



Safest People, Safest Places

Combined Fire Authority

13 June 2022

Combined Fire Authority Strategic Planning Day

Report of the Chief Fire Officer

PURPOSE OF THE REPORT

1. This report summarises the areas explored, debated and agreed at the Combined Fire Authority (CFA) strategic planning day on Monday 23 May 2022.

BACKGROUND

2. The Authority normally holds a planning event twice a year to consider future strategy, service transformation options, challenges and the opportunities facing County Durham and Darlington Fire and Rescue Service (CDDFRS). The first event in 2022 was held on 23 May and considered the following topics:
 - The medium-term financial plan (MTFP) and the financial risks facing the Authority.
 - Options to balance the budget over the medium-term.
 - The Service's degradation plan.
 - The Fire Reform White Paper.
 - A scenario planning exercise to prioritise options to save between £700,000 and £750,000.

MEDIUM TERM FINANCIAL PLAN (MTFP) AND FINANCIAL RISKS

3. The Treasurer provided an update on the current financial position facing the Authority. Members received information relating to the overall budget, how the Authority is funded and the growing importance of revenue from council tax given the cuts to Government Grant over the last 12 years or so. An outline of the current MTFP and the financial scenario modelling was provided. Members discussed the assumptions that underpinned the MTFP and how there was some uncertainty around the robustness of some of these assumptions. Members discussed the financial pressures that have emerged over the last 12 months. These pressures include unfunded pay awards, council tax and business rate deficits, increased energy costs and general inflationary pressures. These additional pressures are expected to have a significant impact on the MTFP going forward. The current budget for 2022/23 required a draw on reserves of £500,000 in order to balance. The Service's priority was to implement in-year savings options to remove this draw on reserves, if possible.

4. The importance of lobbying for some level of precept flexibility over and above the current 2% referendum limit was discussed. The importance of utilising any flexibility, should it be provided, was also discussed.
5. Cllr Kellet were asked why the figure of 9% was quoted in the slides for a possible maximum level of inflation and should CPI or RPI not be used. The Treasurer explained that only a 2% level for general inflation had been used to construct the MTFP and the 9% level was simply an indication of where the latest economic predictions were for inflation. Cllr Kellet asked if this was a realistic figure to use and the Treasurer pointed out that inflation impacted on the Service in different ways. An example of the inflationary increase on fire appliances chassis was given which had been subject to increases much greater than 9% over the last eighteen months. The 9% figure has been used widely as the predicted level of CPI over the next few months, hence why it was used in the presentation to highlight the level of risk with the current assumptions in the MTFP. The predicted level of inflation had increased steadily since members had approved the MTFP in February.
6. Members were reminded of the current low levels of reserves that the Authority had. £1.459M was available as a general reserve which is 5% of the revenue budget and inline with government expectations. A further £6.236M was available in earmarked reserves, however, this would decrease sharply over the period of the MTFP.
7. An update was provided on the lobbying that had taken place by Members of the Authority with the fire minister, local Members of Parliament (MPs) and the Home Office. Although early discussions had been relatively supportive, it was agreed that cross-party lobbying should continue to ensure that the MPs understood the position facing the Authority.

OPTIONS TO BALANCE THE BUDGET OVER THE MEDIUM-TERM

8. Members were provided with a further update on the options that had featured in the MTFP since 2018 and discussed, in detail, at planning days over the last four years. The options have since been divided into three batches depending on the impact score that has been developed as part of a risk assessed approach. A number of the original options impacted on more than one station, and these have now been sub-divided to look at the impact on each station separately.
9. Implementation of the options in batch one had already begun to alleviate some of the draw on reserves in 2022/23.
10. It was explained to members that there were now no easy options to consider given the significant reductions in funding that the Authority had faced over the last 12 years, however it was important that a detailed plan was in place to balance the budget over the medium-term. Each of the options brought about different challenges and most of the options would result in a cut in services to the public and a reduction in performance for the Service.
11. For each option, a potential saving and an indication of when the saving could be achieved was presented. An indication of the number of posts that would be reduced was presented for all of the options that involved staffing changes. There was also an indication provided on other considerations that needed to factor into any decision to implement each option.

12. The options presented were contained within three batches, options in batch one have no impact on the services response standards to the public, whilst options in batch three have the greatest. The options and associated impact analysis are attached as Appendix A.

BATCH ONE

13. Members discussed in detail the option around moving out of the headquarters building to reduce costs (option 1). The option would involve building a smaller corporate headquarters on another Service premise and relocating teams across space on the existing estate. It was explained to members that there was no break clause in the lease arrangement, which runs until 2027 and that there was also a gain share arrangement which made sub leasing challenging. Members were provided with an update on discussions that had taken place with Durham County Council in relation to possible changes at the Service Training Centre, linked to a wider Levelling Up Fund bid. An update was also provided on discussions with the Home Office in relation to lease costs and discussions with the leaseholder of the building, Equitix.
14. Members discussed the potential governance changes that were being proposed in the Fire Reform Programme and the impact on the Service's Estates Strategy. Members agreed that discussions on future options should continue.
15. Members were informed that an offer to corporate staff for consideration of early retirement (ER) and/or voluntary redundancy (VR) has been made. Several staff have expressed an interest in applying for ER/VR and the Service was considering which, if any, could be approved. The CFO advised members that due to capacity issues, cost and the policy of a two-year payback for ER/VR it was unlikely that many expressions of interest would progress to accepted applications.
16. For option 3, members approved the restructure of the Service Leadership Team (SLT) in February 2022, and this was implemented in April. This option was brought forward to help reduce the in-year draw on reserves. A predicted saving of £260,000 would be achieved by this option. Members were reminded of the saving that had been achieved with middle manager posts with the move to a divisional structure in 2020, which saved in the region of £250,000.

BATCH TWO

17. The three options in Batch Two were discussed in detail. Members were reminded that none of the options in Batch Two were currently being progressed, they were for planning purposes only at this stage. It was explained that it was important to have a robust plan in place to balance the budget should the assumptions in the MTFP become reality. It had been agreed at the October planning day that further work would be undertaken on all of the options and further consultation with members and staff was an important part of developing that plan.

18. The initial impact assessment work had prioritised the options in the following order.
- Unit crewing the Special Rescue Unit (SRU) at Bishop Auckland (option 4)
 - Removing a Targeted Response Vehicle (TRV) from Durham (option 5)
 - Introduce riding with a crew of four on all fire appliances (option 6)
19. It was explained that for these options, in an ideal world where funding wasn't an issue, the preferred position was to ride with 5 firefighters on all frontline appliances, primary crew all special appliances and have every appliance crewed by wholetime firefighters, however, this was a utopian position and not reality. Members were reminded that the Service had introduced a 4 and 4 model on multi-pump stations in 2006, that nearly 75% of our appliances will mobilise with a crew of four now and that many other fire and rescues services (FRSs) only crew with four on every appliance. Some FRSs would mobilise on-call appliances with a crew of only three firefighters to some incidents, this was not being proposed for County Durham and Darlington Fire and Rescue Service.

BATCH THREE

20. As the options impacting on multiple stations had been sub-divided there were now ten options in Batch Three. Members were reminded that none of the options in Batch Three were currently being progressed either and they were for planning purposes only at this stage. It was explained that it was important to have a robust plan in place to balance the budget should the assumptions in the MTFP become reality. It had been agreed at the October planning day that further work would be undertaken on all the options and further consultation with members and staff was an important part of developing that plan. The options in Batch Three included:
- Change the crewing model at Peterlee to replace the second appliance with a TRV (option 7a).
 - Change the crewing model at Darlington to replace the second appliance with a TRV (option 7b).
 - Change the crewing model at Peterlee to staff the second appliance only on a day shift (option 8a).
 - Change the crewing model at Darlington to staff the second appliance only on a day shift (option 8b).
 - Change the crewing model at Spennymoor to Day Crewing (option 9a)
 - Change the crewing model at Consett to Day Crewing (option 9b)
 - Change the crewing model at Peterlee to remove the second appliance (option 10a)
 - Change the crewing model at Darlington to remove the second appliance (option 10b)
 - Change the crewing model at Seaham to on-call only (option 11a)
 - Change the crewing model at Newton Aycliffe to on-call only (option 11b)
21. Members discussed each option in some detail considering the cost savings, timescales and impact of each option. Under Option 7a, Cllr Shirley Quinn outlined that she and Cllr Manchester had visited Peterlee Fire Station and staff had stressed to them the importance of maintaining both wholetime appliances. The CFO agreed that none of the options were particularly palatable and some of the other options for Peterlee would have a bigger impact than replacing the second appliance with a Targeted Response Vehicle

(TRV). Cllr Atkinson asked about the impact on the workload and possible stress levels of existing staff should any of the options resulting in a reduced headcount be implemented. The CFO explained that the Service would need to consider reducing the targets set around productivity if a reduced headcount was implemented. An example of removing the TRV from Durham was used which illustrated that whilst the option only reduced the headcount by four crew manager posts this would have an implication on productivity. Currently the TRV crew will have separate workloads each day and that would not be possible if the vehicle wasn't primary staffed.

DEGRADATION PLAN

22. Deputy Chief Fire Officer (DCFO) Helps took members through the Service's Degradation Plan. He explained the reasons why the plan was required and how it was used. The plan is used to allocate the resources available to the Service, based on risk, to help ensure that the Authority's agreed Response Standards are achieved wherever possible. The plan is also used by Control staff and duty officers to consider staffing deficiencies, national identified risks, single operational commitments, multiple operational commitments, spate weather conditions, and industrial action.
23. The plan is based upon a reasonable worst-case planning scenario of two simultaneous five pump incidents or one 10 pump incident occurring. A four-stage approach is adopted for the allocation of resources based on risk. The plan also considers the allocation of wholtime firefighters across the stations and looks at where best to position those firefighters, to give maximum benefit, if we have less than the normal capacity on either a dayshift or nightshift.
24. For the appliance degradation plan the Service operate to three levels of resources:
 - Steady State – from 26 or 24 appliances available to 15 appliances
 - Heightened State – from 14 to 10 appliances
 - Critical State – 9 or less appliances available
25. If the Service enter Critical State, then either the duty Group Manager or the on-call Principal Officer (PO) will assist the decision making in Control to mitigate any impacts. The measures that will be considered include seeing if any additional appliances can be stood-up, border standbys, seek support from neighbouring services, cancel any operational training taking place, redistribute available staff or instigate the recall to duty facility. The duty PO may also establish an Incident Management Room and will also consider the strategic positioning of appliances to ensure the maximum coverage is achieved with the resources available.

THE WHITE PAPER AND IMPLICATIONS FOR THE AUTHORITY

26. Sarah Nattrass, Director of Emergency Response, took members through the content of the recently released White Paper entitled "Reforming Our Fire and Rescue Service: Building professionalism, boosting performance and strengthening governance". The White Paper was released on 18 May 2022 and the consultation process runs until 26 July 2022. There are five high-level areas: Building on Success, The Way Forward, People, Professionalism and Governance.

27. Under the section Building on Success the paper makes the case for change and outlines the success that has already been achieved with the government's reform programme. The establishment of the inspection regime through Her Majesty's Inspectorate of Constabularies and Fire and Rescue Services (HMICFRS) has shown the considerable strengths of the sector but also shown that more needs to be achieved.
28. In terms of the Way Forward section, the vision for the sector is outlined as excellence in core duties such as prevention, protection, response and resilience functions. The Government want to see CFOs with the responsibility to run and manage their services effectively and efficiently, but with strong political, executive oversight. The importance of ensuring FRSs have ethical cultures, that can attract and retain talent, that value diversity and reflect the communities they serve is outlined. The government want to see modernised employment arrangements.
29. Under the People section, the White Paper highlights that people are the sector's biggest asset. The role of the FRSs and those that work in them need to be flexible and continue to evolve to meet the needs of increased risks. The government wants to see CFOs empowered to make decisions based on risk and the resources they have available. Fire Authorities are to be included in the serious violence duty outlined in the Police, Crime, Sentencing and Courts Act 2022. FRS must focus on business continuity plans including the plans for industrial action. The government will commission an independent review of the National Joint Council (NJC) and wants to see consistency in entry standards for firefighters, an increase in the use of multi-tiered entry schemes and standardised talent management schemes.
30. The section on Professionalism covers five areas:
 - Leadership – the White Paper proposes a new Strategic Command Course for FRSs which would be mandatory for people applying for Assistant Chief Fire Officer (ACFO) posts and above.
 - Data – The government want to see better use of data and digital services in FRSs, and this should be supported from the centre.
 - Research - a new central fire and rescue research capability is proposed.
 - Clear expectations – The government are suggesting that the Fire Standards Board should be replaced with a more encompassing College of Fire.
 - Ethics – they are considering placing the Code of Ethics on a statutory footing and introducing a FRS Oath, which would be sworn by all staff.
31. There is more detailed contained within the Governance section. The government believe that any future governance model should have the following characteristics:
 - A single, elected – ideally directly elected to the role – individual who is accountable for the Service.
 - Clear demarcation between the political and strategic oversight by this individual and the operational independence of the CFO.
 - The accountable individual has control of the necessary funding and estates.
 - That decision-making including budgets and spending is transparent and linked to local priorities.

Three options are available across the sector; however, it was explained to members that it appears that the only model that may be an option for this Authority would be the

Police and Crime Commissioner model as we currently do not have an elected mayor and we are not coterminous with the local authorities' boundaries and therefore it does not appear possible to adopt the executive councillor model.

32. The proposal is to have a directly elected single politician that replaces the Combined Fire Authority committee structure and a CFO with operational independence. There would be clear boundaries of responsibility defined for each, possibly through something similar to the Police Protocol. The government are also considering whether the CFO should become corporation sole and therefore the employer of all FRS staff, other than the CFO.
33. Cllr Bell questioned the need for the governance changes given what was described in the White Paper was already achieved in County Durham and Darlington. Cllr Bell could not remember a time when an operational decision from the CFO had been overturned. The CFO explained that whilst the arrangements worked well in this Authority that was not necessarily the case in others and at times fire authorities, in other areas, had overturned operational plans from the CFO. Cllr Bell also asked for further detail relating to the three governance options and why it would not be possible for the Service to be governed by the executive councillor model. The CFO explained that the consultation appeared to suggest that the service and a single local authority boundary would need to be coterminous for this model to apply. The CFO suggested that the Authority might want to respond to the consultation and outline how this option could be made to work for the Service.

PRIORITISATION WORKSHOP

34. Members undertook a workshop exercise to prioritise a series of options which could potentially be needed to save between £700,000 and £750,000. Five options were presented for consideration:
 - Ride with crew of 4 on all appliances but maintain 4&2 model at Bishop Auckland and Durham.
 - Change the staffing of the 2nd appliances at Peterlee or Darlington to a TRV (4&2 model).
 - Change the staffing of the 2nd appliances at Peterlee and Darlington to day crewing
 - Move from the Day Crewing at Seaham or Newton Aycliffe to on-call only.
 - Move from the 2,2,4 staffing model to Day Crewing at Spennymoor or Consett and remove the SRU or the TRV from Durham.
35. Members debated the options in some detail in small groups and then feedback from each group was provided. Members acknowledged that all the options were challenging and if the funding position improved most of the options would not be particularly appealing.
36. All of the groups prioritised the first option as the "least worst":

Ride with crew of 4 on all appliances but maintain 4&2 model at Bishop Auckland and Durham.

There was then a wide discrepancy about the priority order for the rest of the options. Some members believed that the two appliance wholetime stations (Peterlee and

Darlington) should be protected almost at all costs. A suggestion to consider if either Wheatley Hill or Sedgefield could be closed altogether was made. Members acknowledged that it was difficult not to introduce a level of personal bias into the decision-making process depending on the area that each member represented. It was generally felt that these operational decisions should be made by the CFO and the leadership team rather than elected members as the information and data sitting behind each option was complex.

37. Cllr Joe Quinn asked if a hybrid model could be introduced alongside the riding with 4 option whereby an on-call firefighter would be called in to become the fifth rider on an appliance. The CFO explained that this would effectively reduce the wholetime response times down to that of an on-call appliance as it could take up to five minutes for the fifth person to respond. The Service would prefer to increase the pre-determined attendances for some incident types and look to utilise resources such as the TRVs to supplement the number of staff at an incident, as this would not delay the initial response.
38. The CFO then shared the outcomes from the same exercise that had been undertaken with the Leadership Forums that had been held earlier in May. The CFO explained that the outcomes were very similar; staff hoped not to have to introduce any of the options but had engaged well in the discussions. The same option was selected by staff as the "least worst":

Ride with crew of 4 on all appliances but maintain 4&2 model at Bishop Auckland and Durham.

This had been the choice of ten out of the eleven groups that were formed over the two sessions. The option had also been the second choice for the other group. Again, there were discrepancies from the groups about the order of the remaining options.

36. Cllr Joe Quinn asked how many staff had formed each of the eleven groups on the Leadership Forums and the CFO responded that approximately eight to nine staff were on each group. The groups were made up of supervisory and middle managers from across the Service and represented, wholetime, on-call, control and corporate staff. Staff had also been asked to discuss the options with their respective teams prior to attending the sessions so it was felt that the outcomes gave a reasonable reflection of the views across the organisation.
39. The Chief Fire Officer (CFO) asked members to reaffirm the decision taken at the October 2021 Planning Day to continue to allow operational decisions to be delegated to him, in consultation with members. This had previously been the approach from the Authority over many years and was one of the recommendations for the Government to standardise this across the country from HMICFRS. The White Paper outlined an intention to formally give all CFOs operational independence. Members agreed that this approach would continue.
40. The CFO thanked members for the level of engagement and challenge during the entire session. The discussions around the options were challenging and it was hoped that the funding position for the Authority would improve to avoid implementing some of them. Most of the options would have a negative impact on response standards and reduce the amount of productive work undertaken in relation to community safety and business fire safety. It was therefore important that lobbying continued at all levels.

RECOMMENDATIONS

41. Members are asked to:

- (a) **note and discuss** the outcomes of the CFA Strategic Planning Day held on 23 May 2022.

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