



AGENDA ITEM: 8

NORTH WALES FIRE AND RESCUE AUTHORITY

17th October 2011

BUDGET OPTIONS 2012-13

Report by Dawn Docx, Deputy Chief Fire Officer

Purpose of Report

- 1 To decide on the means of achieving £1 million of savings during 2012/13 and 2013/14, following the budget options appraisal carried out by the Risk Reduction Working Group and the meeting of the Executive Panel held on the 19th September 2011.

Background

- 2 In December 2010 members took the decision to freeze the annual revenue budget of North Wales Fire and Rescue Authority for three years, until the end of 2013-14. In real cash terms this means that there is a need for 7.5% of savings to meet rising and unavoidable costs. The general rate of inflation, in particular the cost of fuel and the cost of prudential borrowing to meet the obligations of previous capital expenditure decisions continue to rise. As a result the Authority is required to make savings of £2.4 million over a three year period.
- 3 At the extraordinary meeting of the Authority held on the 10th December 2010 Members directed that these savings were to be taken in the form of different packages of changes across the whole Service. After careful consideration, the Authority resolved that these savings were to be taken out of the budget at an even rate of £800,000 per year.
- 4 As a consequence £800,000 has been taken out of the base budget this year, a further £800,000 in 2012-13 and another £800,000 in 2013-14, giving a total reduction of £2.4 million.

- 5 In this year, 2011-12, (Year 1) the Authority is on target to achieve the first £800,000 by a proportionate reduction in discretionary spend, community safety activity, support staff costs and the officer cover restructure, which resulted in a reduction of eight posts.

Information

- 6 In Years 2 and 3 it is expected that up to £300,000 each year will be removed from the budget by reducing community safety activity, non-statutory duties and support staff posts together with anticipated retirements. However the vast majority, over £1million, will have to be found over the next two years from changes to fire cover. Over 75% of the revenue budget is spent on employee costs and of that figure operational staff makes up 79% of all employee costs. Any reduction in fire cover would also mean a reduction in the level of support required.
- 7 Members of the Risk Reduction Working Group met on three occasions on the 7th June, 11th July and 1st August 2011. They selected five options from a wide range of options which had been presented to them in the form of the "Budget Reduction Options" book (which was issued to all members of the Fire and Rescue Authority in 2010). They examined in detail each of these five different options for change, each of which has a number of different challenges and risks associated with them. One of the key concerns being the operational risk to firefighters and the need to mitigate against these.
- 8 The options were:
- (i) Use of one of the systems of rostering crews, which ensures the correct number of firefighters on appliances at shift stations with the need for fewer firefighter posts.

Basis

- This will ensure that there is the correct number of firefighters on an appliance at all times.
- The public will not see a reduction in the level of service in their area.

- Depending upon the version chosen this system requires between 22 and 36 fewer posts. A saving of £850K to £1.05 million.
- Depending upon the version implemented this could be phased over the next two years.
- This option avoids station closures and there is no reduction in the current number of appliances.

Risks and Challenges

- This option will result in a reduction in up to 36 whole time operational posts. It is unlikely that this could be accommodated through natural wastage within the timeframe, which could result in redundancies.
- This will be a cultural change to the way firefighters on shift stations have traditionally been allocated their working patterns.
- With a reduced workforce there is a reduced capacity to cover long term absences and protracted incidents.
- This is likely to attract opposition from representative bodies which could result in industrial action.
- Depending upon the version implemented there could be a need for considerable capital expenditure.

- (ii) Removal of the second (wholetime duty) appliance and associated posts from Wrexham.

Basis

- This could result in a saving in employee costs of £874K.
- Compared with other areas of similar risk levels in the U.K. there is potential overprovision at Wrexham.
- The level of activity in Wrexham has reduced over the years.
- Any reduction in appliances would impact on the design of the new station.

Risks and Challenges

- This option will result in a reduction of 24 whole time operational posts. It is unlikely that this could be accommodated through natural wastage within the timeframe, which could result in redundancies.
- This is likely to attract opposition from representative bodies which could result in industrial action.
- Difficulty and delay in mobilising special appliances currently based at these stations, with a qualified crew.

- (iii) Removal of the second appliance from; Deeside, Rhyl, Colwyn Bay, Llandudno, Bangor, Caernarfon and Holyhead and the third appliance from Wrexham.

Basis

- The reduction in employee costs would be £664,000.
- Removal of the 8 appliances would result in additional savings of £177,000.

Risks and Challenges

- This would create a delay in attendance times for supporting appliances to incidents because the second appliance would have to come from a neighbouring station.
- This could result in the loss of up to 111 posts.
- Redundancy costs in the first year could be £388,000.
- This reduction of number of posts and appliances would reduce the ability of the service to deal with a significant number of simultaneous incidents.
- Increased demand would be transferred to neighbouring stations which may create issues with the primary employers of RDS firefighters at those stations.
- This is likely to attract opposition from representative bodies which could result in industrial action.

- (iv) Changing Rhyl and Deeside stations from shift stations to the existing day crewed model as currently worked at Holyhead, Caernarfon, Bangor, Llandudno and Colwyn Bay.

Reason

- This option avoids station closures and there is no reduction in the current number of appliances.
- It produces an annual saving of £1.03 million.
- This system is currently operated at 5 other stations across North Wales.

Risks and Challenges

- This option will result in a reduction of 32 whole time operational posts. It is unlikely that this could be accommodated through natural wastage within the timeframe, which could result in redundancies.

- Statutory redundancy costs of £384,000 could be needed in the first year.
- The number of staff who currently work at the station and live within the station area is limited. This is a requirement of this duty system but would be difficult to impose retrospectively.
- There will be a delay in response times for initial calls to incidents when compared to the current shift duty system during the RDS cover hours.

(v) Close eight retained duty stations on a risk assessed basis.

Reason

- It can be targeted at low risk areas.
- In addition to employee costs it removes the maintenance cost of those premises and 8 appliances.
- There could be some capital receipts from the sale of sites.

Risks and Challenges

- Public concern around risk will provoke high profile local opposition to removal of local fire stations.
- This would impact on all the unitary authority areas in North Wales.
- Increased demand would be transferred to neighbouring stations which may create issues with the primary employers of RDS firefighters at those stations.
- This could result in the loss of up to 96 posts with associated redundancy costs in the first year of £300,000.
- This reduction of number of posts and appliances would reduce the ability of the service to deal with a significant number of simultaneous incidents.
- May have a disproportionate effect in rural areas and rural economy.

9 At its meeting on the 1st August members of the Risk Reduction Working Group indicated that they preferred to see the savings achieved by a negotiated agreement on changes to the system of rostering crews. This was on the grounds that this option would have the least impact on the service delivered to the public of North Wales. The Chief Fire Officer went on to advise the Risk Reduction Working Group that the Fire Brigades Union at its annual conference on 18th – 20th May 2011 recorded its opposition to systems of this type and resolved that it would “Consider a

strategy of co-ordinated action within the FRSs who are considering the implementation of such Duty Systems”.

- 10 All of the above information was presented to and debated by the Executive Panel which met on the 19th September. Panel Members unanimously agreed to recommend to the Authority that the savings should be achieved by a negotiated agreement on changes to the system of rostering crews.

Recommendations

- 11 Members are requested to:
- (i) note the detailed work undertaken by the Risk Reduction Working Group;
 - (ii) note the preference of that Working Group referred to in paragraph 9 and the recommendations of the Executive Panel (paragraph 10);
 - (iii) further note that there are risks associated with that option;
 - (iv) recognise that decisions need to be taken at this Fire and Rescue Authority meeting in order to give enough time for those changes to be implemented;
 - (v) endorse the unanimous preferred option of the Executive Panel;
 - (vi) note that the requirement to make the necessary savings in the financial year 2012-13 may result in the need to implement some or all of the other budget options considered by the Risk Reduction Working Group should it be impossible to achieve agreement over the preferred option.