

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No

MEETING: 23rd February 2009

SUBJECT: RISING TO THE CHALLENGE: IMPROVING FIRE SERVICE EFFICIENCY

REPORT OF THE CHIEF FIRE OFFICER

1 INTRODUCTION

1.1 The purpose of the report is to brief the Authority on the key messages of the Audit Commission report *Rising to the Challenge*, and give initial consideration to its content.

2 BACKGROUND

2.1 In December 2008 the Audit Commission published the report entitled, *Rising to the Challenge*, a national study based upon the Commission's work with Fire and Rescue Services (FRS) since 2004; an analysis of performance and efficiency trends; and further research in ten services¹.

2.2 The report acknowledges both the rapid and dramatic change in the risks managed by FRS in recent years and the level of change that many services have undergone in return, including the positive impact of work to increase the focus on prevention and community safety.

2.3 Tyne and Wear Fire and Rescue Authority (TWFR) has undoubtedly been part of this change process. The service has achieved significant performance improvement in recent years, and is currently deemed to be 'Improving Well' by the Audit Commission (Direction of Travel 2007/08).

2.4 TWFR has also exceeded its efficiency targets for the last three years, with a cumulative level of reported efficiencies of 9.93% (£5,105,000) between 2005/6 and 2007/8, against a Government target of 5.67%. This has been achieved through a programme of Integrated Risk Management activities, including the introduction of 4+4 staffing and changes to shift patterns.

2.5 However, as the Audit Commission rightly highlights, all FRS have a duty to continuously strive to achieve best value for the public they serve. Having analysed efficiencies and practices nationally, *Rising to the Challenge* suggests that adopting the practices of some Fire Authorities could result in an additional £200m of efficiencies from FRS nationally, exceeding the existing target to save £110m (or 5% of 2007/8 expenditure) by 2011.

¹ The case study services were Kent and Medway, Gloucestershire, South Yorkshire, Lincolnshire, West Midlands and Cheshire, and notable practice was also included from Merseyside, Devon and Somerset, London and Greater Manchester

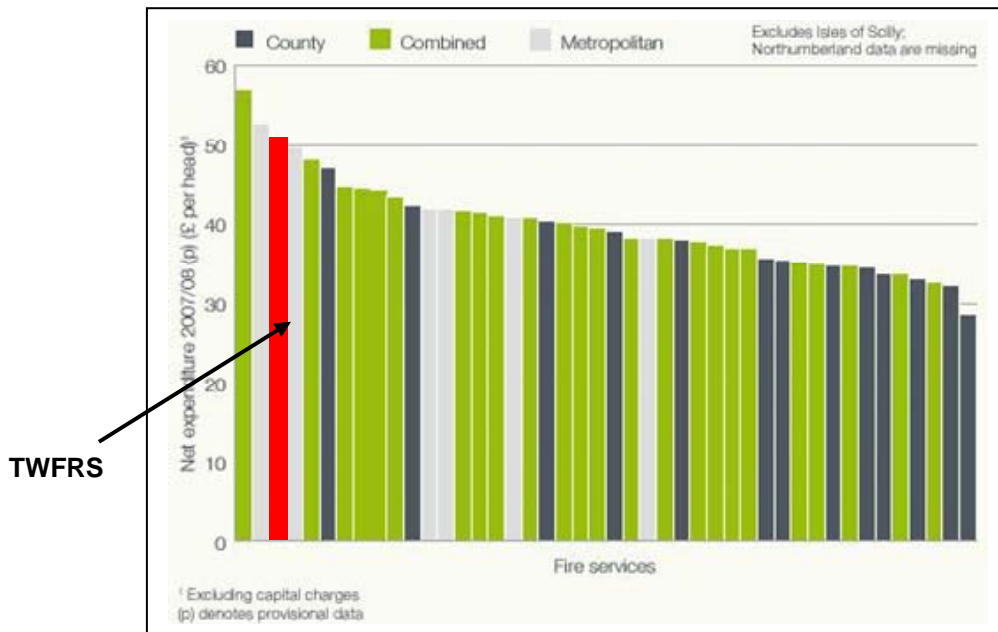
- 2.6 In support of this assertion the report gives a number of specific examples of activities which could realise such efficiencies, including:
- Reducing the number of wholetime firefighters required to cover shifts
 - Day crewing quieter one pump wholetime stations
 - Taking pumps off the run at night from the least busy two-pumps wholetime stations
 - Replacing second pumps with targeted response vehicles in two-pump day crewed stations
 - Reducing false alarms
 - Reducing sickness absence
 - Collaborative procurement
 - Delivering community safety through partners
- 2.7 Public engagement, and the challenge of ensuring our service is reflective of the local population, is also seen as part of this agenda.
- 2.8 The intention of *Rising to the Challenge*, therefore, is to offer challenge to further improve efficiency over the coming years, and Fire Authorities and Chief Fire Officers are expected to consider the issues set out in the document.
- 2.9 Whilst there is no requirement to respond directly to the report, the annual Use of Resources assessment carried out by the Audit Commission is a regular vehicle for testing whether a robust approach is being taken to Value for Money. Consequently, the Commission is likely to look for evidence that the report findings have been considered as part of our overall approach to Value for Money.

3 OVERVIEW OF FINDINGS

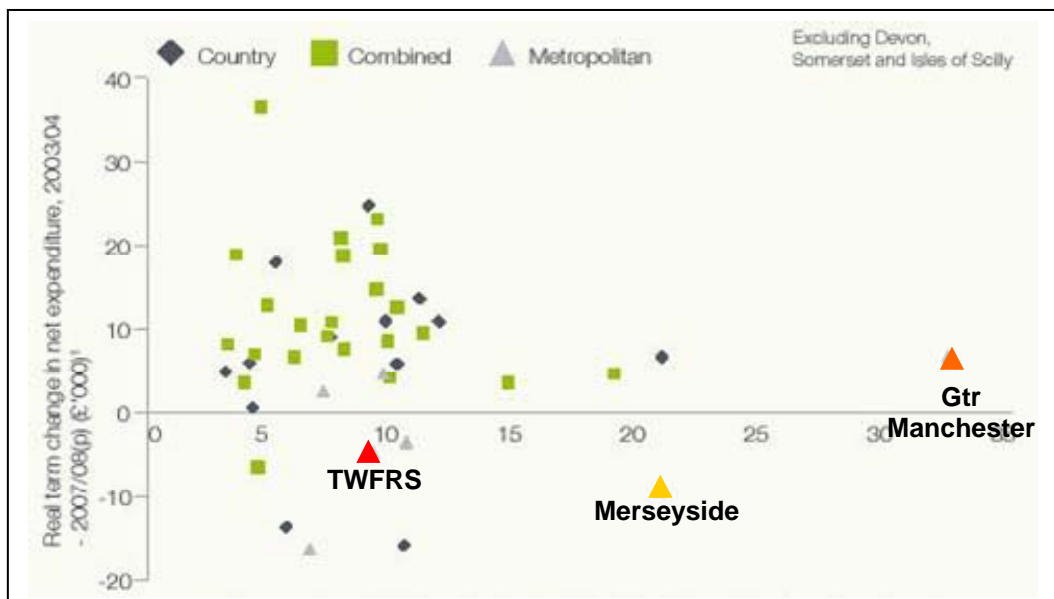
- 3.1 The charts below show some of the key findings contained within the report, including where TWFRS is positioned located in respect of its performance and cost. In addition comments have been provided which place the data in an appropriate context.

Cost per head

3.2 The report commences by pointing to the variation in expenditure per head among FRS. Despite exceeding efficiency targets by a significant margin over the last three years, TWFRA is still a high cost Authority when measured on a cost per head basis. Whilst there are significant reasons why this is the case, the Authority cannot afford to be complacent:

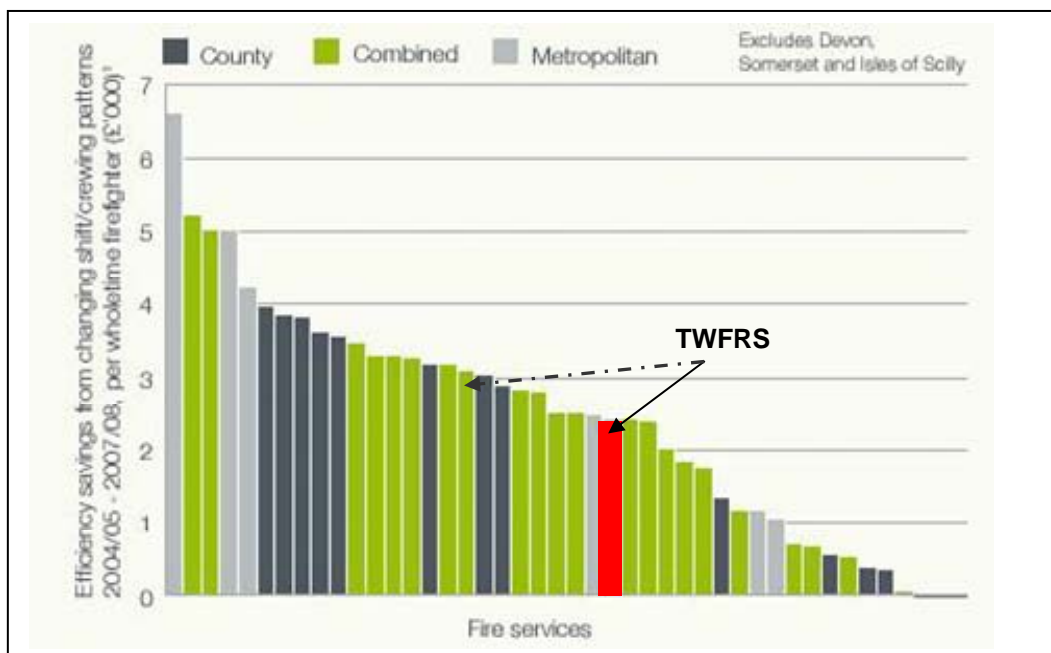


3.3 The report also notes that most Fire Authorities across the country have exceeded their efficiency targets. However, most Authorities have also increased their level of spending in real terms. Although the level of reported efficiencies is not as great as some other Metropolitan Fire Authorities, TWFRA is one of seven Authorities which have actually reduced the level of spending from 2003/4 to 2007/8, when measured in real terms:



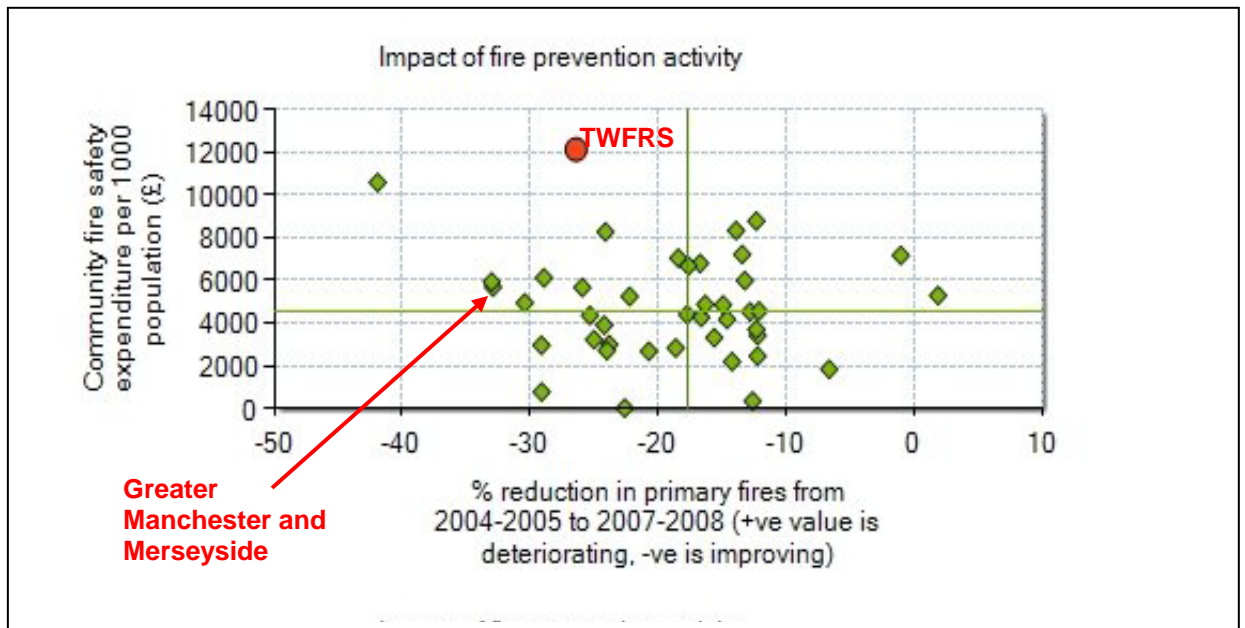
How have efficiencies been achieved?

- 3.4 The report highlights that the majority of reported efficiencies have been achieved through reviewing shift patterns and crewing arrangements. Significant variation is noted in the change in firefighter numbers across the country from 1997 to 2008. In the case of TWFRA, having reviewed staffing levels in relation to risk, a notable reduction in firefighter levels between 1997 and 2008 has been achieved.
- 3.5 Despite these changes, the reported financial efficiencies of TWFRA from changes to shift and crewing arrangements are comparatively low, as shown in the chart below. However, it should be noted that there is some latitude in how reported efficiencies are captured and categorised, and initial exploration of the way the Authority has reported its efficiencies from crewing reviews (which placed special vehicles in another category) indicates that these efficiencies are higher than reported at around £3m.



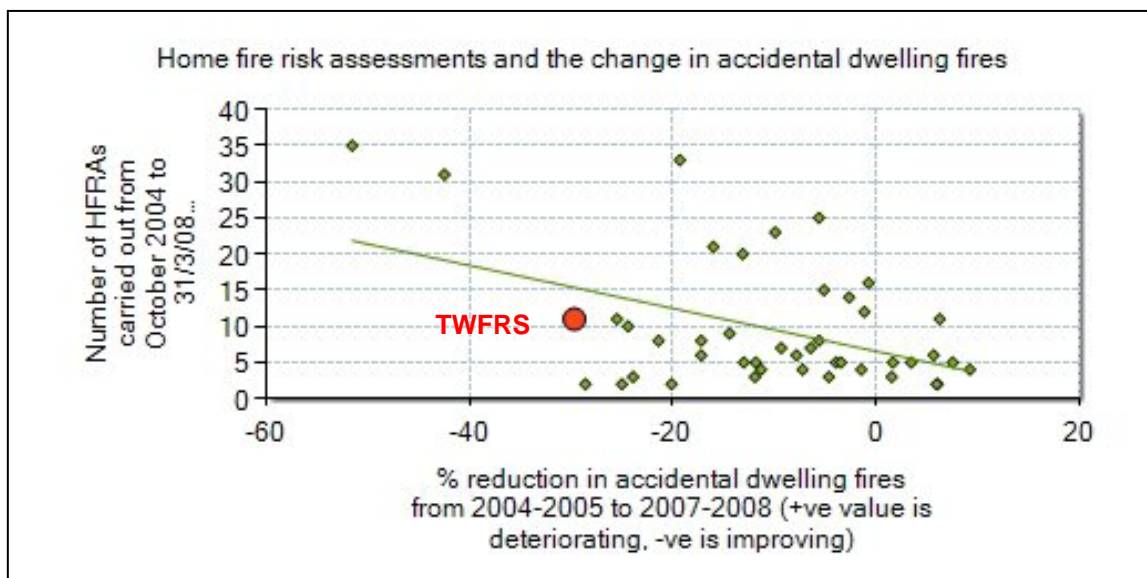
Community Safety

3.6 The community safety agenda has clearly resulted in many changes to resource allocation in recent years. The Audit Commission's 2008 Value for Money profile shows that TWFRAs spends a higher proportion of total resources on Community Fire Safety than any other Authority(2007/08 figures). The impact of this would appear to be shown in the significant reduction in primary fires in the same period (set to improve still further with the 2008/09 figures):



3.7 However, the chart also shows that other FRS have achieved equally good results with what looks like a lower level of investment. This requires further investigation.

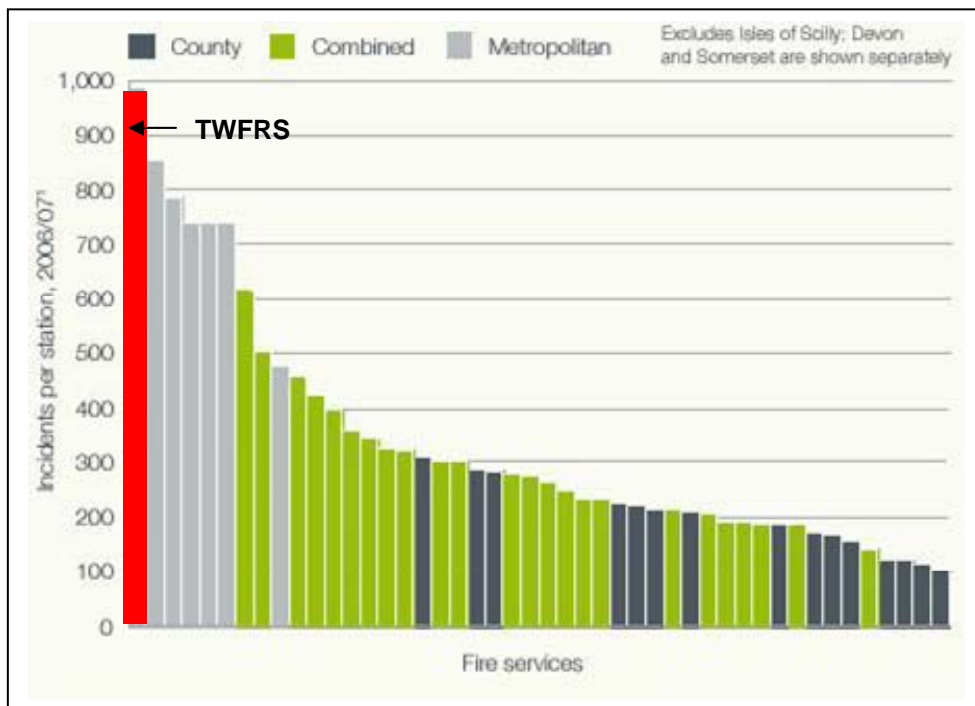
3.8 TWFRS has had a similar level of success in reducing accidental dwelling fires, with a reduction of some 30% between 2004/05 and 2007/08. The Value for Money profile shows this plotted against the number of Home Fire Risk Assessments (HFRA) carried out:



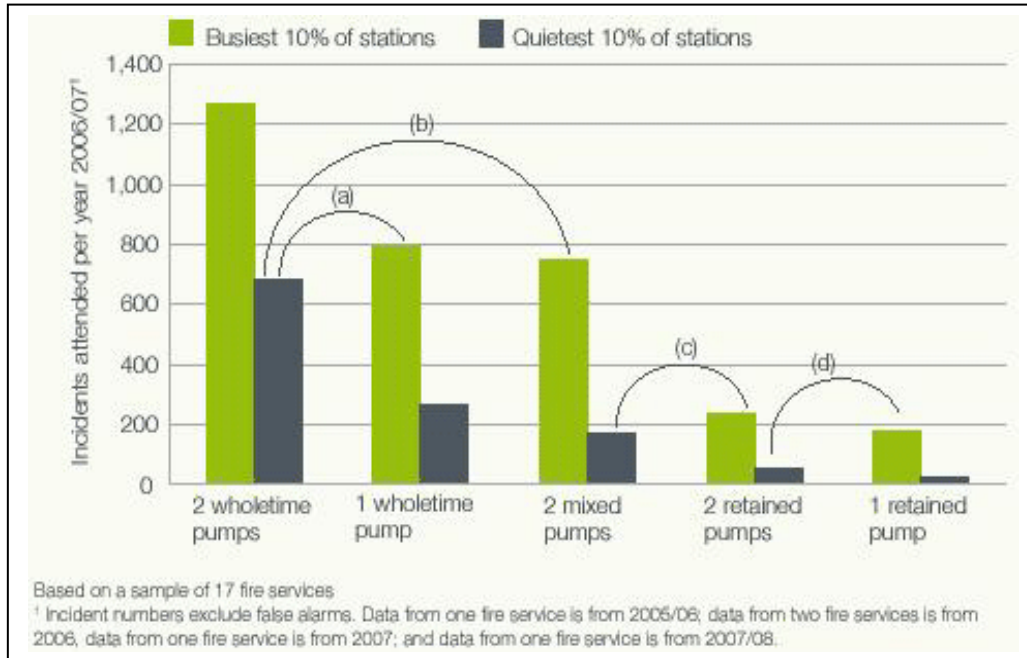
3.9 The number of HFRA's carried out by TWFRA is below average but the results in terms of fires prevented, is above average. Whilst the *Rising to the Challenge* report recognises "the difficulty in attributing performance improvement to fire service inputs", the achievement of very good improvement for a lower than average investment of staff time, could be seen to point to effective targeting and good value for money. Nevertheless, further consideration needs to be given to this to ensure the best possible understanding of inputs to outcome.

Ideas to improve operational efficiency: deployment

3.10 The report makes a number of observations about operational efficiency which inform the conclusions. As well as suggesting that Services should explore the pattern of firefighter availability at different times of day, the report looks at how "busy" stations and appliances are and notes that there is wide variation in this. This Service has the highest level of incidents per station nationally and the second highest number of incidents per appliance:



3.11 The report also provides a high level comparison of operational activity levels for a variety of types of fire station and attempts to show the marked differences in activity between the busiest and quietest ten per cent of station types.



3.12 To add some local context to these figures, the *average* incident level in Tyne and Wear for a two pump station in 2007/08, excluding false alarms, was 1006 incidents and for a one pump station, the average was 696 incidents.

People

3.13 People issues are explored in the report both in terms of equality and diversity and the management of sickness absence as another source of efficiency. In terms of absence, the performance of this Authority is above average, though the service is still actively seeking to improve it:



Partnerships

- 3.14 Finally, a chapter of the report is devoted to working in partnership to deliver community safety objectives. Whilst there is less comparative data about FRS' effectiveness in doing this, it is suggested that effective collaboration can improve operational effectiveness and efficiency. The overall emphasis on efficiency does require FRS to demonstrate through clear evaluation the value and impact of partnership activities, and TWFRS is no exception in needing to do this as a matter of routine.
- 3.15 The potential range of partnerships in an area is acknowledged to be complex and the report recognises the tension between the need to be locally responsive and the requirement/opportunity for national, regional and sub-regional cooperation. The diagram below summarises the types of collaborative activity which should be considered:



4. CONCLUSION

- 4.1 It is clearly the case that public sector bodies are likely to experience a period of little or no growth and in some cases real terms reductions in funding in the future; the situation is exacerbated by the economic downturn which is both increasing demand on services and reducing returns on investment. TWFRAs has embraced the modernisation agenda with demonstrable impact, and is committed to continuing its efforts to meet future constraints and ensure that the service is providing best value for local communities.
- 4.2 The *Rising to the Challenge* report and accompanying data provides additional material and challenge to assist in our future work on efficiency. The report suggests that as risks change, the services need to consider whether they have the right resources in the right place at the right time, and it highlights the types of issues FRS should explore (see 2.6 above).
- 4.3 This paper has provided Members with a broad summary of the key findings of *Rising to the Challenge*, and some initial analysis of how these relate to TWFRAs. The service will need to reflect further on the findings and challenges laid down in the report, and will do this during the coming months through our mainstream strategic planning, IRMP and Value for Money activities.

5. EQUALITY AND DIVERSITY IMPLICATIONS

- 5.1 There are no direct implications. The report underlines the need to improve the representativeness of FRS and TWFRAs has strategies and targets in place to do this.

6. HEALTH AND SAFETY IMPLICATIONS

- 6.1 There are no health and safety implications in respect of this specific report.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications in respect of this specific report.

8. RECOMMENDATIONS

- 8.1 Members are requested to:
- i) Note the content of the above report
 - ii) Approve that the Chief Fire Officer considers the implication of the report in more detail within the Authority's strategic planning framework

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- *Rising to the Challenge: Improving Fire Service Efficiency*. Audit Commission community safety national report, December 2008
- *Rising to the Challenge* online data tool December 2008
- *Audit Commission Value for Money profiles*, December 2008
- *Draft TWFRS Direction of Travel assessment 2007/8*. Audit Commission 2009
- *Draft TWFRS Use of Resources Assessment 2007/8*. Audit Commission 2009
- *TWFRS annual efficiency returns*
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