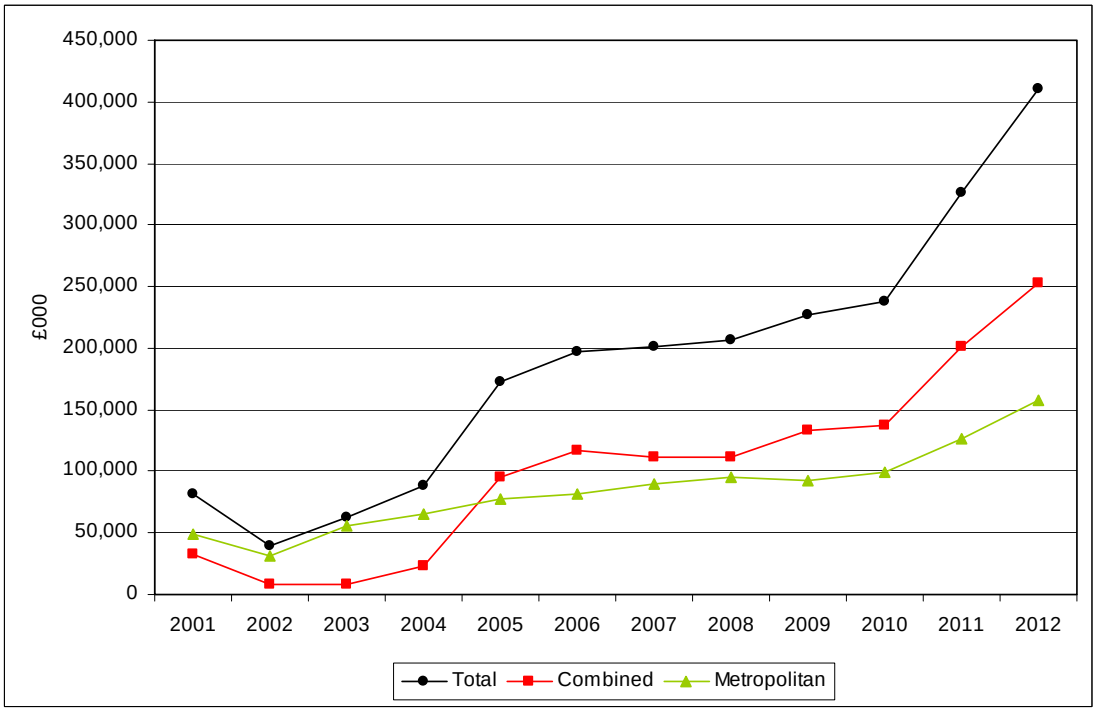


Figure 22: Fire and rescue authority reserves in total and by combined or metropolitan authority (excluding LFEPA), 2001-2012[46]



[45] Local government finance outturn data
[46] Local government finance outturn data

Invest to save

10. The capital grant for fire for 2013-15 was awarded in part through a bidding round for projects predicting a clear return on investment over ten years. This was an innovative idea, using capital to make ongoing savings for fire and rescue authorities and target funding at those areas that needed it most.

11. However, in my opinion the overall quality of the bids was low and only 21 of the 113 bids showed a cost-benefit ratio of one or more over a decade. It's unclear from my discussions whether this was due to a shortage of efficiency ideas or a reluctance to undertake projects, such as the merger of stations, which would lead to staff reductions. Looking at the bids, it was remarkable the difference in estimated costs and benefits on very similar projects, showing a lack of sharing – if fire and rescue authorities were more open with each other about how much they spend on different items/projects, there would be a better sense of benchmark costs. What is clear is that in addition to sharing best practice, greater capacity needs to be created in fire and rescue authorities in identifying and pursuing projects that will release long term return on investment.

CASE STUDY: invest to save

One authority successful in the capital grant bids is using the £3.9 million to begin a major estate rebuild in a substantial and considered 'Invest-to-Save' approach. They have predicted cashable savings of £22,564,000 from their rebuild projects, which incorporate improvements in space utilisation, reduced maintenance and use of technologies.

Charging and trading

12. Some fire and rescue authorities are taking an innovative look at the services they provide to their community and the potential for either recouping the costs (charging) or selling those services for profit (trading) where appropriate. The difference between trading and charging is fairly easy to set out conceptually, but has proven difficult for authorities to navigate in practice. The difficulty seems to be around setting a price for activities that properly reflects the costs involved to ensure that total cost recovery is achieved, without overstating these costs and slipping into trading. This might be a suitable area for the National Audit Office to consider under the new audit arrangements.

13. Fire and rescue authorities are only allowed to charge for or trade services outside their statutory duties. In trading, fire and rescue authorities are constrained in that any service provided on a commercial basis, beyond simple cost recovery, must be delivered through a company, or trading arm, making them subject to competition law. Some in the fire industry have expressed concern that fire and rescue authorities, in using the fire service badge and reputation, are trading on an unfair advantage. While the fire service is rightly well-respected, it is however constrained in its operation by being a public body and does not have the advantages of a private sector organisation. The real issue for me is whether fire and rescue authorities have the right skill set to trade efficiently, and whether the governance structure can properly challenge the business side of the service – a Non-Executive Director or similar may be appropriate to provide additional challenge.

14. Trading can be a useful way to generate income. As more fire and rescue authorities move to having a trading arm, one intriguing question arises – won't this bring authorities into direct competition with the private sector and each other as they try to secure contracts, and might this competition act as a new barrier to fuller sharing and collaboration between services?

CASE STUDY: Community Interest Companies

A number of authorities have sought to fully utilise the Localism Act 2011 freedom to generate revenue themselves by trading though a Community Interest Company.[47] One formed their Company in March 2012 and expect a surplus of between £0.5 and 1 million by the end of 2014/15. This surplus can then be used for a wide range of community projects that have the potential to reduce the demand on fire service resources, such as training and education programmes.

Mutuals

15. One of the more innovative delivery models proposed by a fire and rescue authority is to deliver the service through an employee-led mutual. Over £1 billion in public services are being delivered through

[47] CICs are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.

a mutual model, with evidence suggesting they are delivering a better and more cost-effective service, with higher staff satisfaction.[48]

16. The specific proposal under consideration by a fire and rescue authority is for the service to separate from the authority to become an employee-led mutual, providing services commissioned by the authority and generating additional income through a range of commercial activities. The authority would retain its statutory responsibilities. The service would then have the freedom to design their services in a way that best meets the needs of their local communities, whilst exploring new commercial opportunities and boosting staff engagement and productivity. Potential benefits, therefore, are increasing efficiency and use of assets, as well as in bringing in new revenue and opportunities.

17. Any fire and rescue authority can choose to mutualise some of its services. But the Fire and Rescue Services Act 2004 limits the extent to which mutuals can deliver all fire and rescue authority services, including firefighting. There is also a level of concern among the public that involving what is essentially a company, however it is run, in the delivery of frontline emergency services brings a risk of a 'profit over lives' mentality.

Potential benefits of a mutual are increasing efficiency and use of assets, as well as bringing in new revenue and opportunities

18. Having said this, there is already a range of fire and rescue activities currently outsourced to both the private sector and other parts of the public sector including: support services, training, specialist rescue, vehicle and equipment maintenance, call handling and despatch. In all of these areas, a mutual could operate. Indeed there is no legislative barrier to fire and rescue authorities continuing to explore the options of outsourcing any or all of its services short of any activity needing to access a fire and rescue authority's powers in relation to Sections 44 and 45 of the 2004 Act.

19. It is of note that one of the most respected international sector fire and rescue services is that provided in Denmark by private

[48] For example, Anglian Community Enterprise, a mutual healthcare provider with over 1000 staff, made efficiency savings in 2011/12 worth £1.4 million. And since leaving their local authority in 2011 Project Salus, a children and youth services mutual in the South East, has grown by around 30% and increased spending on frontline services from 74% to 84%.

contractor Falck, whilst in the UK most international airports have firefighters employed by the private sector. But in both of these models, as well as in health and social care examples, public confidence and assurance in the service provided are significantly assisted by an independent regulator and inspectorate (i.e. the Care Quality Commission for health, the Civil Aviation Authority Fire Inspectorate in airports, and the Fire Service Inspectorate in Denmark) setting the standards and bringing the providers to public account. The absence of such a body for fire and rescue in England is likely to provide a consideration to some of the innovative solutions being considered where public confidence is at risk.

20. While mutuals may not be the panacea for efficiency in the provision of fire and rescue services, they do provide new innovative opportunities and a connection with the service being provided. However, there is a significant risk of losing public and political trust in a highly respected public fire and rescue service without underpinning assurances in place.

Section 4.2: Accountability

Scrutiny arrangements

21. Local elected member scrutiny of the service and outside challenge varies considerably in fire and rescue authorities in England. The 2012 Fire and Rescue National Framework requires that fire and rescue authorities must hold their senior officer to account for the delivery of the fire and rescue service; and that they should satisfy themselves that they have arrangements in place to provide the level of scrutiny their communities expect. The evidence that this is happening was patchy.

22. County and unitary fire and rescue authorities have statutory scrutiny arrangements at a council-wide level; however neither combined nor metropolitan authorities seem to have fully embraced the National Framework requirement and consequently the variety of structures that have been put in place do not seem to deliver the sort of scrutiny communities might expect. Some that I saw seemed robust and independent, some over-burdensome, and others potentially too high-level. There was not sufficient time for this review to properly compare the different arrangements in place, but the link between scrutiny and efficiency needs to be investigated further. To my mind, County fire and rescue authorities provide the best model for scrutiny, in that decisions are examined in the wider context that the

parent authority provides – this scrutiny includes, of course, the contestability of funding from central government.

23. It is notable that elected Police and Crime Commissioners were introduced because former Police Authorities (which were established on similar levels to existing single purpose fire and rescue authorities) were not seen as providing enough scrutiny and accountability to the public. A similar model for fire could clarify accountability arrangements and ensure more direct visibility to the electorate.

Helping the public get the service they need

24. Since the Bain Report's recommendation, fire and rescue authorities have been required to consult their communities in the preparation of their Integrated Risk Management Plans. But ten years on there still doesn't seem to be an active strategy for effectively engaging the public on risk and resources, with the vast majority of people unaware of and unengaged in the provision of their local fire service. There is a need to re-evaluate how authorities engage the public, both in relation to planning documents and more widely.

The public sees two extreme images of the fire service – saving lives in heroic situations or being chastised for rescuing squirrels

25. Part of the issue is getting beyond the public's relatively superficial view of the service. The public sees two extreme images of the fire service in popular culture – one, saving lives in heroic situations, and the other, being chastised for spending time rescuing squirrels. The nuance of the debate about whether resources should be focused on prevention work or response, and whether a fire station needs to be kept crewed full time if it only has 100 calls a year, can get lost. The drive behind localism and local decision-making is that the public can get more involved in influencing the services they receive, but if the public are not properly engaged, what is the intrinsic value in having 46 local services? The authority is of course a proxy for the public but it needs to play a stronger role in ensuring that the local area is informed about the service it gets and how different decisions affect them.

26. In some areas there is a strong effort to engage and inform the public – using deliberative polling, for example, where over a number

of hours a group is polled, then given more information and the opportunity to ask questions, and then polled again. The validity of future budget planning influenced by a survey conducted by firefighters in uniform asking how much the public would be individually prepared to pay for their service seems questionable.

27. There is no easy answer. I hope this report can spark a conversation about how much the service costs and the different ways it can be delivered; and that the public, alongside authority members, can use it to look at whether their local fire and rescue service delivers the service that they need.

Peer review and benchmarking

28. One of the mechanisms for fire and rescue authorities to challenge their performance is peer review. This is a voluntary process, usually held every three years, with a small team from other services reviewing performance against their self-assessment. It is a tool for service improvement rather than scrutiny, but for the process to be meaningful and inspire confidence, services should not be able to continue to choose the review team and review reports should be published together with an action plan as a matter of course. One solution would be for the Local Government Association to hold a list of reviewers, noting their specialisms that fire and rescue authorities could request, and to allocate these to the next area seeking a review.

29. A small number of fire and rescue authorities are using the European Foundation Quality Model as a way of looking more widely than just the self-assessment, with non-fire experts looking at their organisational practices. The benefit of this model seems to be around the year-on-year comparison of performance, providing a sense of continuity that current peer review arrangements do not offer. However, there are a number of other tools that do provide this on a statistical level, notably the Audit Commission's value for money profile tool,[49] which I was surprised to hear nothing of on my visits. It is an excellent tool for comparing performance, both year-on-year and against other authorities and importantly is fully open to the public. The Local Government Association's 'Inform' service, due to be updated and extended shortly, also provides fire and rescue authorities with the means to benchmark their performance across a range of criteria.

[49] http://profiles.audit-commission.gov.uk/_layouts/ACWebParts/NativeViewer.aspx?Report=/Profiles/VFM_Landing

Section 4.3: The role of national leaders

Knowledge and skills of fire and rescue authority members

30. The delivery of fire and rescue services is clearly diverse in the ways different areas have responded to the changing environment. The Bain Review identified that elected members needed greater support to be able to provide the strong leadership necessary to drive reform of the fire service[50] and this is still true today. Arrangements differ by authority, with vast disparities in the number of members and some authorities working on a cabinet basis and others with an executive. It is inevitable therefore that there is variation in the knowledge and engagement of fire and rescue authority members.

31. But fire and rescue authority members are ultimately responsible for the service in their area, not the Chief Fire Officer – there needs to be a clear understanding on both sides that the authority is accountable for ensuring a quality, value for money, appropriate fire and rescue service for their area and that the fire and rescue service is a body they commission to help them discharge that duty. In order to ensure this robust customer/provider relationship, members need to have the knowledge and skills to provide challenge to their officers. I am pleased to see that the Local Government Association is planning to hold a 'Leadership Academy' to provide training to lead members on fire authorities. I also welcome their decision to create a best practice bulletin for all members. The lack of sharing across the service is not limited to fire and rescue services, it is endemic in Authorities themselves, and I hope that by members hearing more of the activities of other authorities, they can ask their service 'why not?'

Sharing good ideas

32. The Chief Fire Officers' Association oversees a range of activities to promote sharing of good practice within the sector, including conferences, websites, and workshops and this has clearly taken a step up in recent years. Many of those I spoke to for this review said that the need for increased sharing of good practice would inevitably have to be a conclusion for this report; on reflection, I disagree. There is a plethora of information shared and available to senior officers; the real problems in this area seem to lie in:

    - properly assessing the innovative from what should already be standard practice; and,

[50] *The Future of the Fire Service*, paragraph 6.28, page 52.

- taking *action* from shared learning and implementing ideas created by other areas. I felt a great deal of frustration from senior officers on a number of visits that where something had been proven to work, with a robust business case and risk assessment, and agreement with representative bodies and the workforce, that the outcomes could not be replicated in the other 45 fire and rescue authorities without repeating the whole process.

33. I think there is a role for the Chief Fire Officers' Association in both these areas but this work needs to be linked into the Local Government Association's initiatives to ensure that members (and senior officers) are exposed to the best of fire and rescue. With this shared knowledge I hope the sector can begin to re-baseline what is standard practice and put an increased emphasis on raising performance across the board to that of the best. I would like to see the sector measuring itself not just by how much is shared and how well-attended committees or conferences are, but by tangible results of what is learnt and copied from one area to another.

Facilitating collaboration

34. There is a clear potential role for sector organisations and representative bodies to promote efficiency through collaboration. Many of the ideas in this report can only be implemented with strong leadership from employers and political leaders in partnership with the professional leadership cadre providing a clear espousal of the benefits to employees. Promoting shared training and procurement, and marshalling work to agree ever closer standards and procedures will help authorities make savings and improve their service. There is an important role here that the Chief Fire Officers' Association and the Local Government Association could fill in leading discussions with their counterparts in the police and ambulance services, and with trades unions, to agree a shared way forward on collaboration. On co-location, for example, a national agreement could be sought that when any of the services look to renew or relocate buildings, they examine the possibility of collaboration.

30. There is also clear scope for a collaborative approach between such bodies as the Chief Fire Officers' Association and the Fire and Rescue Suppliers Association to produce clear (non product specific) output specifications for products that fire and rescue services will mutually recognise and use. Such work would avoid duplication at the pre-procurement phase as would joint evaluation of products

being purchased, thus avoiding additional cost to both fire and rescue authorities and the supply chain of the fire sector.

Professional leadership

35. The Bain Review noted in 2002 that there was a need for clear professional leadership in the sector, particularly at times of change, in policy discussions with central government; he felt that the Chief Fire Officers' Association could take on this role if it were able "to speak with a collective voice".[51] This remains true today, and therefore I hope that the Association might consider how it can best achieve this role. I hope that it might look again at its governance arrangements to avoid the perception that the annual change of strategic leadership creates a potential lack of consistency and coherence. I believe that a greater consistency would permit the organisation to engage more fully with central government. It is worthy of note that the Association of Chief Police Officers and the Association of Ambulance Chief Executives have three year appointments for the heads of their organisation.

Chapter Four: Key Findings

- The major driver for change has been reduction in central government funding and the freeze in local council tax revenue. Fire and rescue authorities spend to their budgets, not to their risk. How to use funding to incentivise further change must be a key consideration for government.
- Fire and rescue authority reserves increased from just well just over £200 million to more than £400 million in 2008-2012. These levels are well above the average for local authorities (including police). Prudent reserves should be held, but funding reductions were backloaded to enable authorities to invest in service transformation – reserves should be used to invest in spend-to-save projects.
- Authority members need greater support and knowledge to be able to provide the strong leadership necessary to drive efficiency. Scrutiny of authorities and services varies considerably, some more robust than others. Elected members must ensure that local people understand their service and encourage an informed debate about change.

[51] *The Future of the Fire Service*, paragraph 7.31, page 63.

- Greater sector leadership is needed to drive through a culture of learning from good practice and challenging services to rise to the level of the best.

Chapter 5: What is the future for fire and rescue? 5

This review has focused on how fire and rescue authorities can best achieve efficiency in today's context, looking both at technical efficiencies to make the current system as efficient as possible and the potential for locally-driven broader allocative efficiencies. However evidence shows that there is little appetite locally for these latter efficiencies, despite the opportunity for more significant savings.

I hope that readers do not fall into the trap of 'adding up' the various efficiency ideas in this review – they are inevitably broad-brush, designed to give a sense of the scale of opportunity. It is also important to note that this review is drafted part way through a government spending review period, with larger efficiencies to be driven out over the next two years.

Whichever way I look at the efficiencies picture it seems to me that the scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through individual local action alone.

This final chapter, therefore, looks briefly at the future and potential changes to the context in which fire and rescue authorities will operate (section 5.1) and then puts forward for discussion a range of possible future operating models (section 5.2). I wish to make it clear, however, that fire and rescue authorities should not wait for any of these changes to be investigated before taking advantage of the large number of opportunities that are already within their grasp.

Section 5.1: What might the future operating environment hold?

Challenges and opportunities

1. I wonder if anyone a decade ago would have predicted the need for fire and rescue services to attend 40 per cent fewer emergency incidents. Given how much the situation has changed over the last decade, it is likely that further significant change will occur in the next ten years and that these will present both challenges and opportunities.

2. Some behaviours linked to fire risk, namely smoking and drinking, are decreasing,[52] while other trends like the aging population[53] will have considerable implications for fire and rescue authorities, given that people aged 65 or over account for over 50 per cent of all fire-related deaths, 2005/6 to 2010/11.[54] The whole picture indicates that fire and rescue authorities will need to continue their steps to target their prevention and protection work. Prevention will need to be ever higher on the agenda and this will need to be facilitated by better data-sharing across public services. I therefore welcome the work undertaken by the Chief Fire Officers' Association to explore with the Department for Work and Pensions the feasibility of fire and rescue authorities accessing data for people of pensionable age to be better able to serve this community.

Prevention needs to be facilitated by better data-sharing across public services, so fire and rescue can help those most at risk of fire

Technology

3. Technology and innovation has been a key driver to reduced risk, increased efficiency and better outcomes, particularly in the field of fire safety. We have witnessed this from flame retardant foam-filled furniture and the increased number of smoke alarms. Technology moves ever forward; the introduction of 'fire-safer' cigarettes from November 2011, which self-extinguish if left alone, is already reducing the number of smoking-related accidental fire deaths.

4. Contrast this with the issue of sprinklers; rather than committing a disproportionate amount of timer and resources to lobbying the Government for more regulation; adding burden and cost, my view is that industry needs to make its own case to owners and occupiers (including property developers), of the benefits of fire suppression systems in terms of life safety, property protection and business continuity. I understand that a very low proportion of domestic property protection insurance premium (some 10%) is fire related, nevertheless I believe that the insurance industry has a part to play in enhancing protection through sprinkler systems. Moreover I

[52] http://www.ons.gov.uk/ons/rel/ghs/general-lifestyle-survey/2011/index.html
[53] http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2010-based-projections/index.html
[54] Fire Statistics Great Britain, Table 1.3 https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/fire-statistics-great-britain

believe that there is a clear place for suppression systems, such as sprinklers, in targeted areas and I commend those fire and rescue authorities that have pursued projects, often with the private sector, to install such systems in premises to protect at risk groups. This may well lead to the suppression industry making the case more widely.

5. It is important that there is a continuous investment in technological solutions to reduce further fire injuries and deaths, an example of which is the proposed stove/cooker heat alarm, connected to a power shut-off switch. When more than 50 per cent of accidental fires in the home are cooking-related, this innovation may prove particularly valuable for the most vulnerable and elderly. As such fire safety technology reduces fire deaths and injuries, the challenge for fire and rescue authorities will be to keep pace with this hopefully reduced demand, and make sure that their staffing and response levels are appropriate.

CASE STUDY: Using sprinklers in high-risk homes

An urban combined authority is pioneering low cost installation of sprinklers in a small number of high-risk domestic buildings. The system costs around £2,500 per household plus installation costs of £800; an Accidental Dwelling Fire costs on average £25,000.

6. Little has changed in firefighting technology and techniques over a number of years. New technological solutions may assist firefighting techniques in modern buildings and increase the safety of firefighters and improve the detrimental environmental effect of traditional firefighting methods. During my review I heard about enhanced thermal imaging, high pressure firefighting and water cutting delivery systems, steam firefighting and the use of aggressive positive pressure ventilation. It is not for me to say how successful these might be, or to speculate about the more effective and safer firefighting and rescue environments they might create. A culture of working in partnership with the fire industry to support innovation and evaluation is to be encouraged whilst avoiding falling into the trap of each potential fire and rescue service reinventing each new innovation as their own by sharing agreed output specifications and agreed evaluation data.

7. So the issue is in how fire and rescue authorities work with the fire industry to research, develop and implement these sorts of systems.

The Fire Sector Federation, the sector-wide group formed as a result of the Government's Fire Futures work, seems well-placed to take technological advancement forward in partnership. It has been put to me that central government should lead and provide new funding for research, but I am not convinced that this is the right way forward. In the same way as procurement, fire and rescue authorities need to pool their resources and invest where they see fit. A national body, of some sort, sitting outside the sector overseeing research would likely go the way of other national bodies in the fire sector. If new technologies can be shown to achieve a return on investment, through improved safety, outcomes and efficiencies, I would think that any future bidding rounds for capital funding should look favourably on bids, particularly joint bids, to invest in them.

Section 5.2: Possible future operating models

8. Fire and rescue authorities in England have a lot of freedom to manage their own affairs; however, I have heard localism used to justify siloism, with some authorities rejecting ideas and innovation from outside the local area or from other agencies, meaning services have developed at different speeds. Local politics can also get in the way of making difficult changes that would drive efficiencies, with some preferring to keep the status quo, or tinker around the edges. Successive governments have fully supported fire and rescue being within the remit of local government, this has resulted in five different authority governance models.

9. I believe there are a number of larger-scale options to release greater efficiencies that would need to be driven by government and national leaders in the sector, including:

   - moving towards a more national model, through enforced mergers to reduce the number of fire and rescue authorities or potentially a full merger in the style of Scotland;
   - further embedding fire and rescue in local authorities, removing stand-alone fire and rescue authorities and ensuring that funding for fire and rescue services is contested locally alongside other local priorities;
   - finding a way to reflect efficiency in the funding formula (see Section 4.1);
   - allowing fire and rescue authorities to procure their fire and rescue service from a mutual company (see Section 4.1);

- following international example and privatising the provision of fire and rescue services;
- merging fire and rescue services with one or more of the other blue-light services, improving interoperability;
- sharing governance structures with other blue-light services, such as Police and Crime Commissioners taking on the role of fire and rescue authority; and / or,
- improving join up at a government level between sponsors of the blue-light services and other departments that hold an interest in activity related to fire and rescue work.

10. These are clearly broad-brush options, many of which would involve upheaval in fire and rescue authorities and potentially in other blue-light services. But the gains could be considerable.

11. Scotland has shown one way forward, creating a single fire and rescue service, removing the complexity of multiple governance models and the duplication of support services and leadership, with additional benefits expected in interoperability across areas. Some have suggested that my review should suggest an optimum size for a fire and rescue service, with the knock-on impact of identifying the 'right' number of fire and rescue services in England. But the evidence does not suggest an optimum size.

12. Scotland has estimated that, allowing for the sale of surplus assets, a one-off transition cost of around £25 million will enable them to deliver cumulative efficiency savings of £293 million over a fifteen year period.[55] It would be interesting to see similar modelling for a single English fire and rescue service – my feeling is that it would require much more in upfront costs and that it would take many years to achieve. Where fire and rescue authorities can provide business cases for local merger, showing clear, achievable efficiencies, I do think central government should step forward to provide financial support for transition.

Scotland estimate that moving to a single fire and rescue service will deliver cumulative efficiency savings of £293 million over fifteen years

[55] *Reform of the Fire and Rescue Service in Scotland - Outline Business Case*, September 2011, http://scotland.gov.uk/Publications/2011/09/15153130/9

13. The current fire and rescue authority governance configuration is certainly complex and piecemeal, and although a recent proposal for the Police and Crime Commissioners to also take the responsibility for the fire and rescue services in their area is innovative, it would complicate the current fire authority landscape. Nonetheless I would welcome such a model being trialled not least to examine the range of opportunities that such closer integration between the two services might bring. However, subject to the outcome of the pilot, to become most effective and efficient this model would need to be adopted universally, with clearly set out benefits, both financially and accountability and scrutiny for the public.

14. I do not think that the strategic question of the number of fire and rescue authorities in England can be considered in isolation. An as yet insufficiently exploited area for efficiency is in collaboration between the fire and rescue services and other public services providing similar services and I believe that this is key to the future of fire and rescue. I have previously highlighted the synergies between Urban Search and Rescue and Hazardous Area Response Teams (section 3.2), but there are opportunities more widely to merge response functions with other blue-light services that demand to be explored.

15. There is also potential for non-response activity to be further embedded into local authorities, who already hold responsibilities for other aspects of community safety and would be able to ensure a seamless service both for businesses which are currently inspected and audited by different teams, and those at risk of fire who are also engaging with other services. It really struck me on my visits that a county council Chief Fire Officer sits within a much bigger structure than his counterparts and that structure can help prioritise fire and rescue activity – in one area, the council had made a decision to protect fire prevention work because it helped the authority to enable the elderly to stay in their own homes.

16. Fire and rescue in England is delivered in a diverse way and the drive for financial efficiencies often coming from collaboration. As disparate governance models emerge, through PCCs and mutuals, it's timely to ask whether there is enough of a national structure to provide oversight and assurance of the service. Despite carrying a responsibility for those vulnerable in society and the public expectation for a seamless, resilient national response to emergencies, the fire and rescue service is out of step with other

agencies by not having an independent inspectorate. As public bodies, fire and rescue authorities are financially audited, but an inspectorate would look more widely at the operational performance and effectiveness of the service.

17. These are clearly challenging times for the fire and rescue service, as they are for all public services. While reform and efficiency is patchy, services are heading in the right direction. My only concern is the pace of change – I hope that services can redouble their efforts and come together to tackle change head-on.

Chapter Five: Key Findings

- Where fire and rescue authorities can provide business cases for local merger, showing clear, achievable efficiencies, central government should step forward to provide financial support for transition.
- The potential savings identified in this review are unlikely to be sufficient for some fire and rescue authorities to be able to live within their reducing budgets.
- The scale of change needed to fully transform the fire and rescue service is unlikely to be achieved through local action alone. But authorities should not wait for national action before fully exploiting the large number of opportunities already within their grasp.
- National level changes to enable greater collaboration with other blue-light services, including through shared governance, co-working and co-location, would unlock further savings.

Appendix

A1. Basic statistics about the provision of fire and rescue services in England (DCLG Annual Returns, CIPFA, ONS)

There are 46 fire and rescue authorities in England.

As at 31 March 2012, there were

- 1422 fire stations, of which 661 are wholetime and 761 are on-call.
- 42,062 firefighters, of which 28,245 are wholetime, and 13,817 are on-call.
- 1,442 fire control staff, and 8,567 support staff.
- 2,026 fire engines, and 147 aerial appliances.

A2. Governance models of fire and rescue authorities in England

	Local Authority	Membership	Scrutiny	Funding route
County (11)	Fire and rescue services are part of the County Council.	One of the County Council members is portfolio holder for fire and rescue.	Yes – scrutiny requirement set in statute.	Funding to the county but not clearly identified and not ring-fenced, council sets the budget of the fire and rescue service. No separate fire precept.
Unitary (4)	Fire and rescue services are part of the Unitary authority.	Various, set out in legislation.		
Combined (24)	A stand-alone authority covering pre-1992 county council areas, including a combination of residual county councils, district councils and unitary authorities.	Maximum 25 elected members nominated from constituent authorities.	No statutory requirement for scrutiny.	Funding direct from central government, plus precept across constituent authorities.
Metropolitan (6)	A stand-alone authority covering the area a number of Unitary Authorities within the Metropolitan Counties set out in 1974.	Membership is set out in Local Government Act 1985, which specifies numbers from each constituent council.		
LFEPA (1)	A stand-alone authority including emergency planning, covering 31 London Boroughs plus City Corporation.	17 elected representatives plus 2 Mayoral appointees.		Separately identified, but funding to the Greater London Assembly is non-ring fenced. The GLA then set the budget requirement for LFEPA. No separate fire precept.

A3. Fire and rescue authorities visited as part of this review

Bedfordshire fire and rescue authority
Cleveland fire and rescue authority
Cornwall fire and rescue authority
Cumbria fire and rescue authority
Devon and Somerset fire and rescue authority
Essex fire and rescue authority
Greater Manchester fire and rescue authority
Hampshire fire and rescue authority
Humberside fire and rescue authority
London fire and emergency planning authority
Merseyside fire and rescue authority
Oxfordshire fire and rescue authority
Shropshire fire and rescue authority
Suffolk fire and rescue authority
West Yorkshire fire and rescue authority

A4. Meetings with representative bodies held as part of this review

Association of Ambulance Chief Executives (AACE)
Chief Fire Officers' Association (CFOA)
Fire Brigades Union (FBU)
Fire Officers' Association (FOA)
Fire and Rescue Suppliers Association (FIRESA)
Fire Sector Federation (FSF)
Local Government Association (LGA)
Retained Firefighters Union (RFU)

A5. Other submissions received as part of this review

Buckinghamshire and Milton Keynes fire and rescue authority
Cheshire fire and rescue authority
Derbyshire fire and rescue authority
Dorset fire and rescue authority
Emergency Services Research Programme of Nottingham Trent University and Nottingham University
Gloucestershire fire and rescue authority
Kent fire and rescue authority
Norfolk fire and rescue authority
Nottinghamshire fire and rescue authority
Staffordshire fire and rescue authority
Surrey fire and rescue authority
Tyne and Wear fire and rescue authority
West Midlands fire and rescue authority
West Midlands Branch of the Emergency Planning Society

Submissions were also received from individuals.

A6. Terms of Reference

To review the ways in which fire and rescue authorities may deliver further efficiencies and operational improvements without reducing the quality of front-line services to the public. The review will examine options for savings both within and beyond the current Spending Review period, including through:

- Firefighter training
- Flexible staffing and crewing arrangements
- The use of Retained Firefighters
- Procurement
- Shared services
- Collaboration with emergency services and other organisations on service delivery and estates
- Sickness management
- Sharing of senior staff
- Locally led mergers and operational collaborations
- New fire-fighting technology
- Preventative approaches
- Working with local businesses

In conducting this review:

- Sir Ken Knight will talk to key organisations in the fire sector, including the Local Government Association, the Chief Fire Officers' Association, the Fire Brigades Union, the Fire Sector Federation, individual fire and rescue authorities and others who Sir Ken deems relevant;
- Sir Ken will undertake up to 10 visits to a representative range of fire and rescue authorities, including those covering urban and rural areas, and those constituted as metropolitan, county and combined authorities;
- The Department will provide Sir Ken with analytical support, in particular in looking at examples of efficiencies from outside of the fire sector.

The review will take into account the findings of previous reviews and reports and their recommendations, including the 2002 Independent Review of the Fire Service (the Bain Report); the Audit Commission's 2008 Community Safety National Report, *Rising to the Challenge*; the 2010 Fire Futures review; and the 2011/2012 Independent Review of Police Officer and Staff Remuneration and Conditions (the Winsor Reports).