

Hampshire Fire and Rescue Authority

Performance Review and Scrutiny Committee

Item 7

14 October 2014

Update on Progress of Risk Review Project

Report by the Chief Officer

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1 Summary

- 1.1 As a consequence of budget constraints the Service have forecast a potential budget deficit of £12m in 2017/18 and a further £4m by 2019/20. A number of budget reduction measures have been established, including savings from existing budgets and our Service Improvement Plan, development of income generation opportunities and a review of our Professional Services Directorate. Having explored all other options the last area for consideration is our Service Delivery function.
- 1.2 A Risk Review project has been established to identify opportunities for improvements in how we deliver the Service and support budget savings in Service Delivery of up to £5m by 2017/18 and a potential additional £3m by 2019/20. At the Performance Review and Scrutiny Committee of the 6th May 2014 we outlined our risk methodology. We have further developed this methodology and the emerging view of risk is enabling our Service Delivery functions to consider how our Services can best be delivered in the future by matching our resources to that risk.
- 1.3 The project is working to a detailed timeline that will lead to a report to the Fire Authority in September 2015 followed by public consultation and then a final report for approval in January 2016.
- 1.4 Effective project management arrangements are in place including a monthly project board and periodic health checks on the project. A quality assurance board has been established to provide assurance in the areas of project governance, risk methodology, financial analysis and compliance with statutory requirements.
- 1.5 Using the evidence developed in the first phase of the project we have developed a range of scenarios for a future operating model. By January 2015 some of these scenarios will have developed into detailed options and business cases that could be successfully taken forward by the Service. We anticipate some options can be taken early and will require only departmental or service level approval, whilst others will require full Fire Authority approval. A final report with significant options and recommendations is planned to go to the Fire Authority for September 2015.
- 1.6 HFRS is preparing to run an engagement focused exercise during the next phase of the Risk Review. This will take place during October and November 2014. We

believe that building greater awareness and understanding of the issues will encourage further valuable feedback on key topics from a range of internal and external stakeholders. This will be important in helping the development of options and future consultation.

2 Recommendations

That the Committee:

- 2.1 Endorse and agree the governance arrangements, timeline and approach for the project reporting to the Fire Authority in September 2015.
- 2.2 Endorse and support the proactive approach to engage stakeholders at an early stage to shape the options that will be taken forward by the Service from the Risk Review.

3 Introduction and background

- 3.1 Work by the Services Budget Alignment Group during 2013 predicted a budget deficit of £12m in 2017/18 and a further £4m by 2019/20. a number of measures have been put in place by the Service to address this predicted deficit. These include identification of savings from existing budgets, savings delivered as part of Service Improvement Plan, development of income generation opportunities and a review of our Professional Services Directorate. Having explored all other options the last area for consideration is our Service Delivery function.
- 3.2 The Risk Review is seeking to produce a range of options that will identify opportunities for innovation and improvements in how our services are delivered whilst providing potential budget savings of up to £5m by 2017/18 and a further £3m by 2019/20.
- 3.3 On the 6th May 2014 we reported to Performance Review and Scrutiny Committee on our developing risk methodology. Since then we have further developed this methodology and the first range of evidence from our response modelling, risk analysis and risk mapping. This emerging view of risk is enabling our Service Delivery functions to consider how our Services can best be delivered in the future by matching our resources to that risk. The following paper sets out the work we intend to carry out next and the phases of the project through to a final report to Fire Authority and any formal public consultation.

4 Project Governance Arrangements

- 4.1 The project is being run in line with the Service project management methodology and has detailed project plans, Gantt charts and more accessible high level plans to manage product delivery and timelines. The project maintains and utilises a range of other project tools including a Risk and Issues Log and learning Log.
- 4.2 In addition to weekly project team meetings a formal monthly project board is held. A detailed highlight report is provided to the project board with an update on progress and any exception issue regarding risks, issues and decisions required. This board is led by the Senior Responsible Owner (SRO) of the project, DCO Dave Curry, the Project Manager and includes representatives from Service Delivery, finance and marketing and communications. The project is listed in the

Service Project Portfolio which is maintained and monitored by the Safer Stronger Board (SSB). A regular update report is provided to SSB with a particular emphasis on the interdependencies between the Risk Review and other key projects in the service. Only issues that can not be resolved at a Project Board level will go to SSB for consideration and decision.

- 4.3 To support member involvement in the progress of the project a Sounding Board has been set up for the Corporate management Board. This meets monthly following the regular CMT meeting and is comprised of Fire Authority Members from across the political parties.
- 4.4 To provide assurance for the Service on the projects progress a Quality Assurance group has been established. Made up of representatives from Finance, Health and Safety and Knowledge Management, they have a Terms of Reference to consider, challenge and identify improvements in; project governance arrangements; project outputs and benefits; financial assumptions on costs and savings and; compliance with statutory duties.
- 4.5 To further support this assurance the project has been given a green rating through two health checks by the Service Project Management Office and has recently undertaken a health check by external peers. Learning points identified through these health checks are addressed by the project team with clear action plans.
- 4.6 Identified teams and officers in both Service Delivery and Professional Services Directorate are leading on key work streams of the project. To help integrate thinking and developing ideas and scenarios we ensure that regular interaction takes place between lead officers. As well as informal and regular discussions we carry out planned workshops to support group discussions, share thinking and agreed approaches that further enhance the work of key leads and their teams.

5 Timeline and Approach to developing a final report for the Fire Authority

- 5.1 Appendix 1 provides a quick reference to the phases of the project which lead to a report and recommendations going to the Fire Authority in September 2015. This would be via the expected governance routes of SMT, PRSC and any other relevant committees as necessary.
- 5.2 Following any necessary consultation and, subject to the findings from this consultation, a final report and recommendations would be presented to the Fire Authority in January 2016. There are planned key decision points for the Service Delivery management team to ensure effective progress of work and formal decision making points for both the Service and the Authority.
- 5.3 To ensure this timeline is met the Risk Review Project team are facilitating a number of work streams being delivered by teams in both Service Delivery and Professional Services Directorate. Using the evidence developed in the first phase of the project a range of scenarios for a future operating model for both Community Safety and Community Response functions have been developed. From these scenarios we have identified a set of themes upon which to engage internal and external stakeholders to gather their views on our thinking so far, (see section 6 below).

- 5.4 Further evidence and analysis, including feedback from our engagement activity, will be considered in Phase 3 of the project. It is during this phase that we will develop detailed proposal and recommendations that we believe can be successfully progressed as a Service. Work on completed proposals is due by the end February 2015. This will feed in to final report and recommendations that can be progressed. We anticipate that some proposals can be taken early and will require nothing more than a departmental or service level approval. We also expect that some proposals will require full Fire Authority approval.
- 5.5 As a consequence of agreed recommendations delivery plans within Service Delivery and Professional Services will be revised to reflect any options and recommendations agreed by the Service Management Team or Fire Authority as appropriate.

6 Engagement and Communications

- 6.1 HFRS is preparing to run an engagement focused exercise during the next phase of the Risk Review. This will take place from October to December 2014. We believe that building greater awareness and understanding of the issues will encourage further valuable feedback on key topics from a diverse range of internal and external stakeholders. This will be important in helping the development of recommendations and future consultation.
- 6.2 The listening and engagement process will enable those individuals and organisations that want to contribute to the process at this early stage, the opportunity to do so. Our approach will enable people to contribute through a variety of channels which may include street surveys, focus groups, internal sounding boards, on-line and hard copy questionnaires, social media, print media, etc.
- 6.3 We plan to run two streams of work covering external engagement and internal engagement. Externally our focus will be on creating awareness and understanding – the why?, explaining how we're undertaking the review and testing high level assumptions (for example response standards, views on balance of resource between PPR etc.) This approach will give us a better feel on what our public believes are the priorities.
- 6.4 Our internal audiences already have an awareness of "the why?" and "the how?" Therefore activities with them will involve exploration in greater detail of the themes we have identified in early work (such as how CS wants to establish its structure and priorities, or how we use implement new vehicles and our response capability). We will work with SD to agree the questions and areas of engagement.
- 6.5 We propose using an external market research organisation to manage certain aspects including drafting and analysis of any surveys/questionnaires. This will help us ensure we use all significant learning to continually inform and improve our work to develop effective and realistic options.

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, was established from 2 January 2014 and will remain in place until the 31 March 2015. The scope of work required means a number of teams across both Service Delivery and Professional Directorates are undertaking work in support of the Risk Review project workstreams.

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 have received specific briefings and their involvement in shaping ideas and proposals continues to be encouraged. A significant period of staff and wider stakeholder engagement is taking place from October to December.

12.2 Representative bodies receive regular updates and have been invited to attend the project board. Their continued involvement will be sought throughout the project lifetime.

12.3 A member sounding board has been established from CMT and is meeting monthly to consider specific questions regarding the Risk Review and help shape early thinking and a public view.

12.4 A programme of early engagement is planned as set out in section 6 above. At the appropriate time we will carry out any necessary 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:

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

Appendix 1 - Outline Project Phases