

MEETING: 14 OCTOBER 2019

SUBJECT: IRMP RESPONSE REVIEW UPDATE

JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK TO THE AUTHORITY) THE STRATEGIC FINANCE MANAGER AND THE PERSONNEL ADVISOR TO THE AUTHORITY

1 INTRODUCTION

- 1.1 This report provides an update for members on the 2017-2020 IRMP review of how we respond relative to risk and requests members consider the decision whether to proceed.

2 BACKGROUND

- 2.1 The IRMP process is the vehicle the Authority uses to make significant changes to its shape, ensuring that functions are planned, designed, and delivered in a way that balances available resources and community risk. This is a national process required under the Fire and Rescue National Framework.
- 2.2 Since 2010, our IRMP actions have been developed against a background of significant reductions in the budget available to the Authority as a result of changes in Government spending.
- 2.3 At the meeting on February (min 61/18 refers), members approved the implementation of proposal 1 of the IRMP Response Review, authorised the CFO to carry out the necessary work to allow the Authority to fully consider the implications of implementing proposals 2 and 3 if future Central Government funding was not forthcoming and requested further reports on these matters.

3 FINANCIAL OUTLOOK

- 3.1 The government said that 'austerity was over' on 4th September 2019 when the Chancellor of the Exchequer Sajid Javid MP set out his Spending Round plans for public sector spending in 2020/21. He announced that all government departments would see at least an inflationary increase to their existing funding. He also confirmed that a more detailed Spending Review will be carried out in the summer of 2020 to allocate public sector resources into the medium term (usually covering the next 3-4 years).
- 3.2 The improved outlook for the economy was sustainable according to the Chancellor and if this is confirmed would mean that the resources available to the Authority could improve compared to the assumptions currently reflected in the MTFS which is predicated on the Fire and Rescue Service continuing to receive cuts to government funding year on year.

- 3.3 Along with this step change to public sector funding (unprotected government departments have always had to incur cuts to help fund increases in government priority services such as the NHS, Defence, Education and Law and Order spending) is the continued uncertainty surrounding BREXIT and the unknown impact this could have on the economy and its sustainability.
- 3.4 A further uncertainty on the Authority's financial resources is the unknown impact of the government's planned changes to how local government resources are to be distributed, under the 'self-sufficiency' agenda which have been put back a further year to 2021/22 because of work on BREXIT.
- 3.5 There is also considerable uncertainty surrounding certain specific grants (particularly the new Fire Pension Grant) that will not be known until the Local Government Settlement for 2020/21 is released in December 2019. A further cause for concern is that the future of this grant, which is worth almost £2.6m to the Authority, will not be known until the outcome of the Spending Review 2020 according to the government.
- 3.6 In summary, the government is indicating that resources for the public sector will increase in 2020/21 and will continue to improve over the medium term, now that they consider austerity is finally over. However, there is still considerable uncertainty over fire service funding and there is insufficient detail to be able to confirm at this stage what the financial prospects of the Authority are over the medium term. What is clear is that the financial position for 2020/21 could improve to that currently set out in the Authority's MTFS, with the condition that all of its specific grants are maintained at their current levels.

4. IRMP RESPONSE REVIEW PROPOSALS

- 4.1 Members are reminded that the final report relating to the IRMP Response Review, considered at the February 2019 meeting, included the following proposals:

Proposal 1 - Dynamically adjust the distribution and availability of appliances based on risk and demand

Proposal 2 – Introduce a range of duty systems based on risk and demand

Proposal 3 – Adjust the staffing model to deliver a more effective and efficient use of resources

- 4.2 Members decided to enact proposal 1 and instructed the Chief Fire Officer to begin the implementation and monitoring of the elements of that proposal. Following debate regarding proposals 2 and 3 members elected to defer a final decision regarding these options until more certainty was available about the longer term financial outlook for the Authority, with clarity on the planned comprehensive spending review 2019 ("CSR 2019") being the main driver of that decision.

- 4.3 Added to the uncertainty and impact caused by being required to consider potential changes the Day Crewing (Close Call) ("DC (CC)") staffing model at Birtley and Rainton Bridge community fire stations, the potential to reconsider the deferral of a decision on proposals 2 and 3 has become more of a reality for the Authority.

5. FINANCIAL IMPLICATIONS

- 5.1 As set out in Sections 3 and 4.3 of this report there remains significant financial uncertainty for the Authority over the medium term even though the government are indicating an end to austerity and an improving public sector funding position. The Authority however will not be able to plan its service with any great certainty until full details of its resources over the medium term are known and fully understood.

6. EQUALITY AND FAIRNESS IMPLICATIONS

- 6.1 There are no equality and fairness implications in respect of this report.

7. HEALTH AND SAFETY IMPLICATIONS

- 7.1 There are no direct health and safety implications in respect of this report.

8. RECOMMENDATIONS

- 8.1 The Authority is recommended to:
- a) Endorse the contents of this report;
 - b) Consider the approach that should be taken in relation to IRMP proposals;
 - c) Authorise the Chief Fire Officer to action the Authority's decision regarding b) above;
 - d) Receive further reports as appropriate.

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