

**TAYSIDE FIRE AND RESCUE BOARD****REPORT BY THE CHIEF FIRE OFFICER****4 OCTOBER 2010**

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**SCOTTISH FIRE AND RESCUE SERVICES NATIONAL STRATEGY****Abstract**

This report provides Members with background information in relation to the attached National Strategy paper, the contents of which have been agreed by the Scottish Fire Conveners' Forum.

**1. RECOMMENDATION**

It is recommended that Members:-

- i) Consider and agree the contents of this report
- ii) Consider the contents of the attached paper
- iii) If considered appropriate, provide a response to the Scottish Fire Conveners' Forum

**2. BACKGROUND**

The attached paper has been considered and agreed by the Scottish Conveners' Forum. This paper has been produced as a means of informing fire and rescue authorities of the work currently being undertaken at national level to enable the eight fire and rescue authorities and services to work in a collective manner to address future funding challenges.

Within Tayside Fire and Rescue work to identify how the service can continue to deliver high quality community safety and emergency response services to all the communities we serve within the level of funding provided to us is already at an advanced stage. Much of the savings required within Tayside Fire and Rescue will be achieved through working in partnership with a range of partners both at local and national level.

We have not restricted our partnership work to the other seven Scottish fire and rescue services as we are currently working closely with our three constituent councils, Tayside Police and NHS Tayside to identify closer methods of working to enable us to continue to deliver high quality services at a time of reduced funding.

**3. FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the attached paper. Members are closely involved in Tayside Fire and Rescue's annual budget setting process and in the consideration of the implications reduced funding could have on the services we deliver to the communities we serve.

#### **4. CONSULTATION**

The Clerk and Treasurer have been consulted in the preparation of this report.

#### **5. CONCLUSION**

The attached paper has been produced to inform fire and rescue authorities of the work being undertaken at national level to enable fire and rescue services to work collectively to address the current financial pressures. This report also informs Members that Tayside Fire and Rescue is working with a wide range of partners at local and national level to enable us to continue to deliver high quality community safety and emergency response services to the communities we serve during a period of severe public sector financial constraint.

S Hunter  
Chief Fire Officer

#### **Background Papers**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Fire and Rescue Headquarters  
DUNDEE

# **Fire & Rescue Services Report for Boards/ Committees**

## **1 Introduction**

- 1.1 The purpose of this report is to bring Fire & Rescue Services up-to-date with progress being made in relation to (1) tackling the funding pressures facing Fire & Rescue Authorities during the next spending review period and beyond; (2) progress on the work of the Spending Review Project commissioned by Chiefs and Conveners; and (3) to seek commitment from all 8 Fire & Rescue Boards to the adoption of a national strategy as outlined later in this report.
- 1.2 The Strategy has been considered in depth by Conveners at a recent Conveners' Forum where it was unanimously agreed to recommend its adoption to each Fire & Rescue Board/ Committee.
  - 1.2.1 The delivery of the Fire & Rescue strategy would be aligned to the 4 year timeframe of the Comprehensive Spending Review and would, in general terms, also align itself to the timeframe and overall strategy agreed by Cosla with Scottish Government in respect of local government as a whole.
  - 1.2.2 In agreeing to the Strategy, the Conveners also acknowledged and accepted that the future delivery model for Fire and Rescue needs to sit within the broader vision for the future shape of Scotland's public services.

## **2 Background**

- 2.1 Following the national Government's emergency budget, a number of commentators have estimated the potential impact on budgets for Scottish Local Government (including Police and Fire).
- 2.2 Best estimates at this time suggest that the level of reduction in local government funding could be 16% in real terms over the course of the next four years.
- 2.3 Clarity on the actual level of cuts is unlikely to be given until end of November at the earliest, however, there remains a substantial range of cuts facing the Service over the foreseeable future with estimates of 4% cash reduction in year 1 alone.
- 2.4 What is certain, however, is that cuts of this scale over this length of time cannot be achieved without fundamental changes to the Service as we know it.

### 3 Independent Budget Review Recommendations

3.1 The Independent Budget Review Panel (IBR Panel) has now presented its conclusions and whilst it has not delivered any specific actions, it has nevertheless made certain strong recommendations in several key areas;

pay restraint;  
budget protection;  
structures & boundaries; and  
outcomes and performance;

which, will be extremely beneficial in the context of an overall national strategy for Fire & Rescue Services as described later in this report.

### 4 Project Update

4.1 Services are working towards delivering the following objectives:

- Agreed common definitions of cost centres;
- Profiling current expenditure for each Service against the common definitions;
- Identifying the cost of service delivery with no change to policies, to determine the potential gap in revenue funding once the Spending Review outcome is known; and
- Assessing the potential impact on service provision/ delivery of a 7% cut in budget in 2011/12.

4.2 The Service continues to input to the national strategic approach on the future position of public sector provision and has also opened dialogue with Scottish Government on the potential to create an 'enhanced' reserves position which would allow Services to accumulate additional savings in 2010/11 which could be used to offset the impact of the budget cuts in year 1 and beyond.

4.3 Similarly, in relation to pay restraint, the IBR Panel *recommends a 2 year pay freeze from 2011 and a further 2 years of pay restraint*. In addition, the NJC have now formally rejected the FBU's 5.1% pay claim and formally proposed no pay increase for this year, and the trade unions in Scotland have rejected the Scottish Employers' 3 year pay offer, paving the way for a similar zero increase to be brought in following the publication of the CSR outcomes.

4.4 Accordingly, if services have factored pay rises into their budget predictions for 2011/12 then this figure could help to offset any budget cut.

4.5 However, as previously acknowledged, if Fire & Rescue Services are asked to make the %age level of cuts currently predicted, even with these "cushioning" elements, it is highly unlikely that these will be achieved through individual efficiencies and further collaborative working, and that some degree of structural reform will be inevitable.

- 4.6 New ways of working and new management and governance arrangements will be achieved over time, not overnight.
- 4.7 Accordingly, in order to present a cohesive approach, Conveners of all 8 Fire & Rescue have unanimously agreed to recommend to all Boards/ Committees that the Service adopt a National Strategy, which defines a four year approach to meet the budgetary challenges.

## 5 National Strategy

### 5.1 Key Principles

- 5.1.1 The proposed National Strategy involves a Fire/Fire solution for **core services** to ensure that Local and National resilience and service cohesion are retained and is based on 4 key principles:-
- Maintenance of operational capability and interoperability
  - Delivered through existing legislation
  - Recognition of particular needs of individual Services e.g. rural and urban distinction
  - Flexible and adaptable for future formal reform.
- 5.1.2 The recommendation to develop a Fire/ Fire solution does not of itself rule out collaborative/ joint working with other bodies/ agencies where it is clearly of benefit to individual services or the Service as a whole, but is intended to reflect the need for all 8 Services to collectively commit to the overall direction of travel.
- 5.1.3 The Service has over time progressed from being essentially a relatively straightforward emergency response service into a much more highly sophisticated and complex service where prevention, education, health and social well-being are inextricably bound into the fabric and culture of the response and rescue functions and accordingly, in order to avoid the fragmentation of these key activities it is suggested that we look for a Fire/ Fire solution in the first instance.

### 5.2 IBR Panel Recommendations

- 5.2.1 Equally, as stated above, several of the key recommendations from the IBR Panel, we believe, would strengthen and endorse the proposed strategy.

#### **Budget Protection**

- 5.2.2 The IBR Panel *strongly advocates that there should be no over-riding presumption of whole segment protection .i.e. the NHS budget- if a ring fencing approach is to be adopted then a broader interpretation of health spending should be allowed for. This definition might include non NHS services that support the health and wellbeing of the community, for example,*

*early intervention programmes across the public sector.*

- 5.2.3 Reference to early intervention and prevention is made in our submission to the IBR and much of our work in this area is statutory in nature. If some form of budget protection is applied to a broader definition of health, then Fire and Rescue could benefit. This could be an active lobbying position for Chiefs and Conveners.

### **Performance & Outcomes**

- 5.2.4 The IBR Panel further *determines that current pre determined service standards will need to be flexed, adjusted or revisited. Outcomes will need to be prioritised with a move from blanket classification of major services as protected to an approach based upon comparative prioritisation within constrained resources.*

This finding sits with our aim of reviewing **core services** i.e. what is statutory, what is provided at minimum or enhanced level, so that we prioritise what we do in the context of what has the most impact on outcomes – i.e. driving down fire deaths and making our communities safer.

### **Structures & Boundaries**

- 5.2.5 Thirdly, the IBR Panel *finds that the public service infrastructure in Scotland is over complicated, unduly fragmented and in need of fundamental redesign. They do not argue for immediate wholesale restructuring as this could be counter productive. However they do recommend that “everyone engaged in the delivery of public services should take further steps to break down barriers, pursue joint measures, develop pilot schemes and contemplate new organisational arrangements to achieve common operational boundaries wherever possible.”*

- 5.2.6 This clearly supports the notion that without resorting to legislative change we should consider alternative models where existing geographical boundaries do not present the most effective service delivery option.

- 5.2.7 The first stage in this process we believe, is to ensure common operational practices and procedures. Once these have been developed within a national framework the Service would become wholly flexible and adaptable for any future formal reform proposals.

## **5.3 Key Timelines**

- 5.3.1 Taking account of the Government’s announcement to introduce a 4 year Comprehensive Spending Review period, and in order to fit within the national (CoSLA) strategy timeframe, the proposed timeline for FRS is:-

- 5.3.2 **Year 1 (2011/12)** – Address reductions in revenue budget through local efficiencies supported by, where agreed, National Policy Reviews:

- National Pay Negotiations ( Controlling the Paybill)
- Interoperability/Collaboration

5.3.3 **Year 2 (2012/13)** – Secure reductions in revenue budget via ongoing efficiencies programme (Local and National) and the establishment of enhanced collaborative working arrangements. In addition, consider implementing alternative delivery options.

5.3.4 **Year 3 (2013/14)** – It is likely that Scottish Government will have declared its position on fundamental reform of the public sector and/or Fire. Further efficiencies or savings are likely to be generated by alternative delivery options being progressed.

5.3.5 **Year 4 and beyond** – It is likely that overall spend reductions will be secured through Service integration, either Fire/Fire or Fire/Other Service(s).

## 5.4 Key Activities and Milestones

5.4.1 In order to deliver these objectives the following activities and milestones need to be effected:-

- Agree a National Strategy which has the support of all Fire Boards, CoSLA and Scottish Government interests;
- Identify short term policy changes (where possible to commence in 2010/11) to secure short term savings and efficiencies in support of year 1 and 2 challenges;
- Commence an effective communication and consultation strategy to deliver the key messages to all stakeholders.
- Commission Service Provision and Support Service Reviews to be concluded for year 2-4 programme requirements in the following areas:-
  - **Workforce**
  - **Procurement**
  - **Fire/ Community Safety**
  - **Operational Capacity/ Capability**

## 5.5 Service Reviews

5.5.1 The Service Review areas highlighted above are not new areas of work but will substantially build on the significant work which has already been, or is currently being, undertaken within the Service either nationally, collectively or individually and will encompass the role and responsibilities of Scottish Government.

- 5.5.2 Services have agreed to commit the required level of resources necessary to deliver the workstream outcomes and work is already underway.

## **6 Recommendations**

- 6.1 Members are asked to approve the recommendation from Conveners to support the adoption of the National Strategy, to be delivered through the areas of service Reviews outlined above.
- 6.2 Further detail associated with delivering the Strategy, particularly in relation to Year 1 and 2 measures will be presented to future meetings.