



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority

FUTURES 2025: EFFICIENCY STRATEGY UPDATE

Report of the Chief Fire Officer

Date: 23 September 2022

Purpose of Report:

To inform Members of the outcomes of the Workforce Review and Fire Cover Review efficiency workstreams and present options to ensure the Authority can set a balanced budget for the financial year 2023-24 and beyond.

Recommendations:

It is recommended that Members:

- Note the proposed reduction in support roles and the move to a second phase of workforce review;
- Support a period of public and workforce consultation to save £2m from the operational establishment;
- Note the proposed changes to reduce demand upon the response resources;
- Note the review of the Service incident attendance time measure;
- Consider the option to pursue a referendum to increase council precept above the current cap;
- Support the review of Community Risk Management Plan (CRMP) commitments to communities;
- Endorse the limited use of reserves for financial year 2023/24 to support planned Service reductions;
- Agree to receive further update reports to future meetings of the Fire Authority;
- Support the Chief Fire Officer in investigating sustainable longer term strategic options for the Service.

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1. BACKGROUND

- 1.1. Since 2010, Nottinghamshire Fire and Rescue Service (NFRS) has seen budget reductions of £9.6 million in real cash terms and significantly higher when considering other factors, such as inflation.
- 1.2. As part of the 2022/23 budget report considered by Fire Authority in February 2022 the Treasurer, based on some planning assumptions at the time, predicted a 2023/24 deficit of circa £2.1 million pounds.
- 1.3. Following a review of planning assumptions around inflation and pay awards, those figures are likely to be revised to show budget deficit in excess of £3.3 million. Clearly this requires action by the Fire Authority to ensure it is well placed to deliver a balanced budget.
- 1.4. The budget included £1.6 million of temporary savings which have been achieved with underspends in the pay budget and management of vacancies, a position that is not sustainable in the medium to long term. Phase 2 of the workforce review will focus on Service redesign to identify permanent savings as required.
- 1.5. The recent and very welcomed HMICFRS inspection report rated NFRS as 'Good' across all 11 areas of assessment and is a true testament to the dedication and efforts of the whole workforce. The HMICFRS report also highlighted the fact that since 2016, NFRS has seen a 10.65% reduction in the workforce as opposed to the 1.60% average for the England average. The Service has 0.57 firefighters per 1000 population compared to 0.62 for the England average and a firefighter cost of £22.72 per person compared to £23.73 for the England average.
- 1.6. Members will also be aware that for financial year 2022/23, Officers have worked to make temporary in-year savings and provide time to complete the 'Futures 2025' work to look at both pay and non-pay budgets and provide recommendations to Members to consider substantive savings from 2023/24 as reported to Policy and Strategy Committee at its meeting in May 2022.
- 1.7. The Authority receives over half its funding (£27.7m) from Council Tax. Increases to the Council Tax precept are currently limited to 1.95% - increase in the precept above this level would require a relaxation by Government on the cap or a local referendum to consult communities.
- 1.8. Previous budget reductions have predominantly been from the dedicated staff who serve the communities of Nottingham and Nottinghamshire, across operational and non-operational roles, but have also seen the removal of six fire appliances completely, as well as further changes to crewing arrangements over the 24-hour period.
- 1.9. Members will also be aware that the Chief Fire Officer's scheme of delegation was updated and, subject to both internal and external consultation

requirements, is now able to make amendments to the permanent establishment, but must remain within the overall pay budget.

2. REPORT

- 2.1 The sources of budget for the Fire Authority are detailed below, and the deficit for future years has been clearly outlined by the Treasurer to the Fire Authority. A report was provided by the Chief Fire Officer at the July Fire Authority meeting, establishing the Futures 2025 efficiency strategy. This specified two main elements, one exploring savings in non-pay budgets and the second focused upon the pay budget.
- 2.2 This report provides Members with a package of interdependent recommendations seeking to balance the budget, it also highlights that this report is the start of what is likely to be a multi-year approach.

£46m				
£27.7m Council Tax	£7.3m Government Grant	£8.5m Business Rates	£2.3m Pension Grant	£0.2m General Reserves

WORKFORCE REVIEW

- 2.3 The Workforce Review encompasses a review of the structure and budget associated with the green book establishment. The green book establishment comprises all NFRS staff who are on local government terms and conditions and are eligible for membership of the Local Government Pension Scheme.
- 2.4 The Service has a total of 158 green book posts. The total cost of the green book establishment is £6.933m. This represents 15% of the budget in 2022/23. Green book staff fulfil two main roles on behalf of the authority:
- Support staff;
 - Non-operational Service Delivery staff.
- 2.5 Support staff are those who are employed to deliver business and technical support to ensure the Service can deliver its statutory duties. Examples of support staff include ICT, training staff, communication specialists, and finance and human resources team members. There are 129 established posts that fall into this category.
- 2.6 Green book non-operational Service Delivery staff are those who hold a role providing front facing services to the community. These roles are predominantly found in the Fire Prevention and Protection Departments. Functions of these roles include the delivery of building inspections, education activities and safe and well visits. There are 29 posts that fall into this category.

PHASE 1

2.7 The Workforce Review aimed to:

- Review management posts (Grade 5 and above) to flatten structures, and equalise responsibilities and spans of control across departments;
- Ensure that resourcing of the green book establishment is effectively distributed and reflects the needs and demands of the Service;
- Ensure that the Service is appropriately resourced to deliver statutory functions and to respond to other drivers for change, including sector reform and the need for continuous improvement;
- Identify single person dependencies or lack of resilience in structures and functions;
- Contribute to efficiency savings in the financial year 2022/23 and beyond.

2.8 The Workforce Review was delivered by an internal project team between May and July 2022. The project team undertook analysis of current departmental structures and held a series of interviews with departmental heads to ascertain potential efficiencies.

2.9 At the July 2022 Fire Authority, Members agreed to changes to the Scheme of Delegation to the Chief Fire Officer, enabling greater flexibility to change the permanent establishment, yet stay within the overall pay budget.

2.10 The 2022/23 green book pay budget included temporary savings of £250k. The Workforce Review has found that these savings can be made permanent through the disestablishment of posts across several departments, with a lower risk impact to the Service's ability to deliver key functions. It is therefore recommended that Members support a Phase 1 reduction in the green book pay budget of £250k.

2.11 The Workforce Review has also identified that a wider change and improvement programme is required to support the Service's aim to be outstanding by 2032. Structural redesign and business improvement is required to maximise the efficiency and effectiveness of the Service and it is therefore proposed that a second phase of the Workforce Review is considered to deliver this during the life of the current CRMP.

2.12 It should be noted that this initial Workforce Review has yet to address the potential shortfalls in resourcing in certain departments where risk and demand is increasing. The redistribution of both green and grey book posts may be required to address this in the future, and this will be one of the objectives of the second phase.

2.13 The second phase will seek to build efficiencies that will be reported to future Fire Authority meetings. Clearly a balance will need to be found between seeking improvements for the Service, balancing the budget and prioritising the demands upon the Service with a reduced capacity that the variety of support functions are critical to achieving.

2.14 Delivering Futures 2025 will also require resources which would otherwise be focused upon CRMP objectives and as this report recommends, a review of the commitments within the 2022/25 CRMP will be undertaken. Members should be reassured that the focus will remain on communities.

FIRE COVER REVIEW

2.15 The Fire Cover Review encompasses a review of the structure and budget associated with the operational wholetime establishment, comprising all uniformed NFRS staff who are on the National Joint Council (NJC) scheme of conditions and are eligible for membership of the Firefighters' Pension Scheme.

2.16 The Service has a total of 431 wholetime posts, with a total cost of £24.244m. This represents 53% of the budget in 2022/23. All staff must maintain competence to provide operational cover, as either part of the ridership or within other roles.

2.17 Other in-scope posts include those held by Officers at Station Manager and Group Manager levels and positions within Prevention, Protection, Fire Investigation, Risk and Assurance and Learning and Development. The Service's response capability is not restricted to the station-based workforce, Station and Group Managers are critical to the safe management and leadership of functions across the organisation.

2.18 Officers are, however, subject to a third efficiency workstream under Futures 2025, it is not recommended in this report to reduce this cohort, the collective agreement is under review and will continue with several temporary appointments, pending the potential for efficiencies and further clarity on the pressure upon budget provisions in financial year 2022/23 and 2023/24.

2.19 Other Officer roles include Area Managers and Principal Officers, both levels have been subject to review, requiring the substantive Area Manager cohort to remain unchanged at this point. A separate report covering the Principal Officer structure does recommend a minor adjustment, that would save circa £80K in its first three years and £20k in following years.

2.20 The Fire Cover Review is designed to:

- Undertake resource optimisation modelling, based on the Strategic Assessment of Risk, to identify potential savings whilst minimising negative community impact;
- Minimise increases to average attendance times and the CRMP commitment to meet the current response standard of a first appliance arriving at an incident within an average of 8 minutes from mobilisation;
- Consider Nottinghamshire-wide performance against attendance standards and accept that levels of performance can differ between areas of the city and county;
- Only consider existing station locations and not recommend the introduction of new On-call sections. However, this will be considered as a longer-term element of CRMP activities.

- 2.21 Resource modelling has been delivered in partnership with a sector leading expert with extensive experience of emergency services around the world to optimise resource use and respond in the most efficient and effective way. ORH have over 30-years' experience and have worked with over 150 organisations including NHS Trusts, EMAS, London Fire Brigade and West Midlands Fire and Rescue Service.
- 2.22 Building on the operational response cover that they undertook for the Service in 2021, ORH undertook optimisation modelling to identify different configurations of fire appliances to meet saving levels of £1m, £1.5m, £2m, £2.5m and £3m. This approach reflected the uncertainty of savings required and projected budget shortfalls detailed within this report.
- 2.23 It is not possible to save sufficient money from existing budgets without reducing the ridership. Due to the funding uncertainties and estimated budget shortfall (as highlighted in Paragraphs 1.2 and 1.3) it is recommended that Members support the option to save £2m from the station-based establishment. Any option that sees continued reductions in a highly regarded service, particularly considering the recent HMICFRS inspection report and 'Good' rating, is likely to attract negative attention.
- 2.24 It should also be noted that without the budget deficit being addressed with additional funds, further savings reports will be presented by the Chief Fire Officer in 2023 and 2024 for Members to consider as appropriate.
- 2.25 The best option, with least impact on the community utilising Service provided data with ORH, to achieve this has been identified the:
- Removal of the second appliance from London Road;
 - Removal of the second appliance from Stockhill;
 - Conversion of West Bridgford from one wholetime appliance to one day shift crewing appliance;
 - Conversion of Ashfield from one day shift crewing and one On-call appliance to one wholetime and one On-call appliance.
- 2.26 The £2m savings option reduces the number of appliances in Service from 30 to 28. It also reduces the ridership by 44 posts to 312. Current vacancies and the retirement profile would enable this reduction in posts to not result in any redundancies in this area, when staggered over the life of the CRMP, further changes will need to be kept under review, based upon future budget allocations.
- 2.27 Inevitably such a reduction in resources will have an impact on Service performance. The average time for a first appliance to arrive at an incident from mobilisation would increase by 7 seconds. Whilst this increase would have minimal impact on the outcome of an incident, it would mean that the CRMP commitment to attend within an average of 8 minutes is breached by 4 seconds.

2.28 A revision to the CRMP would therefore be recommended. It is also recommended a more detailed analysis be undertaken, and recommendations brought back to a future meeting of the Fire Authority. The impact on first appliance attendance time can be seen in Table 1.

	Current Average Attendance	Revised Average Attendance	Difference
Service-wide	7:57	8:04	+0:07
Ashfield	9:06	8:18	-0:48
Bassetlaw	9:37	9:37	0:00
Broxtowe	7:26	7:35	+0:09
City of Nottingham	6:31	6:52	+0:21
Gedling	7:01	7:11	+0:10
Mansfield	7:52	7:49	-0:03
Newark & Sherwood	10:02	10:02	0:00
Rushcliffe	9:47	10:30	+0:43

Table 1: Impact on first appliance average attendance of £2m saving model

2.29 Table 1 shows that the implementation of the £2m saving option has no impact or an improved first appliance attendance average in Ashfield, Bassetlaw, Mansfield and Newark and Sherwood. There is minimal impact on Broxtowe, City of Nottingham and Gedling where first appliance average attendance performance would be maintained well below the current standards.

2.30 There would be more impact in Rushcliffe where first appliance average attendance increases by 43 seconds. However, this is somewhat mitigated by the fact that since April 2020, Rushcliffe has had the second lowest number of incidents (see Figure 1) and in 2021/22 had the fewest number of residents that met the Service's at-risk CHARLIE profile identified by partner organisations (see Figure 2) signifying the lower levels of risk within the Borough.

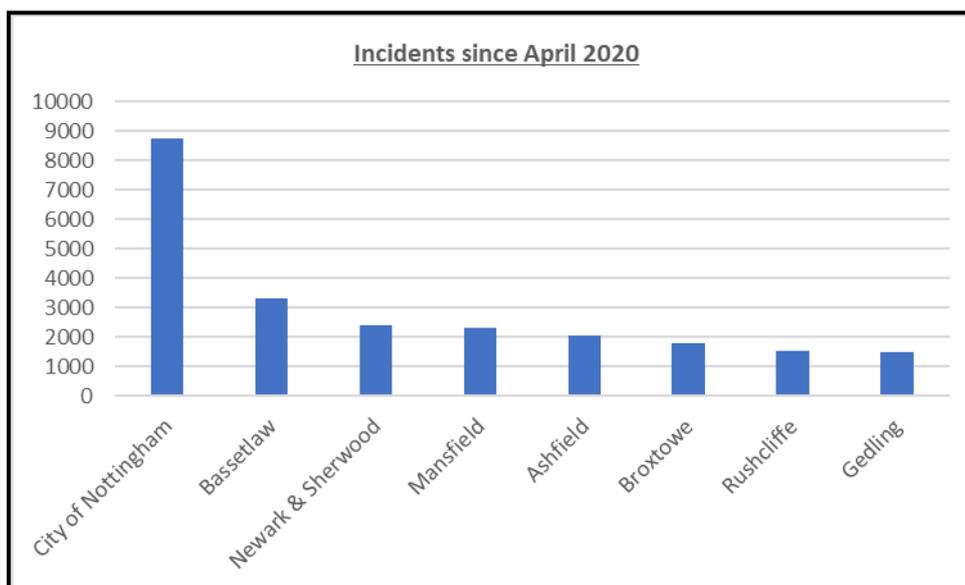


Figure 1: Incidents since April 2020 by District

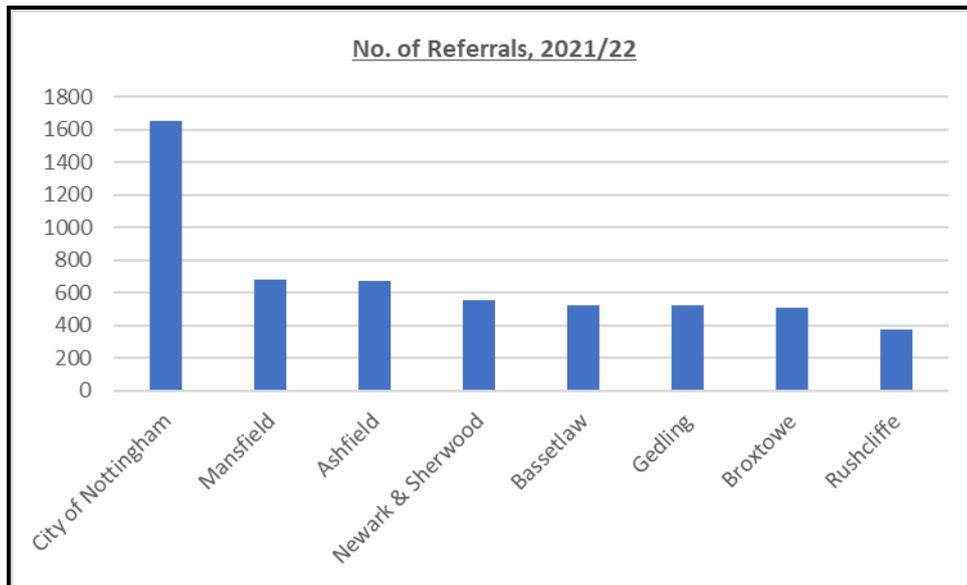


Figure 2: Number of Safe & Well referrals from partner organisations District, 2021/22

- 2.31 A reduction to response resources would also have an impact on the Service's ability to deliver current CRMP commitments relating to safe and well visits, business safety checks, and the collection of site-specific risk information. The Service would have to mitigate for losses of productivity at London Road, Stockhill and West Bridgford by redistributing workloads to other stations and teams, and seeking more efficient ways of working, including a further review of the of the working day and investment in digitisation.
- 2.32 The proposed reductions in response capability will clearly impact upon Service resilience during spate conditions, compounded by the ongoing challenges to recruit and retain On-call firefighters, whose enthusiasm and dedication to communities deliver 18 (overnight) of the Service's 30 appliances.
- 2.33 Given the demands for the On-Call element of the Service and numerous initiatives for its sustainability, additional focus and resource will be required and again this will be reported to the Fire Authority as appropriate.
- 2.34 Since its introduction, the day shift crewing model has been reviewed and given the extent of the recommendations and implications contained within this report, it is the view of the Chief Fire Officer that this be subject to a further efficiencies review, prior to and part of the recommended changes to the Service's response model.
- 2.35 The Authority has a statutory responsibility to consult on changes to fire cover. It is recommended that Members support a period of public and workforce consultation on the option to save £2m from the establishment. Any consultation will be conducted in accordance with HM Government Code of Practice on Consultation. Given the timescales it is proposed that consultation commence following Members consideration of the

recommendations in this report, providing sufficient time to report the outcomes to the February 2023 Fire Authority meeting.

- 2.36 Alongside proposed workforce reductions, a review of the demands on Service resources, specifically response, will be completed. These have previously been referenced at the Community Safety Committee, for example the need to reduce unwanted fire signals (UwFS), as these make up 40% of all incidents attended. Given how attendance time is measured as an average, reductions in the UwFS are likely to see an increase in the Service reported attendance measure, as such, further work as part of the CRMP will be required to review the Service attendance time measure.
- 2.37 Greater reductions in these areas will ensure focus continues to be placed upon prevention and protection, and response to incidents that are categorised as higher risk and requiring operational deployment. Service Delivery will identify this on a risk based, operational basis and progress will be reported to the Community Safety Committee.
- 2.38 This report does not recommend any reductions to protection resources. Members will be all too aware of the growing focus upon risk in the built environment, new legislation being implemented and aftermath following the tragic Grenfell Tower fire. Indeed, the joint work with NFRS and Nottingham City Council continues to highlight the degree of poor standards that exist within the built environment and therefore the Chief Fire Officer has tasked the wider leadership team to identify additional resources, subject to longer term budget reductions to be directed to this area of work.
- 2.39 With over a decade of reductions, Nottinghamshire Fire and Rescue Service has generally managed balancing the budget internally, however with the prospect of further, sustained reductions, it is not recommended that this approach continue to be relied upon alone. As such, it is recommended the Chief Fire Officer investigate options for longer-term strategic partnerships that offer a more sustainable and resilient model to serve the communities of the city and county, including the potential offered from the ongoing journey to devolution.
- 2.40 The options outlined in this report are likely to take considerable time to implement as well as funds to resource, and these are currently built into the use of reserves shown in Table 2 (below). The implementation of any changes will be phased and informed once clarity is provided on the current planning assumptions, for example council precept and Government grant.
- 2.41 The Futures 2025 work will seek to have a broader organisational development approach and not only deal with significant change as highlighted in this report, but continue to develop NFRS as a well-regarded organisation, by using its finite resources focused upon community risk.

3. FINANCIAL IMPLICATIONS

- 3.1 The 2022/23 budget report considered by Members in February 2022 identified a £2m budget deficit position in 2023/24, rising to around £3m in 2024/25 and 2025/26. Inflation rates have increased substantially since the report was presented and will impact further on non-pay budgets (gas, electric and fuel in particular). In addition, pay awards are now expected to be higher than the 3% assumed in the report (each 1% increase above the 3% budgeted incurs an additional £350k annual cost).
- 3.2 The economy is now expected to fall into recession and increases in future funding for fire and rescue services are considered unlikely. Government advice is that the sector should not anticipate additional funding to, for example, cover pay awards.
- 3.3 Taking the above into account, the deficit position is expected to increase substantially from 2023/24 onwards. Assuming pay awards of 6%, current estimates would be for a £3m deficit in 2023/24 rising to £5m in 2024/25 and 2025/26 should no efficiencies be realised.
- 3.4 Table 2 shows that reserve levels are currently expected to be in the region of £10m on 01 April 2023.

Estimated Reserves 1 April 23	£'000	£'000
General Fund Reserve (minimum level £4.5m)		5,400
Earmarked Reserves:		4,600
Unused Grant	325	
ESN	1,184	
Mobilising system	278	
Pensions (McCloud remedy)	200	
Budget Pressure Support	936	
Futures 25 Efficiency Strategy support	900	
Other Committed earmarked reserves	777	
Total Reserves		10,000

Table 2: Expected reserve levels on 01 April 2023

- 3.5 The reserves include £936k for budget pressure support which could be used to support the 2023/24 budget. It is important to remember that these available reserves are required to protect the Authority against future unforeseen costs. Given the budget deficit is expected to increase in 2024/25 and 2025/26 it would be imprudent to use reserves in order to delay implementing efficiencies in 2023/24.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

- 4.1 This report makes recommendations that fundamentally impact upon individuals and teams, at a time of increasing national anxiety over cost of living, income security and job security. The Service has a good track record in supporting its staff and this will be required more than ever. Financial provision has been aimed for staff engagement and the health and well-being of staff will be foremost.
- 4.2 Any changes to the permanent establishment will have implications for the workforce, including the potential need for redundancies in the Service which cannot be ruled out at this point, but the Service will seek to mitigate the need for this. Local consultation procedures are in place to ensure the Service complies with statutory consultation requirements and will fully engage with relevant trade unions in seeking ways to mitigate any proposed redundancies, and to consult on permanent changes to the establishment.
- 4.3 There will be a requirement for the relocation of operational staff to different stations. This will be managed in line with the well-established consultation and policy framework.
- 4.4 The Service will ensure it engages with the workforce and their representatives as fully as possible regarding outcomes arising from Futures 2025 proposals.

5. EQUALITIES IMPLICATIONS

- 5.1 Equality impact has been considered as part of the Futures 2025 efficiency strategy. Equality impacts have been considered as part of the overall change impact assessment process.
- 5.2 An equality impact assessment will be completed for the Workforce Review outcomes once they have been agreed.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications associated with this report.

7. LEGAL IMPLICATIONS

- 7.1 The Fire Services Act places a Statutory Duty on Authorities to make provisions for firefighting, fire safety and responding to road traffic collisions and other emergencies. With the budget available, NFRS will continue to meet its statutory duties.

- 7.2 The Secretary of State, under Section 22 of the Fire and Rescue Services Act (FRSA) 2004 has the power of intervention, if the Secretary of State considers that a fire and rescue authority is failing, or is likely to fail, to act in accordance with the Framework prepared under Section 21 of the FRSA.
- 7.3 Sections 10 to 13 of the Local Government Act 1999 (c. 27) (best value inspections) apply in relation to a fire and rescue authority's compliance with Section 21(7) of the FRSA as they apply in relation to a best value authority's compliance with the requirements of Part 1 of that Act. Fire and rescue authorities must have regard to the Framework in carrying out their functions.
- 7.4 The Civil Contingencies Act 2004 includes the need to plan for business continuity events, including periods of industrial action. Given the ongoing national issues and the consideration of this report, the Service has reported its resilience arrangements to the Policy and Strategy Committee and is reviewing its future arrangements.
- 7.5 The Authority has a statutory responsibility to consult on changes to fire cover. Consultation will be conducted in accordance with HM Government Code of Practice on Consultation and failure to comply with the code may result in Judicial Review of any decisions taken.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The reputation of the Service and community confidence in it will need to be managed, this will be addressed with a supporting communication and consultation plan, with support from external, sector competent organisations as appropriate.
- 8.2 Workforce change is clearly significant and may result in negative relationships and culture. Building upon years of values-based activity and long-standing engagement with the workforce and representatives is imperative to maintain effective employee relations in order that changes to establishment do not impact unduly on employee relations, or well-being. Through the Chief Fire Officer, the Futures 2025 programme and wider leadership across the Service, this will be built into the recommended organisational development approach.
- 8.3 Given the expected budget deficit position, a do-nothing option is not recommended. Without making efficiency savings there is clearly a risk to the Authority's ability to deliver a balanced budget. The recommendations within this report seek to address that risk.
- 8.4 Changes to the establishment may impact on the Service's ability to deliver against some CRMP objectives and there will need to be a review of the current CRMP against planning for the 2025/28 version.
- 8.5 The proposed changes to fire cover will result in slightly increased appliance attendance times in some Districts. By taking the recommendation within this

report as a package of measures to balance the budget, resourcing and demand will be addressed.

9. COLLABORATION IMPLICATIONS

There are potential collaboration opportunities to ensure the efficient and resilient delivery of the Service. These will be investigated further as part of a Phase 2 of the Futures 2025 strategy.

10. RECOMMENDATIONS

It is recommended that Members:

- 10.1 Note the proposed reduction in support roles and the move to a second phase of workforce review.
- 10.2 Support a period of public and workforce consultation to save £2m from the operational establishment.
- 10.3 Note the proposed changes to reduce demand upon the response resources
- 10.4 Note the review of the Service incident attendance time measure
- 10.5 Consider the option to pursue a referendum to increase council precept above the current cap.
- 10.6 Support the review of CRMP commitments to communities.
- 10.7 Endorse the limited use of reserves for financial year 2023/24 to support planned Service reductions.
- 10.8 Agree to receive further update reports to future meetings of the Fire Authority.
- 10.9 Support the Chief Fire Officer in investigating sustainable longer term strategic options for the Service.

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

None.

Craig Parkin
CHIEF FIRE OFFICER