



**NOTTINGHAMSHIRE**  
**Fire & Rescue Service**  
*Creating Safer Communities*

Nottinghamshire and City of Nottingham  
Fire and Rescue Authority

# **BALANCING THE BUDGET IN FUTURE YEARS**

Report of the Chief Fire Officer

---

**Date:** 28 February 2014

**Purpose of Report:**

To present proposals, highlight strategies and seek approval for actions to ensure Nottinghamshire and City of Nottingham Fire and Rescue Authority is in the best position possible to set a balanced budget in 2015/16 and 2016/17.

## **CONTACT OFFICER**

**Name :** Frank Swann  
Chief Fire Officer

**Tel :** (0115) 967 0880

**Email :** frank.swann@notts-fire.gov.uk

**Media Enquiries  
Contact :** (0115) 967 0880  
Bridget Aherne bridget.aherne@notts-fire.gov.uk

## **1. BACKGROUND**

- 1.1 The proposals for budget for the forthcoming financial year 2014/15 will see the costs required by Nottinghamshire Fire and Rescue Service (NFRS) to administer the services set at circa £43 million. Over the following two years up to March 2017, if no adjustments to establishment and service delivery are made, the required budget will increase to just under £44 million, leaving a shortfall of circa £2.4 million (subject to approval of Council Tax increases). These figures show that NFRS will have to make considerable savings on top of those already made, to continue to deliver the service it presently does, to the communities of Nottinghamshire.
- 1.2 This report serves to outline the initial decisions that the Fire Authority may need to make in terms of addressing this financial shortfall, along with making recommendations regarding future strategies which should be considered, in order to maintain an acceptable level of service delivery.

## **2. REPORT**

- 2.1 Since 2010 the budget requirement for NFRS has decreased from just over £48 million to the outline requirement predicted in 2016/17 of circa £44 million. This has been due to a number of cost reduction strategies which have been employed, including reducing the number of operational appliances, voluntary redundancy processes, contract negotiations and Service restructures. With the expected budget available due to only reach just over £41 million in 2016/17 the Service will have to find another round of savings equivalent to £2.4 million (subject to the approval of the proposed Council Tax increases elsewhere on this agenda) over the next three years.
- 2.2 It is also important to note that recent statements by the Chancellor in relation to the deficit have identified further cuts in public sector spending. With major departments such as health being 'ring-fenced' it is likely that local government, including fire and rescue, are unlikely to experience any unexpected windfall, and therefore working towards the identified target savings would not only be prudent, but also essential.
- 2.3 Prudent levels of balances have been utilised to manage through the transition to date and it is proposed that this strategy continues. By starting to look at options early during 2014/15, decisions made will have the opportunity to be fully implemented or have commenced by February 2016 when the third year budget has to be set.
- 2.4 The Fire Authority can take comfort from some very positive outcomes. As reports elsewhere on this agenda show, the number of incidents attended has dropped below 10,000 for the first time, and actions taken to reduce resources which were identified in the 2010 Fire Cover Review (FCR) have had no discernible impact on the communities.

- 2.5 However, the ability to continue to reduce capacity is not unlimited and recommendations within this report will seek to guide the Fire Authority over how the budget requirements should be met, but also future strategies on utilising and deploying future resources.

## **OPERATIONAL FIRE STATIONS**

- 2.6 As previously demonstrated to the Fire Authority in reports around the outcomes of the FCR, the Service has the benefit of a limited amount of over-capacity in its front-line operational resources. Since 2010 some resources have been reduced to assist with the budgetary challenges the Service has faced.
- 2.7 A separate report at this meeting highlights the continuing trend of reducing incidents and operational responses. This has been the outcome of excellent work to drive down risk within the community, carried out by all staff within the organisation and through partnership with public, private and third sector organisations.
- 2.8 This trend demonstrates confidence in the FCR outcomes and the Fire Authority should consider consulting on further reductions in the operational fleet to contribute to budgetary pressures. A realistic saving of circa £1 million could be achievable.
- 2.9 Therefore, giving due consideration to operational activity and risk outcomes, and the need to reduce expenditure, it is proposed that the level of operational cover at the following stations be subject to thorough consultation in line with the Fire Authority agreed framework:
- Central;
  - Collingham;
  - Highfields;
  - Mansfield;
  - Stockhill;
  - Warsop.
- 2.10 If approved, this consultation process will provide the opportunity for the Chief Fire Officer to provide an options report to a future Fire Authority meeting to enable robust and informed decisions to be made regarding any reductions within the operational fleet.

## **CONTROL SERVICES**

- 2.11 The current project with Derbyshire and Leicestershire to deliver a single system across three locations is in an advanced stage. Once fully implemented (during 2014), the opportunity for one facility, in one location, servicing three Services is a reality.
- 2.12 Whilst no firm decision is sought on location, senior officers request the approval of the Fire Authority to enter into formal negotiation with Leicestershire and Derbyshire regarding this option.

- 2.13 If a single location provision could be established by 2017, it is anticipated that this could contribute a minimum £300-400k of revenue savings to each Service individually, along with reducing capital and maintenance costs associated with maintaining three separate locations.

## **MANAGEMENT AND SUPERVISION**

- 2.14 The number and role of uniformed Managers within NFRS is determined by a variety of factors including operational supervision, operational incident profiles, incident command structures, activity levels, staffing numbers and managerial requirements.
- 2.15 As incidents have continued to decline, and with staffing levels predicted to fall below 1000, management will review and revise current structures and arrangements with a view to implementing a revised command and management structure for operational staff. This review will also look to see what efficiencies can be made. A target saving of circa £700-800k will be set to be achieved by March 2017.

## **SUPPORT SERVICES**

- 2.16 Currently NFRS spends approximately 16% of its revenue budget on salaries of non-uniformed staff. Whilst not an exact and defined target, it would be appropriate to at least seek an equitable saving from this area to contribute to the overall requirements. The approach thus far to reducing non-uniformed posts has involved a combination of vacancy deletions, voluntary redundancies and post conversions. Officers now seek the approval of the Fire Authority to extend this to include a compulsory redundancy process with an annual target saving of between £300-350k to be achieved by the end of the 2016/17 financial year.

## **INITIAL SUMMARY**

- 2.17 All of the above proposals for consideration have a combined return that would meet the requirements of £2.4 million as per current financial predictions contained within the budget report presented elsewhere on this agenda. It may not be possible to achieve all of these savings by the end of 2016/17 financial year but it is important that strategies and an approach is agreed so that the appropriate processes can be put in place.

## **FUTURE OPTIONS**

- 2.18 Looking forward beyond 2016/17 it is also recommended that the following approach is considered by the Fire Authority with a view to assisting and developing its service delivery model in future years.
- 2.19 The current risk model that the Service manages its resources by is developed on a high, medium and low risk approach. Despite this development the current standard of attendance employed by the Service is to respond to all incidents within 10 minutes on over 90% of occasions. This was set in 2004 following the adoption of the inaugural Integrated Risk Management Plan (IRMP).

- 2.20 On the basis that the Service is now more developed with its operational intelligence and statistical analysis than in 2004, it is proposed that during 2015 a full update is undertaken in relation to the 2010 FCR. Part of this review should look at the standard attendance time, with a view to addressing high, medium and low risk areas accordingly.
- 2.21 For example, the Fire Authority could adopt an approach of attending different risk areas in different ways as opposed to a standard response across the county. The benefits to such an approach would be that the Service would look to staff its resources in future based upon the risk criteria which would give necessary flexibilities within constrained budget parameters.
- 2.22 Presently the Service only employs two duty systems for operational staff, wholetime and retained. The Fire Authority has given approval for managers to look at other options such as enhanced crewing, and this will dovetail nicely into this work around appliance availability, risk and the community's needs.
- 2.23 If the work is undertaken during 2015, outcomes can be delivered to the Fire Authority by budget setting in February 2016. This would allow for decisions to be considered beyond the current proposals which take the Service up to the 2016/17 financial year.
- 2.24 In addition to the above proposals and recommendations, a number of other work streams will be looked at by Officers to establish what further savings can be achieved. These include joint back-office functions with other Services, sharing of specialist operational advice, reviewing the property strategy for rationalisation, re-build or disposal, and reviewing current contracts and arrangements for further efficiencies.
- 2.25 There is no doubt that given the reductions already made by the Service, the challenge to make further savings could appear daunting. However, the community is as safe from fire today as any other period in the history of NFRS. By taking a measured approach, over a three year period, the transition can be managed through with as minimal impact on staff and the community as is possible. The implementation can also be safely monitored.

### **3. FINANCIAL IMPLICATIONS**

The financial implications of this report are the need to find approximately £2.4 million in further savings by the end of the 2016/17 financial year, and to develop a strategy to address potential reductions beyond this point

### **4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT**

- 4.1 There are significant human resources implications arising from this report from redundancy to contract negotiations with the representative bodies. The Service has a number of procedures in place which it has already used to good effect to minimise the impact upon staff. All of this will be managed by the internal human resources department to reduce any external costs.

- 4.2 In terms of learning and development implications, the Service will need to ensure its staff are appropriately trained and equipped with the requisite skills to perform their role.

## **5. EQUALITIES IMPLICATIONS**

There will be a likelihood of some equalities implications arising from such a period of change. These will be managed by the Service to ensure that no particular sector of the organisation or community is disadvantaged by any decisions made.

## **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**

The Fire Authority has to satisfy its legal obligations under various legislation, but primarily the Fire and Rescue Services Act 2004 and the Civil Contingencies Act 2004. Any proposals to meet the budget constraints will be assessed to ensure the Fire Authority will not be in breach of these legal duties.

## **8. RISK MANAGEMENT IMPLICATIONS**

The primary risk to the Fire Authority arising from this report is one of finance and being able to balance a diminishing budget. The proposals and recommendations contained within this report are part of a short, medium and long term strategy that will keep the Service viable and continue to meet public expectations.

## **9. RECOMMENDATIONS**

It is recommended that the Fire Authority consider the contents of this report and agree to the following:

- 9.1 That Officers be tasked with consulting on the potential of reducing operational resources from within the locations identified at 2.9 and providing an options report to a future Fire Authority meeting on the outcomes;
- 9.2 To task Officers with approaching partner Services with a view to implementing a single Control facility;
- 9.3 To task Officers with reviewing the operational management structure;
- 9.4 Approve Officers to use compulsory redundancy processes, where appropriate; in conjunction with voluntary redundancy, post conversions, and vacancy deletions.

- 9.5 Task Officers to undertake an updated Fire Cover Review during 2015 with a view to considering a risk based attendance standard based upon high, medium and low risk outcomes.

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

None.

Frank Swann  
**CHIEF FIRE OFFICER**