

AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY
DATE:	3rd DECEMBER 2013
REPORT NO.	CFO/136/13
REPORTING OFFICER:	CHIEF FIRE OFFICER
CONTACT OFFICER:	CHIEF FIRE OFFICER
OFFICERS CONSULTED:	STRATEGIC MANAGEMENT GROUP
SUBJECT:	STATION MERGERS

APPENDIX A

CFO/101/13 STRATEGIC ESTATES REVIEW

APPENDIX B

STATION MERGERS EIA

APPENDIX C

MODEL CONSULTATION PLAN

Purpose of Report

1. In order to meet the budget cuts faced by the Authority as a result of Government announcements which will impact on the financial plan for 2014-16, to;
 - a. seek Authority approval, subject to public consultation, for the merger of two stations on Wirral (West Kirby to merge with Upton within Greasby), two stations in St Helens (Eccleston to merge with St Helens at a site in the St Helens town centre ward) and two stations in Knowsley (the merger of Huyton and Whiston at a site in Prescot (which has previously been considered by the Authority and approved in principle).
 - b. also seek Authority approval, subject to public consultation, to progress the incremental move from wholetime crewing, to day crewing, then to wholetime retained crewing of at least one appliance in Liverpool and/or Sefton, resulting in the closure of one or more station.

Recommendation

2. That Members, in order to meet the budget cuts faced by the Authority as a result of Government announcements which will impact on the financial plan for 2014-16, approve in principle, subject to public consultation;
 - a) The options presented for the merger of two stations on Wirral (West Kirby to merge with Upton at within Greasby), two stations in St Helens (Eccleston to merge with St Helens at a site in the St Helens town centre ward) and two stations in Knowsley (the merger of Huyton and Whiston at Prescott which already has Authority approval). These mergers, if approved, will deliver a reduction of 66 wholetime equivalent (WTE) posts, reduce the Authority asset base down from 26 stations to 23 and deliver additional savings from a reduction in premises overheads.
 - b) The incremental move from wholetime crewing to day crewing to wholetime retained crewing of at least one appliance in Liverpool and/or Sefton, resulting in the closure of one or more station. This change in crewing and station closure, if approved, will deliver a saving of 22 WTE posts and deliver additional savings from a reduction in premises overheads.
3. That Members give delegated authority to the Chief Fire Officer (CFO) in consultation with the Chair to;
 - i. Identify the most suitable merger sites from which to operate whilst ensuring response standards are maintained.
 - ii. Identify potential partners for joint working.
 - iii. Undertake the necessary preparatory work around the procurement of appropriate sites in order to expedite the mergers option in the event that Authority approval is confirmed after the public consultation process is concluded.
 - iv. Submit a bid for resources to support any scheme as appropriate to any available funding sources
4. That Members approve the associated consultation process.
5. That reports be brought back on each of the individual mergers as soon as practicable.

Introduction and Background

Current Financial position

6. Elsewhere on the agenda, report CFO/139/13 summarizes confirmed Government announcements that will adversely affect the medium term financial plan. The report also considers other potential risks and issues that could place further pressures on the finances in the short to medium term. Based solely on the announcements to date, the total forecast deficit that the Authority will need to address to set a balanced budget for 2015/16 is not likely to be any less than £6.5m and could well be significantly more.
7. In order to meet this scale of deficit, even if significant savings from the back office and technical areas are identified, there will be an impact on operational response. For planning purposes it would not be unreasonable to expect that a reduction of in excess of 100 firefighter posts will be required to meet the deficit in 2015/16 which would save £3.6m, with the remainder of the savings being delivered from support services and technical areas.

Current operational position

8. As of 9th October 2013 the Authority has 28 fire appliances operating from 26 stations. Of the 28 appliances, 24 are crewed wholetime and 4 are crewed on the Low Level of Activity and Risk (LLAR) duty system (wholetime 12 hour day shifts and retained 12 hour night shifts on a 1.9 minute recall). The CFO is in the process of establishing an additional 2 wholetime retained appliances to provide operational resilience. These appliances will be crewed by wholetime firefighters providing retained cover on rota days. The methodology supporting the operational response model was approved by members at the Authority meeting on 26th February 2013 following a fundamental review of operational response by the CFO (Authority report CFO/027/13 Operational Response Review) and further endorsed when Integrated Risk Management Plan (IRMP) 2013-16 was approved on 27th June 2013 (CFO/074/13).
9. The operational priority of the CFO is to maintain the availability of wholetime appliances in order to sustain as far as possible the existing standards of speed and weight of attack. The CFO recognises however that with a further inevitable reduction in Firefighter numbers as a result of the 2015/16 budget cuts it will not be possible to maintain the existing numbers of wholetime appliances. Given the existing ratio of appliances to stations this will necessitate either station mergers, days only crewing, station closures or changing duty systems to, for example, retained.
10. The Authority operational response model is predicated on a pan Merseyside 10 minute response standard. In order to achieve the 10 minute response standard Officers have designated 10 strategic locations (key stations) which, if always covered, will ensure that the 10 minute response is maintained. The aspiration is however to attend incidents well within the 10 minute standard. This is best achieved by maintaining as many wholetime appliances as possible

from as many stations as possible (CFO/027/13 refers). When faced with an inevitable reduction in appliances it is essential that the appliances that remain are sited at the most optimal deployment locations.

Strategic review – Identifying least worst options

11. In the light of the challenging financial position the Authority commissioned a strategic review of its estate (CFO/101/13 Appendix A) in order to identify potential saving options. The key conclusions of that review are reproduced below:-
 - Given the financial pressures on the Authority further large-scale savings will be required from operational response up to 2016/17
 - Encouraging partners to share buildings helps generate some income to offset the cost of stations
 - Borrowing costs will form an increasing proportion of the Authority's expenditure unless the number of assets is reduced
 - As the size of the organisation continues to reduce in line with budget pressures, savings from corporate overheads cannot be made unless the number of stations reduce
 - As all but 2 fire stations are now single pump, significant savings can only be delivered by:-
 - Changing crewing systems from wholetime to Low Level of Activity and Risk (LLAR) or retained
 - By strategic mergers that reduce the number of stations
 - Reducing the number of hours that stations are open i.e. open of a day only between 10am – 10pm
 - Closing stations
12. The following section of the report considers the operational implications drawn from the conclusions of the review and provides proposals to members on the most operationally and organisationally viable solutions in order to meet the 2015/16 savings.

Changing crewing systems from wholetime to Low Level of Activity and Risk (LLAR) or retained

13. Changing the crewing at a station from wholetime to LLAR would deliver a saving of 8 WTE posts. In order to deliver the same savings as for a station merger 3 wholetime stations would need to convert to LLAR resulting in a disproportionate distribution of LLAR to wholetime stations. Whilst this option would maintain an immediate emergency response it is less resilient than wholetime crewing and is therefore not considered to be a viable option by the CFO.
14. Changing the crewing at a station from wholetime to retained would deliver a net saving of 22 WTE posts. Pursuing this option would require the Authority to either seek volunteers from existing Firefighters who would be required to live within a 5 minute response time of the station (wholetime retained) or for the

Authority to recruit members of the public who live or work within 5 minutes of the station. Whilst it is not beyond the realms of possibility that this would be achievable there are three substantive issues for the Authority to consider.

15. Firstly, given the distribution of where Merseyside Firefighters live at present, there are insufficient numbers residing within 5 minutes of the stations that the CFO would recommend for retained crewing at this time, to recruit a full crew. That being so the Authority would need to recruit almost a full crew of retained Firefighters. It is the view of the CFO that a retained Firefighter does not have sufficient contact time within the Grey Book retained contract to acquire and maintain the skills of an existing Merseyside wholetime Firefighter (the Merseyside Trainee Firefighter course is 40 weeks duration and the wholetime work routine allocates in excess of 20 hours per week to training against the 2/3 hours per week contact time in the Grey Book retained contract). If the Authority were minded to still pursue this option they would have to accept that the retained Firefighters would not be trained to the same level as their wholetime counterparts and it would take a long period of time to train the crew to a position whereby they were deemed fit to ride. Additionally to maintain retained appliance availability a minimum of 4 members of the crew including a driver and an officer in charge would have to be permanently available within 5 minutes of the station.
16. Secondly, with 3 hours contact time each week retained Firefighters would only be able to undertake very limited amounts of community safety work.
17. Thirdly, assuming the 5 minute delay in responding in to the station and given the geography of Merseyside, it is likely that the nearest wholetime appliances would attend an incident in at least the same time as the retained crew if not quicker.
18. For these reasons this option is not considered viable by the CFO.

Strategic mergers that reduce the number of stations

19. Merging two stations would deliver a net saving of 24 WTE posts. There are a number of advantages to mergers when compared to the options detailed previously;
 - Mergers allow the maintenance of the best possible speed and weight of attack by the identifying the optimum deployment location to cover the two former station areas
 - Mergers would allow a rationalisation of the asset base to reduce capital and support costs
 - Mergers would allow the delivery of a much improved community asset with high quality purpose built firefighter facilities and training arrangements
 - Mergers allow better consideration of shared buildings with partners
 - Mergers and shared facilities with partners are likely to be suitable for bids for funding resources

20. The significant disadvantage of a merger is the potential loss of one fire appliance. This can be offset by maintaining one wholetime pump and one pump crewed wholetime retained, albeit on a 30 minute recall. The wholetime retained appliance would be utilised for resilience rather than for immediate response to incidents (hence the 30 minute recall). In practical terms the appliance would be recalled in to service when the overall number of available appliances across Merseyside dropped below a pre-determined trigger point (currently 17 appliances). This option would deliver a net saving of 22 WTE posts but has the significant advantage of maintaining a second wholetime pump at the station, albeit on a 30 minute delay, thus negating all of the issues detailed at paragraphs –15 - 17 above.

Reducing the number of hours that stations are open i.e. - Days Only Crewing

21. Days only crewing would deliver a saving of 12 WTE posts per station. In these circumstances the appliance would be crewed for 12 hours each day on the wholetime duty system but would be unavailable for the 12 hours of the night shift. In practical terms the appliance would be used during the day shift for strategic standby moves to one of the 10 key stations to facilitate crew based training etc. in addition to providing emergency response cover for its own station area.
22. There are a number of disadvantages with this option:
- There would be no reduction in the asset base and associated debt servicing and support costs
 - Assets would be significantly underutilised and the Authority would still have a number of older stations (some in poor condition) with limited firefighter training and community facilities
 - It is unlikely to be possible to bid for funding resources to support this option

Closing stations

23. Closing a station would deliver a saving of 24 WTE posts per station along with the additional savings from station overheads. In this option however the appliance from the station is permanently taken out of service.
24. From a community perspective this would be a loss of a community asset with no offsetting improvements. It would also be unlikely to be possible to bid for funding resources to support this option.
25. In order to offset the loss of the appliance but still deliver the substantive savings required, the appliance could be relocated to another station to be crewed on a wholetime retained basis.

Conclusion

26. In order to maintain the best possible speed and weight of attack from the remaining appliances it is the professional view of the CFO that merging

stations where the opportunity arises to secure the optimum deployment location is preferable to days-only crewing, closing stations or changing duty systems. Members should note however that the merger option would still involve the closure of stations.

27. Members should also note that having assessed the disposition and suitability of its stations and the operational response needs of the Service the CFO has identified that strategic mergers could only be realistically pursued in the Wirral, St Helens and in Knowsley given the age and location of the stations in these areas.
28. It is the recommendation of the CFO therefore that a public consultation takes place regarding the options presented for station mergers on Wirral (West Kirby to merge with Upton at a site within Greasby), in St Helens (Eccleston to merge with St Helens at a site in the St Helens town centre ward) and in Knowsley (the merger of Huyton and Whiston at Prescott which already has Authority approval in principle - CFO/091/12). These mergers would reduce the Authority asset base down from 26 stations to 23 and deliver additional savings from premises overheads.
29. The Authority is asked to take the outcome of the consultation into full account when it takes its decision to approve options to deliver the required savings as outlined above.
30. To maintain resilience and offset the loss of a wholetime pump the CFO recommends that each merged station would have 2 pumps (1 pump wholetime, 1 pump wholetime retained). The wholetime retained pump would be utilised for resilience and therefore could be made available within 30 minutes. Analysis of Firefighters home addresses that would allow for a 30 minute recall to the stations in question suggests sufficient numbers of personnel to achieve full wholetime retained availability of the second appliance.
31. The three mergers would deliver a reduction of 72 WTE posts gross and 66 net (the 6 post differential to pay for the retained contracts), which would deliver a saving of £2.4m.
32. Members will recognise however that, that this saving alone, whilst making inroads into the required likely total of at least £6.5m by 2015/16 is unlikely to be enough in itself and other options will also require consideration.
33. As the next 'least worst' option the CFO, therefore, also recommends the option of incremental closure of a station(s) in Liverpool or Sefton in order to achieve the balance of savings required as a result of the Government cuts.
34. This saving would be achieved by days-only crewing in the first instance and ultimately result in the relocating of the pump from the station to close to another station as a second pump to be crewed on a wholetime retained basis. One station closure would deliver a reduction of 24 posts gross and 22 net

which is a saving of £814,000 for salary costs and around £100,000 for overheads.

35. The Authority might then consider applying this broad methodology to manage further cuts as necessary recognising that savings would be also delivered from support budgets in no small part due to a much reduced asset base.
36. The exact details of the mergers will be considered in detail on a site by site basis and it is possible that other options and variations will emerge particularly as a result of public and staff consultation.

Actions on approval - Next steps

37. The next steps in delivering any of the station mergers are:-
 - 1) Stakeholder/public engagement on the options for mergers
 - 2) Partner identification and confirmation of intent
 - 3) Site identification
 - 4) Building outline design and costs
 - 5) Report back to Authority with full detail on plans/costs/engagement outcomes
 - 6) Public consultation on the individual mergers and Authority decision to proceed or to pursue other options.
 - 7) Planning permission
 - 8) Procurement
 - 9) Procurement of construction partner and build
 - 10) Sale of old stations/sites and purchase of new sites where appropriate.
38. Broadly speaking it is anticipated that the timescale for bringing a new station in to operation would be a minimum of two years. However, Members will also recognise that it would take until 2017 to deliver the structural changes in cash terms i.e. to actually merge/close a station due to anticipated retirement rates.

Proposed approach to consultation

39. Having considered this report in the context of the financial position and the options available to members it is clear that closures or mergers are likely to be required in order to deliver the proposed strategy. It is also recognised however, that other proposals or variations are possible – depending upon consultation with both employees and stakeholders. It is important that consultation takes place when the Authority is ready to put sufficient information into the public domain to enable an effective and informed dialogue on the issues being consulted on.
40. It is proposed that the Authority enters into a two-stage ‘consultation’ process to scrutinise the options and consider others. As such it is proposed to enter into consultation comprising of a more open-ended listening and engagement phase on the OPTIONS and a formal consultation process on the eventual PROPOSALS.

Stakeholder/public engagement

41. Following approval of the recommendations contained within this report Officers will, on behalf of the Authority, commence a series of presentations to those stakeholders directly affected by the proposals. These presentations will be delivered via the most appropriate forums in each area including established local authority forums and where appropriate facilitated public events.
42. The consultation will explore and review the options and rationale applied in reaching the recommendations prior to formal consultation.
43. The Authority will also conduct a number of deliberative Integrated Risk Management Plan (IRMP) consultation events where the public will be asked to consider whether the recommendations reflect the proposals within the IRMP and are reasonable given the significant financial challenges placed on the Authority.
44. This will allow the Authority the opportunity to consider the OPTIONS in the light of any public concerns prior to moving to formal consultation, where more specific details on the PROPOSALS will be available.

Political engagement

45. Members and Officers will continue discussing the options with local and national politicians.

Staff Engagement

46. Staff engagement will underpin the consultation process –using the successful approach adopted with the PFI stations.

Trade Union Engagement

47. Engagement with the trade unions will underpin all aspects of the consultation process.

Formal Consultation

48. Once sufficient information is available and following the consultation process on the options set out above, a separate report on each merger would be brought back to the Authority. This would summarise the outcomes of the engagement phase and allow any changes to be made as a result of the outcomes of the engagement, demonstrating that the Authority has listened. Following approval of that report the, one or more OPTIONS would become PROPOSALS on which the Authority would formally consult.
49. The formal consultation would follow best practice and include on on-line questionnaires, full public meetings, district forums and focus groups

Equality & Diversity Implications

50. An initial Equality Impact Assessment (EIA) has been conducted which is attached as Appendix B. A more detailed EIA will be produced for each specific merger should the Authority agree to proceed.

Staff Implications

51. Staff will be consulted on all of the options directly and through the Representative Bodies.

Legal Implications

52. The Authority has a legal duty to deliver a Fire and Rescue Service under Sections 7-9 of the Fire and Rescue Services Act 2004. The options recommended in this report will ensure that the Authority discharges this duty. Full consultation will take place and the outcomes taken into account before any final decisions are made.
53. Many Judicial Review applications challenge either the adequacy of the consultation and/or the sufficiency, accuracy and clarity of the information given to the public to enable them to reach an informed decision and/or it is alleged that an Authority has made its decisions before even consulting (i.e Pre-determination).

Financial Implications & Value for money

54. The options recommended in this report would allow the Authority to develop fully a financial plan to meet future savings that will be required by 2015/16.
55. The Government has also top sliced some monies from the funding total available for Fire and Rescue Services and has indicated that it will introduce a resource fund (£30m) and a capital fund (£45m).
56. Whilst these sums cannot be relied upon for medium term financial planning they could be used by the Authority to fund the merging of stations. It is understood that the Government is to consult on a bidding process to gain access to these resources and it is expected that the Authority would wish to bid for such support.
57. More detailed costs for each of the individual schemes will be developed as the progress through consultation and detailed design. These costs will include any estimates of capital receipts which might be realised for each of the stations involved in the merger/closure options. The Authority will make individual decisions on specific proposals with detailed costs for each.

Risk Management, Health & Safety, and Environmental Implications

58. It is the recommendation of the CFO that a two-stage process for consultation be adopted, with a listening and engagement phase before the formal consultation process is undertaken, to avoid any challenge wherever possible..
59. An outline Model Formal Consultation plan is attached as Appendix C.

Contribution to Our Mission – To Achieve; Safer Stronger Communities – Safe Effective Firefighters”

60. In the view of the CFO minimising the impact of Government cuts on operational response through station mergers/incremental days-only crewing to closure represents the least worst option for the Authority to pursue in the circumstances.