

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

ITEM NO. 7

MEETING: 5 NOVEMBER 2018

**SUBJECT: INTEGRATED RISK MANAGEMENT ACTION PLAN 2017-20 -
UPDATE**

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

1 INTRODUCTION

- 1.1 The purpose of this report is to update Members regarding progress against the Authority's Integrated Risk Management Plan (IRMP) 2017-20.

2 BACKGROUND

- 2.1 The IRMP is the vehicle used to make significant changes to the shape of Tyne and Wear Fire and Rescue Service, ensuring that services are planned, designed and delivered in a way that balances efficiency and community risk. The IRMP process has been used for more than 10 years to change the Service, strengthen prevention, reduce costs, reduce incidents and manage the risk in our communities.
- 2.2 The IRMP is an important part of how the Authority manages the impact of the continued funding reductions, along with continued good financial management and ongoing work to improve efficiency, procurement and effective use of assets and other resources.
- 2.3 Since 2010, balancing risk and resources has become increasingly challenging and IRMP actions have been developed against a background of significant reductions in the resources available to the Authority, as a result of reductions in Government spending.

- 2.4 Taking into account all of the remaining IRMP 2014-17 savings identified in the updated and refreshed MTFS presented to the Authority, including the limited additional resources provided within the Finance Settlement 2018-19, the Authority is still projecting a gap in financial resources of approximately £2.2m by 2019-20. The resources gap set out in the updated MTFS also projected an increase to £3.0m by 2020-21, and to £3.6m by 2021/22. Temporary use of reserves was also agreed to meet the shortfall in funding until IRMP actions are developed, approved and implemented.
- 2.5 In summary, the Finance Settlement 2018-19 presented further challenges to the Authority. The Settlement confirmed that it will still be necessary for the Authority to continue to consider and implement its proposed 2017-20 IRMP actions to help address the projected revenue budget gap identified of £3.6m up to 2021-22.

3 AGREED ACTIONS INCLUDED IN IRMP 2017-20

- 3.1 In addition to continuing to implement the outstanding actions from previous IRMP reviews, it was agreed (minute 51/2017 refers) that the following actions be added to the IRMP for 2017-20:

Action 1 Review how we respond relative to risk.

Examine the operational response delivered by the Service to ensure all opportunities for efficiency are explored, in relation to the risks we face, so that we achieve the best possible outcomes for our community.

Action 2 Explore further opportunities for collaborative working with emergency services and other partners.

Drive the collaborative agenda forward where it improves effectiveness and efficiency, strengthening services, increasing innovation, delivering significant savings and better protecting our communities.

Action 3 Examine our ways of working and consider opportunities for further efficiency and effectiveness.

Foster leadership and innovation to drive efficiency through a review of our policies, systems and ways of working. Using an intelligence-led approach to maximise personal and organisational performance and minimise risk

4 PROGRESS UPDATE

4.1 Action 1 - Review how we respond relative to risk.

4.1.1 This update is subject to a separate detailed report which will be presented at this meeting (Agenda Item 9).

4.2 Action 2 - Explore further opportunities for collaborative working with emergency services and other partners.

4.2.1 This review has been established with the following objectives:

- Identifying opportunities for collaboration with partners to improve wider community priorities;
- Establishing new collaborative partnerships;
- Exploring commissioning opportunities to generate income;
- Generating efficiencies and improving value for money;
- Assessing the effectiveness of the collaborative activities in terms of outcomes and efficiencies.

4.2.2 The Authority has a history of collaborating with other organisations and was generating income of £0.502m in 2011/12 (Min 18/2018 refers), through a range of different workstreams. From 2016/17 the Authority actively progressed a much wider collaborative working culture by engaging not only with other blue light services (police and ambulance) but has also forged links with charitable and other organisations to help co-location, joint working and to generate additional income where appropriate.

4.2.3 The growth in collaborative income in 2018/19 has thus increased by £0.322m per annum (64%) since 2011/12, but significantly most of this increase has been made over the last 3 years where the Authority has taken a more proactive and commercial approach. To put this into context income over the last 3 years has increased by £0.283m (53%) as a result.

4.2.4 The additional income is already accounted for within the 2018/19 Budget and has helped reduce the budget gap, however any additional income that can be generated in 2019/20 and beyond will contribute towards the £3.6m shortfall in funding identified in the current MTFS.

4.2.5 The IRMP review intends to drive forward the collaborative agenda further where it improves effectiveness and efficiency, strengthening services, increasing innovation, delivering significant savings and better protecting our communities.

4.2.6 The review is also supporting the delivery of community safety by broadening the focus of our current work and building on collaborative opportunities within the wider public sector, in particular the Health and Social Care sectors. The review is assisting with work to establish partnerships, explore commissioning opportunities, generate income and provide efficiencies and improved services, where practicable.

4.2.7 In order to determine options for greater flexibility, the following activities are being considered as part of the review:

- Research and evaluation into current collaboration that is ongoing or is emerging within other FRS's;
- Identifying partners and areas that would provide further collaborative opportunities;
- Determining opportunities, challenges and risks of current legislation, guidance & policy;
- Determining existing and future resources and skills required to commission and deliver work;
- Considering the impact on organisational culture.

4.2.8 To support this the following 3 areas will be explored to see what benefits could be gained from collaborative opportunities with County Durham and Darlington Fire and Rescue Service (CDDFRS) and Northumberland Fire and Rescue Service (NFRS).

- Fire Safety
- Human Resources
- Control Room Services

4.2.9 Other Service areas will then be prioritised to undergo similar review and consideration.

4.3 **Action 3 - Examine our ways of working and consider opportunities for further efficiency and effectiveness.**

4.3.1 A review team has been established with the following objectives:

- To identify opportunities for improved financial management;
- To identify opportunities to improve recruitment, selection, retention and succession planning;
- To identify how the better use of technology can create more efficient managerial practices;
- To identify more effective ways of targeting those that are the most vulnerable from fire and health inequality to ensure we are delivering our prevention activities effectively;
- To review current Learning and Organisational Development (L&OD) delivery models;
- To review the Small Fleet in terms of revised structures post Organisation and Management Review (OMR).

4.3.2 The review is working closely with the other review teams to ensure a joined up approach to their work. This includes cross cutting areas that they are considering as potential options.

4.3.3 The review is making progress and the main areas of focus are set out below.

4.3.4 **Technology** – The review is considering the use of devices to capture information with a view to consolidate the number of devices currently utilised whilst minimising double keying of information. It is also considering the systems that sit behind the technology in the aspiration of achieving efficiencies from the development of a more technologically supported workforce.

- 4.3.5 **Estates** – This area of the review is looking at the identification of assets and land that may achieve a capital receipt or ongoing revenue income whilst also looking at opportunities for efficiencies in our current estate through investing to save such things as station design. To date, good progress has been made and Capital Receipts are expected later in this financial year in respect of the ongoing disposals of the unoccupied Technical Services Facility and Fulwell Fire Station. Other sites are being considered which may generate capital receipts in the following financial year, with the land at the rear of Tynemouth Fire Station being the most prominent. A report on Part 2 of today's agenda will update Members on this particular planned disposal.
- 4.3.6 **Organisational Structures** – This work stream provides an opportunity to consider the structures following OMR and the revised ways of working needed to deliver effectiveness in the service going forward.
- 4.3.7 **Finance** – The finance element of this review seeks to create efficiencies both in-year and for future years by considering current and future capital and revenue budgets. As a result of this work, in year savings from the 2017/18 budget review of £195k were achieved, £164k of which was ongoing reductions to the base budget. In addition the procurement team continue to work closely with all departments to maximise the amount of spend attributed to contracts (in order to help reduce costs of goods and services) and as a result, the Authority's spend on contract has increased to over 80%.

5 RISK MANAGEMENT

- 5.1 The impact of the continued Government funding reductions has been recognised as a significant corporate risk and is regularly monitored as part of the Corporate Risk Register. Risk assessments will be undertaken as part of the IRMP process, to ensure that the risks to the Authority relating to these specific reviews are minimised as far as practicable.

6 FINANCIAL IMPLICATIONS

- 6.1 The IRMP process is about balancing community risk with available resources and as such, the outcome of any reviews / actions arising from the 2017-20 IRMP will have financial implications. These details will be reported to Authority when full implications are known.

7 EQUALITY AND DIVERSITY IMPLICATIONS

- 7.1 Equality and diversity implications are considered as part of the Equality Impact Assessment process for each of the proposed IRMP 2017-20 actions. The outcome of these assessments will be fed into the decision-making process relating to these.

8 HEALTH AND SAFETY IMPLICATIONS

- 8.1 Health and safety implications have been considered in the development of approaches during the reviews associated with IRMP 2017-20. The health and safety implications of each specific review are being considered and the outcomes factored into the reporting and decision-making process.

9 RECOMMENDATIONS

- 9.1 The Authority is requested to:
- a) Note the contents of this report;
 - b) Receive further reports regarding the findings of the reviews and associated consultation exercises prior to final approval and implementation of any outcomes.

BACKGROUND PAPERS:

The following background papers refer to the subject matter of the above report:

Integrated Risk Management Plan – Response Review, 6 November 2017

Integrated Risk Management Plan Response Review Consultation Summary, 11 December 2017

Integrated Risk Management Plan 2017-20, September 2016

Integrated Risk Management Plan 2014-17, July 2014

