

**AGENDA ITEM:**

<b>REPORT TO:</b>	<b>MERSEYSIDE FIRE &amp; RESCUE AUTHORITY MEETING</b>
<b>DATE:</b>	<b>16<sup>TH</sup> DECEMBER 2010</b>
<b>REPORT NO.</b>	<b>CFO/196/10</b>
<b>REPORTING OFFICER:</b>	<b>ASSISTANT CHIEF EXECUTIVE &amp; TREASURER</b>
<b>CONTACT OFFICER:</b>	<b>DEB APPLETON, DIRECTOR OF STRATEGY AND MEMBER DEVELOPMENT, EXTN. 4402</b>
<b>OFFICERS CONSULTED:</b>	<b>LIZ SCOTT, SOCIAL ENTERPRISE MANAGER, EXTN. 4562</b>
<b>SUBJECT:</b>	<b>INCOME GENERATION AT MERSEYSIDE FIRE &amp; RESCUE SERVICE</b>

**APPENDIX A TITLE: REPORT FOR ACTUAL INCOME RECEIVED FOR FEES AND CHARGES FOR 2009/10**

**APPENDIX B1 & B2 TITLE: MARKETING LEAFLETS**

**ATTACHED – HARD COPY**

**\*There is a Glossary of Terms at the end of this report for your reference**

Purpose of Report

1. Income generation is one of the ways in which Merseyside Fire and Rescue Service can use existing skills, expertise and services to provide additional funding. This report presents an update on income generation projects currently underway.

Recommendation

2. That Members:
  - (a) Note the five projects in the first round of the agreed income generation programme and the intended outcomes;
  - (b) Note the planned review of how MFRS charges for the provision of services;
  - (c) Note the intention to seek additional income generation ideas from within the organisation.

## Introduction & Background

3. As part of the Service's overall income generation strategy and to maximise potential for achieving income, the Fire and Rescue Authority agreed in September 2009 to take a proactive approach in seeking commercial opportunities that would contribute to the generation of income to support the Authority's budget planning aim of increasing its overall income from £2.1m per annum by £175,000. This income generation initiative (then termed "Social Enterprise") was presented to the Fire Authority, a Social Enterprise Manager was appointed and a strategy for undertaking the work was delivered towards the end of October 2009.
4. Appendix 2 gives a summary of income generated in 2009/10. During November 2009 – February 2010 suggestions for projects were sought from across the Service and 13 project initiation documents (PIDS) were developed to explore the project's suitability for investment, delivery and income potential and finally all were scored using a scoring matrix developed by the Social Enterprise Manager.
5. The Executive Leadership Team (ELT) reviewed the 13 PIDS in March 2010, and advised the Social Enterprise Manager to build a business case for the five proposed income generation projects considered most likely to successfully deliver. These were:
  - (a) To develop and market an online fire risk assessment tool.
  - (b) To promote Fire Service Direct as a commercial contact centre.
  - (c) To actively promote and deliver a dry riser testing service.
  - (d) To provide an infection control service to commercial organisations and public transport vehicles using an environmental decontamination system owned by Merseyside Fire and Rescue Service.
  - (e) To provide safety cover for events/film/TV productions.
6. In addition, a review of charging across the organisation is being undertaken to determine the most appropriate level of charges for each service provided and ensure a common approach to charging for these services as well as considering any services that are currently not charged for but could potentially be chargeable in the future.
7. Development of each of the projects that form part of the Merseyside Fire and Rescue Service income generation strategy are underway and updates are provided below:

## Environmental Decontamination

8. Merseyside Fire and Rescue Service can use the technology it has already invested in for the protection of its staff to provide an environmental decontamination service to businesses and other organisations, to protect customers, staff and other service users from infectious diseases.
  - (a) Merseyside Fire and Rescue Authority have invested in a Zimek environmental decontamination system to help protect employees who may have been exposed to infectious diseases. This is a marketable product that can be sold as a service to organisations and transport providers, where large numbers of people share space;
  - (b) An open day for Merseyside Taxis was delivered on 27th August and feedback received from trade representatives about how much and how often they would be willing to pay for this service;
  - (c) A marketing leaflet has been produced (now attached)
  - (d) On 19 October 2010 the infection control system was showcased at a taxi demonstration day organised by Merseytravel to increase promotion of the service;
  - (e) Other opportunities for income are being explored in the likes of football clubs/gyms/schools etc.
  - (f) Research into the benefits of the system on taxis is to take place in December 2010.

## Online Fire Risk Assessments

9. Building owners and occupiers are required to maintain up to date fire risk assessments of their premises and the fire and rescue service can use its well regarded brand to promote the use of an online tool that will help responsible persons meet their obligations.
  - (a) Following commercial activity undertaken by a third party organisation in 2007, there is potential for MFRS to take ownership and drive this business function to small/medium sized business owners in Merseyside.
  - (b) It is important for MFRS to promote the legislative duty on business owners about the Regulatory Reform Order (2005).
  - (c) A supplier brief has been developed and a number of suppliers are being considered to develop the software to support this system.
  - (d) An anticipated project and system development time of six months is expected.

### Fire Service Direct

10. Fire Service Direct offers marketable services that could be provided to a variety of businesses and other public sector organisations.
11. There has been considerable communication with the FSD management team about the potential for commercial work to be delivered by the contact centre.
  - (a) FSD will also support the activities of dry riser testing and online fire risk assessments as required and within capability.
  - (b) Out of hours work is being considered and the service promoted.
  - (c) Negotiations have taken place with another fire and rescue service to provide an FSD service.

### Dry Riser Testing

11. Merseyside Fire and Rescue Service crews can provide dry riser testing for high rise buildings assisting the owners/occupiers of such buildings comply with their statutory obligations.
  - (a) MFRS have capacity to deliver dry riser testing to properties over 18 metres in height and scope exists for the active promotion of this service.
  - (b) A direct mail letter has been agreed by the CFO, Corporate Communications and the Legal Department and a first round of posting has commenced.
  - (c) A follow up call will be managed by FSD acting as a booking agent.
  - (d) Operational planning will direct the testing requests to the fire station in closest proximity to the premises, to undertake the work.

### Safety Cover for Events/TV/Film

12. Film and television production companies often require safety cover and advice in relation to filming activities involving fire, explosion etc.
  - (a) The Service has established sound working relations with a number of pyrotechnics companies including Quicksilver Ltd based in Manchester.
  - (b) This pivotal relationship led to Merseyside Fire and Rescue Service being recommended to cover fire safety for filming at Lime Pictures, Childwall, Liverpool. Since the first contract, a further two approaches have been made by the production company.
  - (c) Income has been received as a result, £16K approximately.

13. In the future, consideration will be given to forming an enterprise company as a commercial arm to MFRS. This enterprise would focus commercial activity for income generation in one trading place and facilitate the development of a strong brand identity. Future income streams could then be channelled through this trading arm.

#### Equality & Diversity Implications

14. The process of receiving and evaluating projects will include equality impact assessment and will be undertaken in a fair manner.

#### Financial Implications & Value for Money

15. The projects outlined above, and the review of charging across the Authority, form a contribution to the overall income generation target of £175,000.
16. Merseyside Fire and Rescue Service already generates income in the region of £2 million. This income is delivered from a variety of business areas such as conferencing and training to special service calls and licenses. Appendix 2 presents a five year income analysis for chargeable services at MFRS. This income does not account for central government grants or financial support from bids. The income generation target of £175,000 is in addition to the income currently generated.

#### Health & Safety and Environmental Implications

17. The impact of external and internal environmental issues will be analysed during the due diligence process and actions implemented to best cope with any constraints or issues arising, to further improve the health, safety and welfare of all employees.

#### Contribution to Achieving Our Purpose:

“To Make Merseyside a Safer, Stronger, Healthier Community”

18. Income Generation will provide financial support to the Authority as budgets are affected by central government cuts and assist in enabling MFRS to continue to provide high quality service delivery. The projects support the promotion of health, safety and welfare in their diverse environments, for the benefit of businesses and communities in Merseyside.

#### Glossary of Terms

**CE/CFO** Chief Executive & Chief Fire Officer

**FSD** Fire Service Direct (Merseyside Fire and Rescue Service owned contact centre)

**MFRS** Merseyside Fire and Rescue Service