



Committee report

Committee	CABINET
Date	20 APRIL 2009
Title	MODEL FOR CHANGE PROJECT
Report of	THE CABINET MEMBER FOR RESIDENTS, RESOURCES AND THE FIRE SERVICE

PURPOSE

1. The purpose of this report is to obtain approval from the Council's Cabinet to the proposed model for restructuring and modernising the Isle of Wight Fire and Rescue Service (IWFRS). The option chosen by cabinet will be subject to further consultation.

BACKGROUND

2. The Fire Services Act 2004 was introduced following a series of national strikes in 2003. This resulted in a national framework being developed and implemented and was followed by a Comprehensive Performance Assessment (CPA) undertaken by the Audit Commission, the results of which were published in 2005. The 2005 CPA judged the Isle of Wight Fire and Rescue Service to be one of only two services nationally that were "poor".
3. In March 2006, following consultation with the then Department for Communities and Local Government (DCLG), the Isle of Wight Council undertook extensive consultation and produced a report presenting options for the future of the IWFRS. At the Full Council meeting on 21 March 2007, the Isle of Wight Council decided to retain the Isle of Wight Fire and Rescue Service as part of the Isle of Wight Council and tasked officers with building capacity within the service in order to deliver modernisation and to drive efficiencies across the service. In addition, the Chief Executive was tasked with pursuing opportunities for joint working arrangements between "Blue Light" services and other Public Sector partners on the Island.
4. The IWFRS has made significant improvements in all areas since 2005 and is currently judged by the Audit Commission to be a service that is "Improving and Performing Well". In addition some of the practices adopted by the IWFRS have been held up nationally as exemplars.
5. The national framework and modernisation agenda encompass a far wider role than is traditionally associated with fire and rescue services. The advent

of the Civil Contingencies Act 2004 resulted in prevention and protection becoming a core responsibility of all fire and rescue services.

6. The Fire and Rescue Service National Framework requires Fire and Rescue Authorities to produce a publicly available Integrated Risk Management Plan (IRMP). The IRMP should be regularly reviewed and use intelligence and data analysis to ensure that response, prevention and protection duties are balanced, efficient and cost effective. The principle of the IRMP is to identify local risks and needs and to establish an appropriate local response standard. It is important that any option for change that is selected does not adversely affect performance against this standard.
7. The new five year IRMP (2009 to 2014) has recently been consulted on and will be the subject of a full council decision on 15 April 2009. The model for change project forms a fundamental part of the IRMP.
8. The IWFRS relies heavily on a Retained Duty System (RDS) which effectively means that the service is staffed mainly by part time firefighters. Over the past twelve months, the ongoing management and review of existing fire cover has exposed serious shortcomings in the availability of retained firefighters. It appears that this is largely attributable to the fact that most retained firefighters have full time jobs which take precedence and often require them to work away from the areas of the Island in which the IWFRS require their availability. This can result in non-availability of certain pumping appliances at critical times. The availability of Fire cover is measured and the subject of a Performance Indicator.
9. Whilst controls have been implemented, the current structure of the IWFRS is not sustainable and, if not addressed, will create an unacceptable level of risk in terms of prevention, protection and fire cover. The impact of this, alongside the new Corporate Manslaughter and Homicide Act and existing health and safety legislation, creates a level of risk that has to be addressed.
10. The Model for Change project provides an opportunity to redress the balance of resources based on a sound, risk managed approach. As stated previously, the vast majority of operational staff are working to a Retained Duty System (RDS) which requires them to respond to emergencies when called upon. Unfortunately, a number of factors including pressure from primary employers, availability of RDS staff and the fact that society has changed, mean that people generally do not work and live in the same areas, thereby affecting availability and therefore response standards. Furthermore, the RDS was developed purely as a response system. The IWFRS wishes to commit resources to build on the excellent work currently undertaken in community safety and prevention which has resulted in an ongoing reduction in the number of fires on the Island. The recommended option will enable a structure to be put in place that addresses these issues, thereby providing a more effective and efficient service.
11. Progress on the model for change project has, to date, been overseen by a project board. The project board members are the Cabinet Member for Residents, Resources and the Fire Service, the Director of Environment and

Neighbourhoods, the Chief Fire Officer, Deputy Chief Fire Officer, IWFRS Group manager and the Chairman of the Isle of Wight Fire Brigades Union.

STRATEGIC CONTEXT

12. The option recommended in this report will meet the Council's strategic priorities as well as those of the Island Strategic Partnership in the following ways:
- A thriving island – A modernised Fire and Rescue Service with additional wholetime staff will enable the IWFRS to carry out more preventative and protection work. This will reduce the number of fires, particularly in our higher risk areas, which will ensure that the effect of a major fire will not damage the economy.
 - A safe and well kept Island – With additional wholetime staff, the overall competency of the workforce will improve and additional specialist appliances can be crewed. This will improve our attendance time to emergency incidents and make the Island safer.
 - A healthy and supportive Island – By working effectively with our partners we can identify the vulnerable persons within our community. This will enable us to target our resources to the right areas when, for example, carrying out home fire safety checks.
 - An inspiring Island – A modernised Fire and Rescue Service will provide job opportunities and effective role models for young people. Working within the Crime and Disorder Reduction Partnership (CDRP) the IWFRS can and does inspire young people through their involvement in youth schemes and education.
13. At its meeting of 25 February 2009, Full Council agreed the overall budget and council tax strategy and the medium term financial plan. This strategy included an increased revenue investment of £300,000 per annum in the IWFRS and a further capital investment of £8,000,000. The revenue investment is required in order to enable the service to restructure and move towards creating more wholetime positions. The capital investment will commence the modernisation of the ageing infrastructure from which the service currently operates.

CONSULTATION

14. As stated above, the model for change project is an integral part of the IRMP. The IRMP has undergone a full consultation process with both internal and external stakeholders. This has included public consultation meetings in Newport, Yarmouth and Sandown.
15. The Fire Brigades Union are represented on the model for change project board and have been consulted throughout the process. All staff have been consulted as part of the IRMP process to ensure an understanding of the need for change. As part of the Retained Duty System (RDS) Review, a RDS

Focus Group was established. This group represents all RDS stations and has been actively involved in the process.

16. The option chosen by cabinet will be the subject of a further consultation exercise with elected members, residents, staff and unions.

FINANCIAL / BUDGET IMPLICATIONS

17. The costings below are based on the recommended option (see Option 5, Appendix 1).

The outline capital costs for the building of a new Fire Station / Headquarters for Newport, a new Fire Station in Ventnor and refurbishment of the Fire Stations at Ryde, Sandown and Freshwater are as follows:

Costings for building new sites (including new land purchases):

Newport:	£5,699,200
Ventnor:	£2,226,400
Ryde, Sandown and Freshwater refurbishment:	£150,000

Total: £8,075,600

This money will be sourced through prudential borrowing.

The table below shows the revenue implications of the recommended Option. The increased costs reflect the fact that more wholetime operational staff will be employed and are partly offset by a reduction in the cost of RDS firefighters.

	£
Additional Wholetime Salary Costs	1,111,396
Less RDS Retention Factor	(26,449)
Less RDS Employee Costs	(562,439)
Less Premises Costs	(53,201)
Less Transport Costs	(87,910)
Less Supplies & Services	(42,467)
RDS Other Work	(35,047)
Training	(60,148)
Total Costs	(867,661)
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Balance Required	243,735

18. The above is based on 2008 / 09 pay rates and budgets and includes the anticipated cost of redundancy of RDS firefighters.
19. In addition, £50,000 revenue per annum for the three years 2009 / 10 to 2011 / 2012 will be required to fund the project management costs associated with delivering this project.

LEGAL IMPLICATIONS

20. The Isle of Wight Council is by virtue of Section 1 of the Fire and Rescue Services Act 2004 ("the 2004 Act") the Fire and Rescue Authority for the area.
21. Prior to 2004 the provision of fire services nationally was principally governed by the Fire Service Act 1947 ("the 1947 Act"). The provisions of the legislation categorised risk on a national basis and outlined the fire service provision that was required to address the various risk levels. Under the 1947 Act the Isle of Wight was categorised as being of a lower level risk and accordingly provision was made on this basis.
22. On 10 November 2004 the 1947 Act was repealed and in its place the 2004 Act came into force. In addition to the 2004 Act other legislation has been put in place to determine the level and provision of fire service which must be available specifically the Civil Contingencies Act 2004 which outlines the requirement to assess, plan and advise relating to emergencies.
23. As part to the legislative review the previous position under the 1947 Act where by regular audit was undertaken by a fire service peer was replaced by a formal audit provision and the fire service is now audited in accordance with the Comprehensive Performance Assessment ("the CPA"). (From the 1st April 2009 herein after called the Comprehensive Area Assessment ("the CAA")).
24. In 2005 as part of the CPA the Isle of Wight Fire and Rescue Service was found to be "poor" and accordingly a need for modernisation was identified. In accordance with the provisions of the 2004 Act at Section 2 where a fire and rescue authority is not fit for purpose the Secretary of State may make an order combining fire and rescue authorities where it is in the interest of economy, efficiency and effectiveness, or public safety to do so. As a result of the previous CPA a failure to modernise could result in such an order being made.
25. The 2004 Act enables the Council to discharge its functions in an appropriate manner within the provisions of the Fire and Rescue National Framework. The proposed model for change complies with the legislative requirements.
26. In addition to consideration to the primary fire and rescue legislation when discharging functions of this nature consideration must be given to the Corporate Manslaughter and Corporate Homicide Act 2007 ("the 2007 Act"). This report, within the section titled "Risk Management" clearly identifies the effect the model for change will have on the provision of services, specifically relating to response times thereby demonstrating that the implications of the 2007 Act have also been considered.

27. The recommended option will entail a redundancy process in relation to retained firefighters. Any such process will be dealt with in accordance with Council policies and the Trade Union Labour Relations (Consolidation) Act 1992, as amended by the Trade Union Reform and Employment Rights Act 1993. This will include a thirty day mandatory consultation period.

EQUALITY AND DIVERSITY

28. The Model for Change project is an integral part of the Isle of Wight Fire and Rescue Authority Integrated Risk Management Plan which has been subject to a full equality impact assessment with no negative issues identified. However, it is recognised that the model for change options carry some specific impacts upon the community. As part of the project, an analysis of the risks on the Island has been undertaken using government supplied software, the FSEC (Fire Service Emergency Cover) toolkit. This has enabled the project to determine levels of operational cover based upon the needs of the community. Therefore, once a decision is taken on which option the Authority wishes to pursue and consult upon, a full equality impact assessment will be undertaken to ensure there are no disproportionate impacts on any communities.

HUMAN RESOURCE ISSUES

29. To mitigate the financial impact and to ensure succession planning by introducing different duty systems, a Migration Policy is being established to provide the opportunity for existing RDS staff to transfer their skills to a wholetime contract. This takes account of competencies currently within the service and will provide a development route for some staff.
30. Following the RDS review a new retained duty system will be implemented which will ensure both compliance with existing terms and conditions and recompense based on availability rather than the number of incidents attended.
31. All IWFRS staff are covered by the Council's Organisational Change policy.

OPTIONS

32. Work has been undertaken by the IWFRS Chief Fire officer in conjunction with senior representatives of the Isle of Wight Ambulance Service and the Hampshire and Isle of Wight Constabulary to ascertain the opportunities for joint working arrangements between "blue light" services. The outcome of this work is that there is currently not the scope for a large scale integration of these services and the level of investment required to achieve this would not be justified by any resulting efficiencies. The Isle of Wight Council will continue to work with its public sector partners to ensure that we operate efficiently and effectively together, a good example of this being the co-responder scheme that is currently operated by the IWFRS in support of the Isle of Wight Ambulance Service. Throughout the model for change project we will continue to seek opportunities for joint working and use of resources.

Option A

33. Maintain current arrangements with no change.

Option B

34. Merge with another fire and rescue service.

Option C

35. Continue to modernise the service in line with the recommendations from the model for change project board.

RISK MANAGEMENT

36. The model for change project is based on a risk management approach and uses the Fire Service Emergency Cover (FSEC) risk modelling software tool. FSEC was specifically developed to assist Fire and Rescue Services in developing their IRMPs. It uses socio-demographic data to analyse vulnerability or otherwise of people and property. It also records historical incident data, the results of risk assessments on buildings other than dwellings and the disposition, type and cost of the FRS resources within the area. FSEC is used to create a risk profile of the Island which is the 'base case' and all changes to the disposition of resources can be modelled through FSEC and then compared to the current situation.
37. In addition to FSEC, the IWFRS commissioned an independent risk modelling exercise for validation purposes. The work was undertaken by ORH limited, an organisation which has experience of working with blue light services which are considering or undergoing a restructure.
38. One of the main drivers for this project is to improve the resilience of operational fire cover. Since implementing a Retained Duty Availability Management System, we have an up to date, real time picture of when appliances are available. This has highlighted that, throughout the working day, Monday to Friday the number of fire appliances available for deployment falls considerably. In the short term we have an arrangement with Hampshire Fire and Rescue Service and they will provide reinforcement at a certain trigger point. This is not considered to be a sustainable long term solution.
39. Detailed analyses of the changes in risk profile are contained within the options appraisal document attached as Appendix 1.

EVALUATION

40. **Option A** – Maintain current arrangements with no change.
As already detailed in this report, to do nothing would result in the level of risk in terms of prevention, protection and fire cover escalating to the point of being unacceptable. The work undertaken to review and manage the availability of resources indicates that there is a growing problem and the IWFRS, as part of the Council, has a duty of care to act on this information.

41. In addition to the operational risk, failure to continue to modernise and improve the service will result in the risk of intervention from national government. This could take the form of a requirement for the IWFRS to merge with another fire and rescue service.
42. **Option B** – Merge with another fire and rescue service.
The model for change project has necessitated revisiting the option to merge with another fire and rescue service, particularly when considering resilience and value for money.
43. During 2006 an options appraisal was carried out to look at the financial and operational case for merger with Hampshire Fire and Rescue Service. The outcome of the options appraisal was presented to Full Council in March 2007 and the decision was taken to keep the Isle of Wight Fire and Rescue Service within the control of the Isle of Wight Council. Subsequent to this decision the service has improved considerably in all areas and, as stated previously, is considered to be “improving well” by the Audit Commission.
44. A merger has recently taken place between Devon and Somerset Fire Authorities, however concern remains over the true cost of that combination. It is unlikely that the option of a merger would result in a reduction in cost in the provision of a fire and rescue service on the Island. It is likely that costs would increase as the option of merging would not remove the requirement to modernise the service.
45. Concerns also remain over what command model would be left on the Island following a merger and what other resources may be lost to the Island. The option of pursuing a merger with another Fire and Rescue Authority is therefore not considered beneficial on performance and efficiency grounds and is not recommended at this time.
46. **Option C** – Continue to modernise the IWFRS in line with the recommendations from the model for change project board.
47. The Model for Change Options Appraisal document (Appendix 1) details the background, methodology and results of the extensive work that has been undertaken to provide a model for a modernised IWFRS. Having considered and evaluated the options contained in the options appraisal document, option 5 is recommended in order to progress the modernisation of the IWFRS in an efficient, effective manner. Whilst this option requires additional investment in the service in both revenue and capital terms, it is still considered to be the best value for money option in the medium to long term.
48. The IWFRS currently employs 168 retained duty firefighters and 36 wholetime firefighters. These firefighters are based at fire stations in Newport, Cowes, East Cowes, Ryde, Bembridge, Sandown, Shanklin, Ventnor, Freshwater and Yarmouth. The current fleet consists of 2 rescue pumps and 14 pumping appliances.
49. Under option 5, the number of retained duty firefighters would reduce to 92 with a corresponding increase in the number of wholetime firefighters to 66.

This would effectively create 30 new full time firefighter jobs within the IWFRS.

50. Adoption of option 5 would also result in an increase of the number of rescue pumps from 2 to 4. Rescue pumps are used at the scene of road traffic collisions and a greater number of rescue pumps coupled with more wholetime firefighters will significantly improve the ability of the service to respond to road traffic collisions. Option 5 will see a reduction in the number of standard pumping appliances from 14 to 8. The current level of availability of firefighters means that we are effectively operating with this number or fewer pumping appliances currently. With more wholetime firefighters available to the service we will be guaranteed that pumping appliances are available when required. In addition, wholetime staff will be on a rota ensuring their availability out of hours.
51. Option 5 recommends that Newport and Ventnor Fire stations are rebuilt (on different sites to their current locations) and that Ryde, Sandown and Freshwater stations are refurbished. Option 5 also currently recommends the closure of both Shanklin and Yarmouth Fire stations, merging them with the Sandown and Freshwater stations respectively.
52. It is recognised that the potential closure of fire stations will cause concern in certain communities. Merging Yarmouth and Freshwater fire stations to create a single station in the West Wight on the current site of the Freshwater fire station will result in a station which has two pumping appliances staffed by retained firefighters. Yarmouth fire station has limited training facilities and is no longer fit for purpose. The proposed West Wight Fire Station will have travel distances and times which are acceptable in terms of the road network and levels of congestion. Having a single fire station in the West Wight will be more efficient and allow a more effective deployment of retained firefighters as they will all be called to a single station rather than split between two.
53. Under option 5 in the options appraisal document Sandown fire station would have a combination of one day crewed pumping appliance (wholetime) and one retained duty pumping appliance. The closure of Shanklin fire station and the relocation of assets to Sandown fire station, incorporating a day crewed appliance and a RDS manned appliance is recommended for economic reasons. Closing Shanklin fire station would result in a projected capital receipt of £720,000.
54. Under option 5 of the options appraisal document, the risk profile in the bay area does not change as a result of the merger of the fire stations into one. The risk profile improves based on the move to one day crewed pumping appliance and one retained duty pumping appliance.
55. When comparing the reasons for closing Shanklin and Yarmouth fire stations it should be noted that work patterns and areas to draw RDS crews from is slightly improved in Shanklin. The risk in the bay area is far greater than in the West Wight in terms of sleeping and business risk. The travel distance and time for crews to mobilise to one station in Freshwater is better as the road network is better and less congested than in Shanklin, Lake and Sandown.

56. Adopting the recommended option will result in an improvement in attendance standards for road traffic collisions which are a bigger risk to life on the Island than fires. Additional wholetime staff will increase the amount of preventative, protective and risk management work currently carried out which will mitigate any potential for increased risk.
57. Agreement to the recommended option will result in increased capital and revenue investment in the IWFRS, improved facilities and more full time jobs. The option is affordable within the budget strategy agreed by the Council and achieves the objectives of addressing prevention, protection, risk management and operational resilience.
58. It is important to note that the IWFRS, along with the rest of the Council, should and will have an ongoing programme of modernising and improving. The option recommended in this report is the first phase of this ongoing process and further options will be presented to the Council in due course which are likely to include a new build fire station in the bay area to replace both Sandown and Shanklin fire stations.

RECOMMENDATION

59. It is recommended that Option C is adopted – Continue to modernise the IWFRS in line with the recommendations from the model for change project board.
60. The option chosen by Cabinet will be consulted on and the results of this consultation will be presented to cabinet in July 2009.

APPENDICES ATTACHED

61. [Appendix 1](#) – Model for Change Options Appraisal Document

BACKGROUND PAPERS

62. The Fire and Rescue Services Act 2004
The National Framework Document 2008 - 2011
The Civil Contingencies Act 2004
The Corporate Manslaughter and Corporate Homicide Act 2007

Contact Point: Stuart May, Assistant Chief Officer, Prevention and Protection
☎ 823188 e-mail stuart.may@iow.gov.uk

STUART LOVE
Director Environments and
Neighbourhoods

COUNCILLOR BARRY ABRAHAM
Cabinet Member for Residents, Resources
and the Fire Service