

Hampshire Fire and Rescue Authority

Performance Review and Scrutiny Committee

Item: 7

6 May 2014

Service Delivery Risk Review Project

Report by the Chief Officer

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1 Summary

- 1.1 The Service has set a target of £12 million in budgetary savings, to be achieved by March 2017. A key strand of the Financial Plan to close the funding gap is the Risk Review project. It will make recommendations for a future Service Delivery model that will maintain a strong service and safe communities whilst delivering £5 million of the overall savings required.
- 1.3 A project mandate has been agreed by Directors that sets out guiding principles for the Review. The review covers all activities in the Service Delivery directorate, specifically the functions of Response, Prevention, Business Fire Safety, and Community Resilience.
- 1.3 Fundamental to this review is having a clear risk methodology that provides an evidence base for our future service delivery model. This methodology must be easily understood by the public, our staff, Fire Authority members, and partners. It must also be robust and be underpinned by clear standards of response that best match our understanding of risk.
- 1.4 The scale of savings being sought is such that the Review will need to go beyond the search for efficiency savings, and look more fundamentally at the way firefighting services are delivered. It will therefore encompass areas such as staffing, existing building provision and the vehicle programme.
- 1.5 The review began on 2 January 2014. Any recommendations that require Fire Authority approval will be presented to the Fire Authority in the summer of 2015 before formal consultation takes place. The impact of recommendations from the Review are likely to be considerable and in addition to analysing the impact on people, environment and sustainability, there will be a robust engagement and consultation strategy involvement with staff, the public and other stakeholders.

2 Recommendations

That the Committee:

- 2.1 Endorse the outline risk methodology set out in this report.
- 2.2 Agree the creation of a Member sounding board as part of Corporate Management Team (CMT).

3 Introduction and background

3.1 The Authority's current efficiency programme has successfully achieved its targets to date, and in some cases ahead of schedule. These savings are currently profiled to be achieved by March 2015. The strong position the Authority finds itself in provides testament to its ability to plan ahead to ensure it is in a good position to be able to deal with future challenges. However, with further significant grant reductions expected and inflationary pressures, along with the national pressure to avoid council tax increases, the financial outlook for 2016/17 and 2017/18 remains just as challenging. A continued focus of planning ahead will give the Authority the time and capacity to deliver the reductions in our cost base that are required.

3.2 The current forecasts indicate that with a similar level of grant reductions to be applied from 2016/17 onwards, and with the potential fall out of all the currently announced council tax freeze grants, the budget deficit in these years is anticipated to become significant, rising to a predicted £12m in 2017/18.

3.3 A Budget Alignment Group (BAG) was established to understand the future funding situation and identify key areas of focus and activity to bridge the funding gap. We have now developed a Financial Plan to ensure the Service has a clear focus on the calculated funding gap. We have also looked at the balance and weighting across these initiatives to ensure all parts of the Service are equally challenged by the targets we are presented with. The Plan was proposed to the Finance and General Purpose Committee (F&GP) on 11 April 2014 to be recommended to the Authority at its next meeting.

3.3 A key tenet of the savings programme will be a Service Delivery Risk Review. This Review will support the priorities of the Service Plan and Pathway 2020 and identify options and future operating models that will continue to address risk and provide safety to the communities we serve whilst finding savings of £5 million from Service Delivery budgets.

3.4 A mandate has been agreed for this project, including a set of "guiding principles", to shape and focus the work of the project. A project team has been established to coordinate the work streams and to engage with key stakeholders, including Fire Authority Members, representative bodies, partners and staff groups.

4 Guiding Principles

4.1 The implications of the financial challenge should not be underestimated and this is reflected in the scope of the guiding principles. Alongside this Review a redesign of our Professional Services Directorate (support function) is also being undertaken, with a target of £1.4m. This target is proportionate to that of the Risk Review in terms of current expenditure.

4.2 A more fundamental review of how firefighting services are delivered is needed and will encompass areas such as staffing, existing building provision and the vehicle and equipment replacement programme. The recommendations of this Review are likely to propose a number of significant changes. Early and on-going involvement of Authority members is important in shaping the work undertaken and recommendations that come from the Review.

4.3 The guiding principles are set out in more detail in Appendix 1. Although additional areas of investigation may develop as the Review progresses, the headline areas of work are:

- Risk methodology
- Incident response standards
- Community Safety strategy
- Staffing models and duty systems
- Emergency vehicle and equipment strategy
- Premises strategy

5 Risk Methodology

5.1 A fire service, by its very nature, is established to manage and respond to a set of risks that might be realised across its communities. Appendix 2 provides an outline history of how the fire service has developed to its current approach to risk and Integrated Risk Management Planning.

5.2 Currently, it is the Fire and Rescue Services Act 2004 and Fire and Rescue Service National Framework that set out the statutory duty and role of a Fire Service in England. In 2012 the Fire and Rescue National Framework priorities included the need for a fire service to:

“Identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention, protection activities, and respond to incidents appropriately”.

5.3 Hampshire Fire and Rescue Service already set its priorities, aims, plans, and activities on the basis of risk. In 2012 our overarching Service Planning process was outlined to this Committee (see Appendix 3). Our first Strategic Assessment, which used a range of analysis and research, was used to identify the priorities for the Service, as now set out in the current Service Plan.

5.4 Developing the Strategic Assessment process supported us in developing our thinking and our capabilities and techniques in understanding risk. Knowing that we are confronted by the most significant financial challenge for a generation we must ensure that our proposals and plans for Service Delivery, which are likely to lead to a very different looking service, are based upon a solid foundation of knowledge and risk information yet strive to improve the safety of the public.

5.5 Whilst the Strategic Assessment supports the setting of our overall Service Priorities, our Integrated Risk Management Plan requires a more granular consideration of risk to ensure our resources in Service Delivery are appropriately deployed. Our risk methodology must be robust, relate to our response standards and be easily understood by the public, our staff, Fire Authority Members, and partners. Appendix 4 provides an outline model of our risk methodology for Service Delivery and is explained as follows:

5.6 Guidance and Research

In the first instance we carry out a clear assessment of the underpinning legislation and expected industry standard processes we should comply with and

adopt as best practice.

5.7 **Data and Systems**

We ensure we have access to a range of data from both internal and external sources. This includes incident, census, building, and indices of multiple deprivation data. Associated to this are the range of systems and software we use to store and manage this data so that it is available as useful information.

5.8 **Risk Types**

We clearly identify the risk areas that we are interested in understanding, such as dwellings, other buildings, road, and environment. We can then link the necessary data sources, systems and associated information to each risk area so we can best understand that area of risk.

5.9 **Techniques and Analysis**

Using techniques such as spatial analysis, response modelling analysis (how fast can you get resources to different locations) and risk scoring (a way to differentiate the risk between different parts of the county), we convert our information into meaningful knowledge about each area of risk and establish a basis upon which we decide how to use our resources in the most effective way.

5.10 **Knowledge Products**

Finally we are able to produce a set of products that gives us the best informed picture and allows us to test a range of options for the future delivery of the Service. These options will fall under the areas of prevention, protection, resilience, and response. We will seek to understand how different options compare in terms of mitigating the risk and their relative cost benefit.

5.11 **Forming proposals for an Integrated Risk Management Plan (IRMP)**

An integrated risk management plan with a clear set of proposals that most effectively mitigate the risk within the available budget is developed. Key to this plan is its integrated approach to managing risk. Proposals will consider not only how we establish our emergency response resources (fire engines), but also how we prevent incidents happening, how we help businesses and residents protect themselves if an incident occurs and how we support communities to be resilient in adverse conditions.

6 Fire Authority Member involvement

6.1 Fire Authority Members are a key stakeholder group and regular progress reports will be made to this Committee in the first instance and to the Finance and General Purposes Committee and Human Resources Committees as necessary. It is intended that a final report will be presented to the Fire Authority in the summer of 2015.

6.2 It is recognised that the Review will interface with many other projects and work across the Service. A significant investment will be made by the project team and the Senior Management Team to engage all stakeholders at the outset and

during the project.

- 6.3 Given the fundamental changes that may be proposed through the review, an HFRA Members sounding board would help test early developments and thinking and allow members to shape the IRMP during its development. It is proposed that this sounding board be formed as part of Corporate Management Team (CMT), following the programmed CMT meetings as necessary and open to any members who wish to attend.

7 Supporting our corporate aims and objectives

- 7.1 In April 2013 Hampshire Fire and Rescue Service published its Service Plan 2013 – 2018. This plan outlines the priorities for the Service which focus on two key areas:

- Reducing risks to make life safer
- Making us a stronger, better organisation

- 7.2 For the Service to achieve its stated vision and priorities and achieve the necessary further budget reductions, it is necessary to review the current Service Delivery model. This links to our Priority on how we respond to incidents but will have a wider scope that considers our Priorities and activities in Prevention, Business Fire Safety, and Community Resilience.

8 Risk analysis

- 8.1 The Budget Alignment Group has assessed the risk associated with budget reductions and reported its proposed Financial Plan to the Finance and General Purposes Committee on the 11 April 2014 on the full range of measures to be taken to address the funding gap.

- 8.2 The Risk Review is just one of the measures for reducing our future budgetary needs. Not undertaking this work and failure to identify viable recommendations will increase the risk of not delivering our Service Plan and failing to work within our available budget. As such, investment in this piece of work is critical.

- 8.3 There are dependencies upon a range of other projects in the Service. Delays in those projects have the potential to impact on the scope and deliverables of the Risk Review.

9 People Impact Assessment

- 9.1 The proposals in this report are considered compatible with the provisions of the equality and human rights legislation.

- 9.2 Given the scope and potential impact of findings and recommendations that come from the review, on the organisation, staff and the public, a people impact assessment will be developed and maintained throughout the course of the project and in response to options for a future Service Delivery model that are taken forward.

10 Environmental and Sustainability impact assessment

10.1 A link will be maintained with the Services existing Environmental and Sustainability strategies and impacts of potential recommendations from the review will be considered during the life of the project.

11 Resource implications

11.1 Human Resources

Significant aspects of the work will be completed within teams across Service Delivery. In addition to the Area Manager position agreed by Finance and General Purposes Committee a small project team, funded from within existing resources, has been established, and will be in place from the 2 January 2014 to the 31 March 2015.

11.2 Physical Resources

Office space will be provided within Service Headquarters. Furniture and office equipment will be from existing resources.

11.3 Information and Communications Technology Resources

This equipment will be provided from within existing resources.

11.4 Specialist Resources

A range of response modelling work will be required to assess the viability and impacts of options that lead to recommendations. This will require support from external specialists. Any costs will be met from within existing resources.

11.5 Financial Implications

Whilst Finance and General Purposes Committee has agreed to the costs of an additional Area Manager to support the Risk Review, any further project costs will come from within existing budgets and resources. Given the nature of the revenue savings that will be achieved, this investment is critical to the future financial stability of the Service.

12 Consultation

12.1 Staff will be made aware of the project scope and their involvement sought in shaping ideas and proposals that will inform the options from the Review.

12.2 Representative bodies have received an initial briefing on the Risk Review and their involvement will be sought throughout the project lifetime.

12.3 Member consultation would be valued throughout the review in line with sounding board approach as set out in section 6.3 above.

12.4 We are considering how and when we raise engagement, awareness, and understanding with the public and other stakeholders during the life of the project so they can inform the development of options. At the appropriate time we will carry out formal public consultation on options for the future service model of the project.

13 Background papers

- 13.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

Risk Review Project Mandate signed off 2 December 2013

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

Appendix 1 - Guiding Principles for Risk Review

Appendix 2 - An outline history of how the Fire Service has developed a risk led approach to delivering its service

Appendix 3 - Diagrammatic illustration – how the Strategic Assessment fits into our planning process

Appendix 4 - Developing Risk Methodology to create an integrated approach to addressing risk

Appendix 5 - Glossary of Terms

Guiding Principles for Risk Review

The following guiding principles were established by Directors of HFRS in the project mandate for the Service Risk Review Project.

Incident Response Standards

- Review the Service's existing response categories and times¹.
- Review the current planning assumption model of two simultaneous ten pump incidents at the same time within the county².
- Evaluate the impact of the Automatic Vehicle Location System (AVLS) following its introduction in 2014 as part of the Network Fire Control Project³.
- Review the current 'second pump' strategy to align with possible revised response standards.
- Consider the establishment of Retained Duty System (RDS) 'second line' availability⁴.

Community Safety Strategy

- Understand the mitigating impact of activities within Prevention and Business Fire Safety on the factors that cause risk and the associated economic cost of fire.
- Develop a methodology to identify risk and the associated demand in order to build the future risk model for Prevention, Protection and Response.

Staffing Models and Duty Systems

- Alternative staffing and duty systems beyond the current Retained Duty System and Wholetime Duty System models will be considered. This will be informed by the on-going work of the RDS Sustainability Project.
- The review will encompass the existing Flexible Duty System (FDS) and consider alternative systems.
- Additional contractual roles beyond the current Wholetime Duty System (WDS) and RDS systems will be considered; this may include 'community resilience' and other specialist roles on different contracts from those currently used by the Service, i.e., a 'Support Role'.
- Review the current agreement with South Central Ambulance Service (SCAS) for the co-responder scheme.

Emergency Vehicle Strategy

- Informed by the risk mapping process, consideration will be given to the future vehicle/equipment strategy to include the number of fire engines, the associated crewing levels, and supporting technologies.
- Based on the identification and demand of risk, the review will consider the number of pumping appliances and consider the alternative provision of vehicles such as small fires vehicles or similar.

Premises Strategy

- Options for existing fire station sites will be considered including both as locations for operational emergency response and for alternative roles to be determined by the risk review project.
- The project will be informed by the Service's current premises strategy.
- The project will inform the Service's future premises strategy.

Footnotes:

1. Response categories and times. Currently we have a response standard of 8 minutes for critical incidents, 15 minutes for non-critical incidents and 60 minutes for a small number of incident types that do not fall in to either of the first two categories.
2. Planning assumption model of two simultaneous ten pump incidents at the same time within the county. This last occurred in April 2013 when we had two simultaneous thatch fires of 10 and 12 pumps respectively. We will also need to consider whether the issue of resilience in terms of how long resources are committed for, and the impact of changes such as adverse weather, where the size of incidents may be small but the call rate is unusually high.
3. AVLS will change the way that we mobilise resources and this may in turn impact on the number and type of calls attended by different appliances and stations. The principle will be to always send the nearest appropriate and available resource rather than the current approach which is to send the appliance from the station in whose "station ground" the call falls in. Where they are not available it would be the next nearest station. The current approach does not mean you always get the nearest appliance.
4. Currently we need a crew of four firefighters available to respond in four minutes for a retained crewed fire appliance to be available. In some areas we know that this is not achievable at certain times of the day. It may be that these firefighters could be available on a "second line" availability basis, for example available to respond within an hour, so enabling us to use them at protracted incidents and for relief crews

An outline history of how the Fire Service has developed a risk led approach to delivering its service

The Fire Service developed in response to a need for a means of tackling and extinguishing fires. In the 1800's the insurance companies developed their own fire companies. They used a badge or mark on the buildings they insured, so that, in the event of fire and the fire service being called, their company would know whether it was a building insured by them and that they should try and save it. Other companies would stand by and let buildings they did not insure burn. Over time these companies merged and, in some of the larger metropolitan cities, single fire services were formed, such as The London Fire Engine Establishment.

It was not until 1936 that the first national risk based standards of fire cover were set down by the Rivendale Committee. These standards were adapted by a 1958 Government Joint Committee who, in broad terms, agreed a speed and weight of attack approach to the first attendance of any fire. This was based on a relatively simple calculation that considered 'street mileage, weighted by the assessed fire risk and size of population'

This method remained in place until 2004 when the fire service moved to an Integrated Risk Management approach to setting standards. This released fire services from the constraints of national standards and required that they consider risk from a local perspective when deciding how to deploy their resources. Nonetheless for most services there has been little change in their fundamental level and position of response resources. It is only the recent austerity measures that have forced serious review.

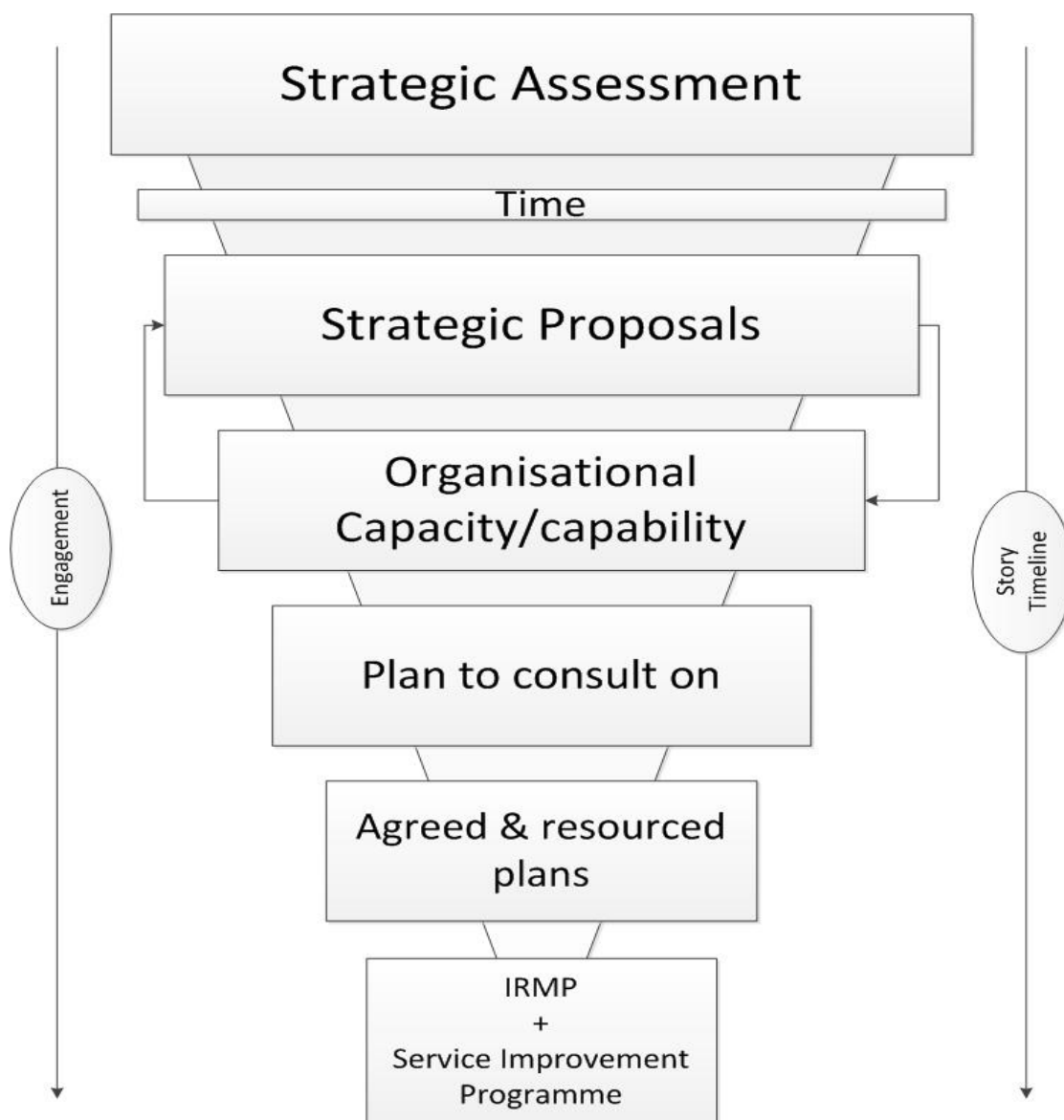
Alongside these firefighting developments is a long and extensive history of legislation and acts for protecting buildings from fire. This started with a Proclamation by King Charles II, following the Great Fire of London, that all the buildings were to be built of stone and roads were to be widened. During the twentieth century a number of acts were brought in by Parliament, in response to serious fires that had led to multiple fatalities. The introduction of these acts has made buildings inherently safer. This is most noticeable in commercial buildings where fire deaths form a very small number of the overall fire fatalities in the UK. In 2005 the Government introduced the Regulatory Reform Order for Fire Safety legislation. This moved the emphasis to a risk assessment approach and critically put the requirement to complete a fire risk assessment on the occupier or owner of a building or business. Nonetheless, fire services still invest significant resources in monitoring and managing the risk in commercial buildings.

In comparison to Response and Protection, it is only since the 1980s that the fire service has invested and targeted work towards Prevention. The first ever smoke alarm ownership campaigns started in 1988 when only 9% of homes had smoke alarms. Levels of ownership are now at 86%. There has been an increasing use of data and information to identify and target people at risk. With the move to Integrated Risk Management Planning (IRMP) in 2003 this gave a much clearer direction to Fire Services that they should invest

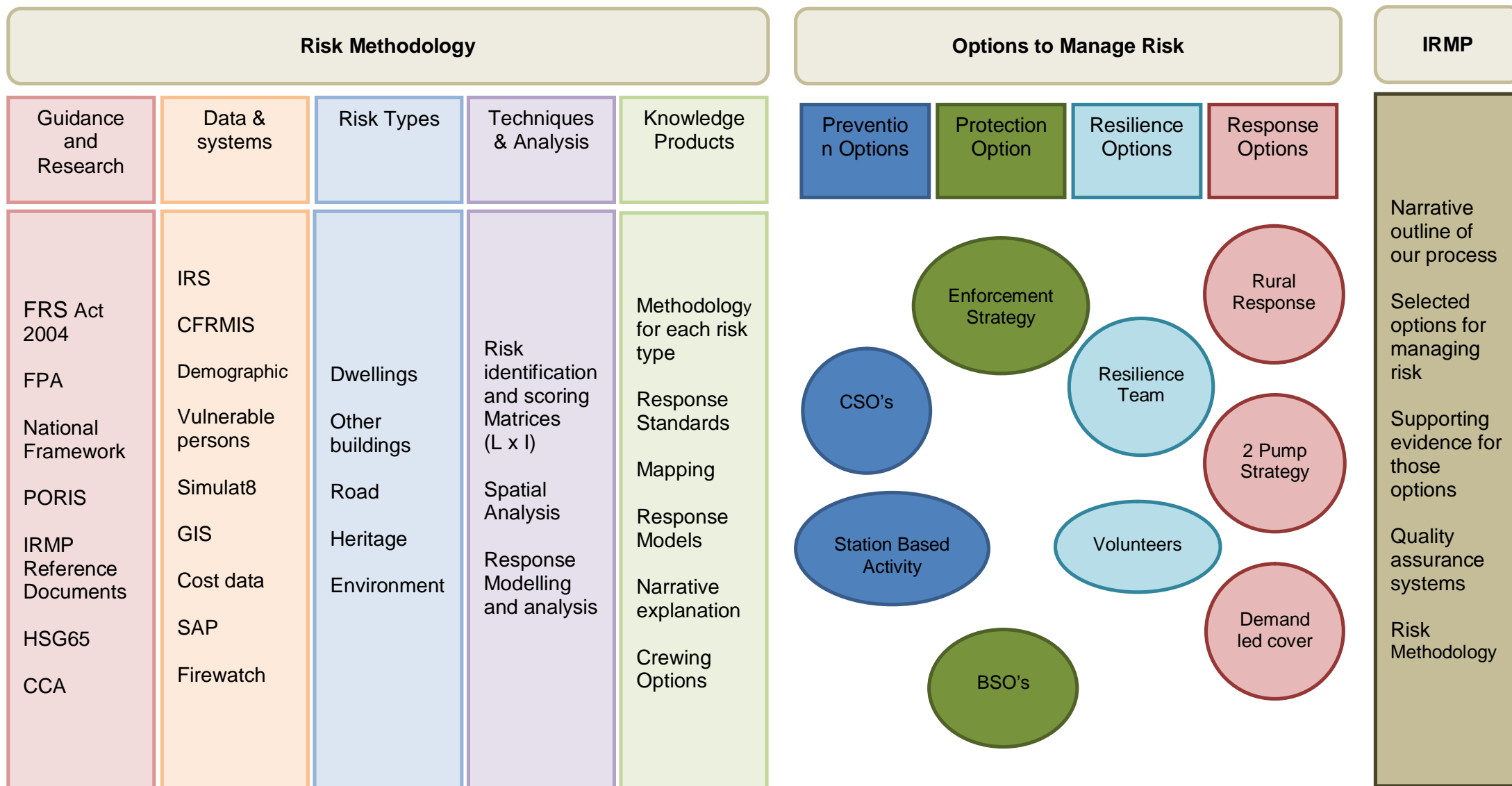
in prevention activity. Most recently this was reiterated in the 2012 Fire and Rescue National Framework. The priorities of the Framework for fire and rescue authorities include the need to:

- Identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention, protection activities, and respond to incidents appropriately.

Diagrammatic illustration – how the Strategic Assessment fits into our planning process



Developing Risk Methodology to create an integrated approach to addressing risk



Glossary of Terms

AVLS

Automatic Vehicle locating System. Provides GPS technology that enables the Service to track the location of our vehicles at any time.

CCA

Civil Contingencies Act 2004.

CFRMIS

Community Fire Risk Management Information System. This system provides a data source for all of commercial premises we know about across the County. It ensures a consistency of information is maintained about fire safety records and supports us in managing the day to day workload of our fire safety officers. The system automates many of the business processes associated with premises risk information and combines Prevention, Protection and operational data gathering which assists in the risk identification process.

Firewatch

Our resource management software is used by Fire and Rescue Services to manage and integrate resources across teams and departments.

FPA

Fire Protection Association

FRS Act 2004

Fire and Rescue Services Act 2004

GIS

Geographic Information System. A system used by analysts to provide visual analytical information and data. It allows us to identify relationships, patterns, and trends with associated risk and the outputs are normally in different types of maps that are supported by narrative explanation..

Guiding Principles

Headline work areas from which an initial set of work packages have been distributed.

HSG65

Health and Safety Guide 65. Guidance (issue no.65) provided by the Health and Safety Executive

IRMP

Integrated Risk Management Plan. An assessment of all risks to life, injury and property within the community resulting in a long-term plan to make the Fire Service more responsive to locally identified needs.

IRS

Incident Recording System. This has provided HFRS with a fully electronic data capture system for all incidents attended since 2009. The provides us with incident information that can be used to inform our understanding of risk and demand, compare ourselves with other fire and recue services and support our future planning decisions and our IRMP.

Pathway 2020

The Vision for HFRS to collectively make Hampshire safer whilst we develop as a stronger organisation. Identifies the challenges leading up to 2020.

PORIS

Provision of Operational Risk Information System. PORIS is a nationally recognised model that provides a strategic framework compatible with other HFRS software such as IRS.

It provides a common methodology and approach to managing the identification; gathering; analysis; provision; audit; and review of operational risk data in the following six areas:

Firefighter Safety; Individual and Societal Life; Environment; Community; Heritage; Economic and Other.

This approach is used to complete an SSRI document or can be processed independently in CFRMIS.

Response Standards

The time from which a station receives the call to mobilise an appliance to the time that the appliance books in attendance at the incident. Currently we have a response standard of 8 minutes for critical incidents, 15 minutes for non-critical incidents and 60 minutes for a small number of incident types that do not fall in to either of the first two categories.

SAP

System Application Products. SAP is a business software application that provides the management of business operations and customer relations.

Spatial Analysis

Spatial analysis or spatial statistics includes any of the formal techniques which study entities using their topological, geometric, or geographic properties.

Second Line availability

This term is used for front line resources that are not immediately available for an emergency call but can be recalled or called back to operational availability in a given timeframe – currently 60 minutes. This only applies to whole time fire engines at this time but we may be able to develop a second line availability approach for retained fire engines.

Simul8

A software product owned by Process Evolution. Using historic incident data, this product model types of fire cover scenarios (where your fire stations and vehicles are located) to see the effective on response standards.

SSRI

Site Specific Risk Information. This is a process the service use to gather information about particular buildings and premises and the associated risk. This information can be accessed by operational crews attending incidents to establish the risks and hazards associated with a building. This will inform their plans and actions to resolve the incident whilst considering firefighter and public safety.

Strategic Assessment

Our Strategic Assessment was completed in 2012. It is a holistic view of internal and external factors that we need to consider to inform our strategic direction and priorities. It informs our Service plan/ IRMP.