



AGENDA ITEM: 9

NORTH WALES FIRE AND RESCUE AUTHORITY

16 June 2014

COMBINED IMPROVEMENT AND RISK REDUCTION PLAN 2015-16

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To inform Members of the work of the Improvement Planning Working Group and to present the recommendations of the Executive Panel, of the 12 May 2014, with regard to the Authority's draft Improvement Objectives for 2015-16 and beyond.

Background

- 2 North Wales Fire and Rescue Authority, as a Welsh Improvement Authority, is required under the Local Government Measure 2009 to:
 - Determine its own improvement objectives under any of the seven defined elements of improvement. Although required to set improvement objectives every year, this does not mean that the objectives have to change every year or be deliverable within one year.
 - Consult publicly on its objectives for a period of time. There is no set time for consultations, although most are about 12 weeks. Consultations should have a clear start and end date.
- 3 In order to develop the Authority's improvement objectives for 2015-16 the Improvement Planning Working Group has held three meetings on 24 February, 31 March and 12 May 2014 and Members have been kept informed by means of a verbal report to the Executive Panel meeting, which was also held on 12 May 2014.

Information

- 4 At the first meeting members were reminded that the Authority had just come to the end of a three year financial strategy which had frozen the revenue budget at £32million since 2011-12. In order to fund inflation, pay awards and the cost of capital during that period of time, the Authority had managed to achieve savings of £2.4 million by changing working practices and reducing the number of officer, firefighter, support and community safety posts. This has been achieved by working closely at a local level with the representative bodies and without the need for compulsory redundancies. In implementing these changes officers had also been mindful of the two other criteria set by the Authority; the need to support the capital programme and the requirement to maintain fire cover across the whole of North Wales.
- 5 At the Fire and Rescue Authority meeting on 16 December 2013 Members agreed to continue the strategy of freezing the budget for a fourth year. The result was that the budget for 2014-15 required underpinning by £400k which was earmarked from reserves, but which would need to be found in subsequent years.
- 6 The Improvement Planning Working Group received presentations on the probable funding gap arising from a predicted increase in demand for services due to demographic and societal pressures and the anticipated significant decline in funding available for services other than education, health and social services.
- 7 Calculations for North Wales Fire and Rescue Authority indicate that the revenue budget would need to increase by £3 million between 2014-15 and 2019-20 in order to maintain the same level of service as currently provided. This assumes modest pay awards of 1% p.a. and the continuation of direct grants to fund community safety.
- 8 Members were reminded that in the Authority's current Combined Improvement and Risk Reduction Plan it had published a financial strategy for 2014-15 to 2016-17 which limited any increase in the

annual revenue budget to a maximum amount equating to £1 per head of population. This increase had not been added in 2014-15 so the most that could be raised in the last two years of this strategy would be £1.38 million. This assumes a population of 690,000 people, each paying an extra £1 per year over two years, 2015-16 and 2016-17.

- 9 Having implemented all significant internal changes possible to maintain a frozen budget for four years (a reduction of 10% in real terms) it was acknowledged that any further savings would inevitably have to come from a reduction in front line services. The effect of a decision by the Authority not to increase the revenue budget by the required £3million was illustrated by way of three realistic scenarios that could potentially release that amount of savings: the removal of the second fire engine from Wrexham (28 wholetime duty system firefighter posts) and second fire engine from Deeside, Rhyl, Colwyn Bay, Llandudno, Bangor, Caernarfon and Holyhead (100 retained duty system firefighters) and closure of 9 rural fire stations (another 100 retained duty system firefighters). In summary, continuing to freeze the budget until the end of this decade would require significant reductions in the order of closing 9 of the current 44 fire stations, removing 17 of the current 54 fire engines and losing around 228 out of the current 799 operational firefighter posts.
- 10 Members of the Improvement Planning Working Group extensively explored the operational and legal implications of implementing changes to the level of service provided. They recognised the significant consequences of the decision now facing the Authority and they agreed that there was a need to consult widely with the public on this matter.
- 11 This was endorsed by Members of the Executive Panel who stated that they did not want to see this disproportionate reduction of the Service. Members were mindful of the existing FRA resolution within the current Improvement Plan which states that the Authority is proposing to increase the annual budget by just enough to maintain the current level of service with a safeguard that the level of annual increase should equate to no more than an additional £1 per year per head of population in North Wales.

- 12 Members felt that this was the most effective way to manage both the financial constraints and operational risks facing the Authority. In addition Members felt it to be of vital importance that public consultation on this proposal should be both extensive and robust.

Recommendations

- 13 It is recommended:
- (i) that the draft Improvement Objective should be that, in order to maintain the current level of Fire and Rescue Service in North Wales, there should be an increase to the budget. However, the safeguard, that the level of annual increase should equate to no more than an additional £1 per year per head of population in North Wales, should continue and be extended from 2016-17 to 2019-20;
 - (ii) that this should be extensively and robustly consulted upon, in order to determine this 5-year strategy in time for the December Fire and Rescue Authority meeting.