

**Wiltshire Council**

**Council**

**21 October 2014**

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## **Assessment of Wiltshire & Swindon Fire Authority Consultation options**

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### **1. Purpose of the Report**

At the last Council meeting held on 29 July 2014 Council adopted a motion submitted by Councillors Jeff Osborn and Terry Chivers which it amended to read as follows:

‘This council understands the financial challenges the Wiltshire and Swindon Combined Fire Authority, as with all other public services, needs to address, but urges the Fire Authority to consider all options to address those challenges. To this end this council will consider the matter fully at its next meeting on 21 October 2014 when further information on all the options is available, including the views of the residents of Wiltshire, before formally giving its response to the Fire Authority as part of the consultation process’.

It is not possible to include the views of the residents of Wiltshire as the consultation does not finish until 20 October.

The purpose of this report is to provide members with information related to the motion as amended.

### **2. Background**

**The seven options put forward in the Wiltshire draft business case for consultation were;**

Each fire authority refers to either Wiltshire and Swindon or Dorset.

- Option 1** Each fire authority will stay independent, reduce support functions and reduce service capability;
- Option 2** Each fire authority will collaborate with or join up with local authorities;
- Option 3** Each fire authority will further collaborate or join up with police services;
- Option 4** Each fire authority will further collaborate with or join up with the regional ambulance service;
- Option 5** Each fire authority will share services;
- Option 6** The two fire authorities will combine;
- Option 7** The two fire authorities will combine and work more closely with local authorities, the police and public services.

**This was reduced to the following three options in the Public Consultation;**

- Option 1** Remain independent and increase collaboration with Wiltshire Council and Swindon Borough Council  
Potential level of savings at least £0.8 million within Wiltshire & Swindon
- Option 2** Remain independent and increase collaboration with Dorset Fire Authority while also collaborating with Wiltshire Council and Swindon Borough Council  
Potential level of savings at least £0.9 million within Wiltshire & Swindon
- Option 3** Merge with Dorset Fire Authority to create a single Combined Fire Authority while also collaborating with Wiltshire Council and Swindon Borough Council  
Potential level of savings at least £4 million joint savings within a combined Wiltshire & Swindon and Dorset

The Dorset Combination Draft Business case shows the financial assessment of the eliminated options. Options 5 (Police) and 6 (Ambulance) are most relevant. An extract is shown at Appendix A.

### **3. Finance**

This report advises members of the financial background surrounding Wiltshire & Swindon Fire Authority proposals to strengthen the fire and rescue service whilst at the same time securing savings to enable a balanced budget.

Of the options proposed by the Fire Authority, none fully address the £3.1 to £3.9 million shortfall for Wiltshire and Swindon Fire Authority by 2017/18 (nor the combined £5.4 million to £7.1 million shortfall faced by Wiltshire and Dorset).

#### **a. Remaining independent**

Due diligence of the £0.9 million savings by Wiltshire Council officers suggests that there is scope to deliver a saving at the earliest within the next four years ranging from £0.481 to £1.074 million. This would come from back office sharing of services such as IT and Accountancy, as well as better use and sharing of depots. As such £0.9 million is within this margin and could be achieved. There would be upfront costs in some cases to achieve the savings, but it has been assumed these would be funded from the Fire Authority reserves, although at this stage it has not been possible to fully assess the extent of these costs and the timing of achieving these. Clearly though this would leave a significant shortfall in funding.

#### **b. Merger with Dorset while also collaborating with Wiltshire Council and Swindon Borough Council**

Wiltshire Council officers have not conducted due diligence on this option. However, it is suggested that c.£0.2 to £0.3 million of the savings that could be achieved under the independent option, such as use of depots, would also be possible from this option.

### **4. Equalisation of the precept levels**

An unresolved issue is that under a combined Fire Authority there would need to be equalisation of the precept levels. At present the Wiltshire precept is £63.62 and Dorset's is £66.60. That would require a 4.6% (£2.98) increase in Wiltshire's precept to equalise before any other increase. Currently that could mean the Fire precept in Wiltshire and Swindon would exceed the 2% capping limit. As such Fire will need to seek DCLG approval. At this stage it is unclear if this will be given.

## **5. Financial summary**

More savings will need to be identified whichever option were supported. The Fire Authority consultation does not identify how this gap will be bridged. Due diligence has identified positive scope to make savings from both greater sharing of back office functions such as finance and greater sharing of depot/workshop space and facilities (these are included in the savings of £0.481 to £1.074 million shown elsewhere). The exact balance of how these savings would fall between the Fire Authority and the Council would need to be identified through more detailed work. These opportunities should be progressed regardless of the outcome of the consultation as both the Fire Authority and the Council would benefit, although not all of the savings could be possible under a Combined Fire Authority.

Any shortfall would be also dependent on precept levels. With a 1.99% increase on top of equalisation there would be a smaller shortfall, but with no increase in precept other than equalisation it would leave a £1.6 million shortfall. At this stage it is unclear if DCLG approval will be given and if not it would reduce the level of funds available to the combined Fire Authority, thus increasing the size of the gap.

## **6. Other issues**

It is unclear how a combined Fire Authority will make decisions on future savings and service delivery. At present it is assumed that the membership of the Combined Fire Authority will be based on population, if so this would give an in built majority for Dorset. Assuming the current membership of 28, the relative membership would be as follows: Bournemouth - 4, Dorset - 8, Poole - 3, Swindon - 4, and Wiltshire - 9. Other options that might be available is where each Fire Authority areas have 14 seats on the basis that 2 equal Fire Authorities are being merged and they should be equally represented on the new authority.

We are aware that DCLG have confirmed that representation was a matter of local choice provided that it can be justified. In addition, it is unclear how this would affect key local decisions and whether there could be any other mechanism for ensuring that one area was not prejudiced by being outvoted by the other constituent authorities. One possibility is to have reserved matters that need to have a specific majority.

## **7. Considerations for the Council**

These uncertainties make a debate on the options difficult but are laid out for Council before the debate takes place.

To reiterate the main considerations;

1. How will the funding gap be bridged?
2. Are there further savings that could be made in collaboration with other public bodies?
3. How will the equalisation of precepts be dealt with and what the impact will be on Wiltshire residents.
4. How it can be assured that key local decisions are not prejudiced by being out voted by the other constituent authorities?

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**Corporate Directors**

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Related documents are shown at;

**Dorset Combination Draft Business Case**

[https://dorsetfrsconsultation.citizenspace.com/corporate-planning/copy-of-wiltshire-residents-survey/supporting\\_documents/Combination%20Draft%20Business%20Case%20Jul14%20WEB.pdf](https://dorsetfrsconsultation.citizenspace.com/corporate-planning/copy-of-wiltshire-residents-survey/supporting_documents/Combination%20Draft%20Business%20Case%20Jul14%20WEB.pdf)

**Wiltshire Public Consultation**

[https://dorsetfrsconsultation.citizenspace.com/corporate-planning/wiltshire-residents-survey/supporting\\_documents/WFRS%20Combination%20Consultation%20Doc%20Jul14.pdf](https://dorsetfrsconsultation.citizenspace.com/corporate-planning/wiltshire-residents-survey/supporting_documents/WFRS%20Combination%20Consultation%20Doc%20Jul14.pdf)

Appendix A Extract from the Dorset Combination Draft Business Case Pages 15-20

The following options have been assessed against their ability to meet the vision of the new authority and the ability of the option to meet the predicted financial gap.




**Option 1:** Each fire authority and service to stay and act independently including reducing support functions and front-line services.

This option would need to deliver savings of between £3.1 and £3.9 million for Wiltshire and Swindon Fire Authority and between £2.3 and £3.2 million for Dorset Fire Authority.

This would mean damaging cuts to front-line services and staff. Over 70 full-time firefighters in each of our services would need to be made redundant and stations would need to move from full-time to day-crewed or on-call only. There would be significant consequences on community safety, with longer response times for fire engines to arrive at emergencies and fewer fire engines available. We would both have problems supporting other front-line services such as our prevention programme. We may also struggle to meet our legal responsibilities. Our ability to work in partnership would be extremely limited as we would have to cut back our staff and funding.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£3.1 million	£0	£2.3 million	£0					

**Key:**

-  = Likely to meet all the aims of the vision
-  = Likely to meet some of the aims of the vision
-  = Will not meet most of the aims of the vision




**Option 2:** Each fire authority and service to stay independent and share some corporate and support functions.

Although many councils and public services share management teams, there are many disadvantages to this type of arrangement. The main concern that we have is that the one management team would report to two political groups. This means that senior officers work less efficiently and differences in policy between the two groups can lead to complicated financial accounting and duplication of effort. An extra complication for us is that both counties are very large geographically and travel times are extended by single-lane rural roads. We would also not be able to take full advantage of reduced spending on things like corporate licences and democratic costs.

Initial work suggests that Wiltshire & Swindon Fire Authority will be able to save £864,000 and Dorset Fire Authority will save £930,000. Each fire authority will still face a significant gap in their finances by 2018.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£864k	£2.236 – £3.036 million	£930k	£1.37 - £2.27 million					

**Key:**

-  = Likely to meet all the aims of the vision
-  = Likely to meet some of the aims of the vision
-  = Will not meet most of the aims of the vision

**Option 3:** The two fire authorities and services to merge into a new authority and service.

This option allows us to make the most of both corporate and technical collaboration associated with our legal duties. As well as making the most of our savings, it would allow us to more speedily take advantage of these savings to make sure that we can make positive changes rather than just use the savings to balance the budget. There are a wide number of fire and rescue partners available to both Dorset and Wiltshire to look to combine with. Following a high-level review, at their December 2013 meetings both fire authorities decided to use a more detailed examination of a formal combination between Dorset and Wiltshire.

This work has identified savings in the region of £4 million. It could also allow further savings of £1.5 million to be achieved by using more resilient and efficient crewing arrangements.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
				£5.5 million	£0 - £1.6 million			

**Key:**

- = Likely to meet all the aims of the vision
- = Likely to meet some of the aims of the vision
- = Will not meet most of the aims of the vision

**Option 4:** Each fire authority and service to stay independent and collaborate with their local authorities to make the most of savings made in corporate and support departments.

We work a lot with our local councils and must continue to do so. Some 'back-office' or corporate functions could be joined up, but as we have already reduced most of them, the amount of savings from corporate staff and spending would be limited. Preliminary work suggests that savings of £712,000 for Wiltshire & Swindon Fire Authority and £930,000 for Dorset Fire Authority could be achieved with this option. This could mean significant cuts to front-line services would still be needed. The significant funding gaps faced by councils and the pressures on budgets such as adult and children services would also continue to be a concern and could further threaten long-term financial stability.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£712K	£2.388 - £3.188 million	£930K	£1.37 - £2.27 million					

**Option 5:** Each fire authority and service to stay independent and collaborate with their individual police forces to make the most of savings made in corporate and support departments.

We work with our police partners in lots of ways including sharing our fire stations. No matter which option is chosen, this will of course continue. Any formal combination with the police would involve a change in the law which would be time-consuming and cause further financial problems for each of us. Some 'back-office' functions could be joined up. However, as they have already been reduced, the amount of savings from corporate staff and spending would be Authority, and £915,000 for Dorset Fire Authority could be achieved with this option. This would mean significant cuts to front-line services would still be needed to balance the books.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
£817K	£2.283 - £3.083 million	£915K	£1.385 - £2.285 million					

**Key:**

- = Likely to meet all the aims of the vision
- = Likely to meet some of the aims of the vision
- = Will not meet most of the aims of the vision






**Option 6:** Each fire authority and service to stay independent and collaborate with South West Ambulance Service to make the most of savings made in corporate and support departments.

Again, we work with the regional ambulance service, including sharing our fire stations and responding to some medical emergencies on their behalf. Any future collaboration over support services would be complicated due to the fact that the ambulance service is a regional service. The savings that could be found would be limited. This would mean significant cuts to front-line services would still be needed.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
No specific savings identified	£3.1 - £3.9 million	No specific savings identified	£2.3 - £3.2 million					

**Key:**

-  = Likely to meet all the aims of the vision
-  = Likely to meet some of the aims of the vision
-  = Will not meet most of the aims of the vision

**Option 7:** The two fire authorities and services to combine and work more closely with all of our local authorities, our police forces, South Western Ambulance and local public services.

We believe that this would give us the best of both worlds. We could make the most of the opportunities from a fire-to-fire combination and do so relatively quickly to make sure that we gain financial savings more quickly. In doing this, we would want to explore all opportunities for closer working or integration of some functions within local authorities, the police and other public services. This would open up areas for further savings and improved economies of scale. It would also mean that we could continue to share our properties and corporate staff. Work carried out so far has identified savings in the region of £4 million. It could also allow further savings of £1.5 million to be achieved by using more resilient and efficient crewing arrangements.

There would be opportunities to reduce the number of senior management positions and there are strong relations already between officers at all levels to make this work. By combining our corporate and technical support teams we would be able to improve overall capacity and organisational strength. By working with our local authorities we would be able to enjoy the benefits of working with a larger partner and so strengthen our approaches in areas of support and delivery.

We would be better able to support Wiltshire Council’s community campuses and other initiatives elsewhere in Bournemouth, Dorset, Poole, Wiltshire and Swindon where public services are provided in a joined-up way and really focus on the needs and wants of local people. By working more closely together we would be able to share our buildings, expertise and information to deliver better services in a more efficient way. This would mean that local people have more straightforward and immediate access to local services, information and advice to help keep them safe and improve their well-being.

Wiltshire and Swindon CFA		Dorset Fire Authority		New combined fire authority		Safe	Strong	Sustainable
Savings	Remaining deficit range	Savings	Remaining deficit range	Savings	Remaining deficit range			
				£5.5 million	£0 - £1.6 million			

**Key:**

- = Likely to meet all the aims of the vision
- = Likely to meet some of the aims of the vision
- = Will not meet most of the aims of the vision