

MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	AUTHORITY		
DATE:	14 DECEMBER 2017	REPORT NO:	CFO/074/17
PRESENTING OFFICER	DEPUTY CHIEF FIRE OFFICER		
RESPONSIBLE OFFICER:	AM PAUL MURPHY	REPORT AUTHOR:	COLIN SCHOFIELD
OFFICERS CONSULTED:	IAN CUMMINS		
TITLE OF REPORT:	VARIATION TO FIRE TRANSFORMATION GRANT FUNDING		

APPENDICES:	APPENDIX A:	TRANSFORMATION FUNDING (2015/16) UPDATE REPORT TO HOME OFFICE
	APPENDIX B:	FIRE TRANSFORMATION GRANT (REVISED) BID CALCULATOR

Purpose of Report

1. To inform Members that the Home Office have agreed to a variation in the use of Fire Transformation Grant funding for the station merger programme.

Recommendation

2. That Members note this report.

Introduction and Background

3. In June 2014, the Authority bid for grant funding from the Department for Communities and Local Government (DCLG) under the 2015/16 Fire and Rescue Authority Transformation Funding scheme.
4. The basis for the grant funding sought was the closure of six existing fire stations and the building of three new community fire stations to replace them. The proposal involved closing Upton and West Kirby and building a new fire station in Greasby; closing St. Helens and Eccleston and building a new fire station in St. Helens town centre; as well as closing two Liverpool stations (probably Allerton and Speke/Garston) and building an optimally located station at a site to be determined.
5. To support the main thrust of the bid, additional proposals included introducing on-call (retained) crewing for three appliances at the new stations; reducing the establishment by 66 WTE firefighter posts; and sharing

the new facilities with Merseyside Police and North West Ambulance Service to facilitate co-operation, collaboration and cost sharing.

6. In a letter dated 17th October 2014, the Authority was advised by Penny Mordaunt MP, Parliamentary Under-Secretary of State, that the bid was successful and the Authority had been awarded the sum of £4,468,500 for the merger programme in the bid. The award was broken down as £4,170,600 capital and £297,900 revenue. This money was paid over to the Authority in May 2015.
7. The Authority is required to submit 6 monthly reports detailing progress on the new stations and savings realised. These have all been returned by the due deadlines.

Current Situation

8. As Members will recall, the Authority took a decision in 2015 to close Allerton outright, rather than merge with Speke/Garston or another Liverpool station.
9. In addition, there have been significant delays and increased costs in the overall merger programme (including the new station at Prescott which was the subject of earlier Government grant funding). Consequently the makeup of the programme, and the projected savings, against which Fire Transformation Grant had been received, has changed significantly.
10. As a result of these changes, the Programme Director wrote to the Home Office (which had taken the Fire reference from DCLG) on 18th April 2017 requesting a meeting with officials to provide the Home Office with reassurances on progress, explain the delays and the effect on levels of savings achieved/forecast. In addition, enquiries were made about any potential flexibility in the funding arrangements.
11. In the event, a response from Home Office officials was delayed, due to the Purdah period preceding the General Election. A conference call was held on 23rd August 2017 involving the Deputy Chief Fire Officer, Treasurer and the Programme Director and three Home Office officials. During that call, details of progress and reasons for delays were provided, together with comment on the increasing costs of the two remaining schemes. Reference was also made to the Prescott scheme which, in turn, was impacting upon the Authority's ability to fund the balance of capital required for the mergers programme.
12. As a result of this call, an update report was submitted to Home Office on 11th September 2017 setting out the information that had been outlined on the call and comparing this with the original bid information. A copy of this report is attached as Appendix A. An updated Fire Transformation Grant Bid Calculator was completed and sent to the Home Office on 19th September 2017 (Appendix B).

13. On 13th October 2017, the DCFO received an email from the Home Office Fire Efficiency and Funding Team confirming that the Home Office are content for the requested project variation by the Authority, (as set out in the documents at Appendices A & B), to be implemented. This effectively means that the Home Office acknowledge that the Authority are only carrying out two, rather than three station mergers using the Fire Transformation Grant funding and do not intend to claw back any of the grant allocated.

Equality and Diversity Implications

14. The Equality Impact Assessment for the station mergers programme in general and for each of the proposed new fire stations have been submitted to the Authority with the relevant reports. There is no update to the Equality Impact Assessment as a result of this report.

Staff Implications

15. The implications for personnel, involving the net saving of 66 WTE firefighter posts from the mergers and closure of Allerton, have been previously reported to the Authority and the financial savings anticipated have been now been realised through Firefighter retirements.

Legal Implications

16. There are no direct legal implications as a result of that report. DCLG imposed conditions on the original grant allocated but, in advising Home Office of the reasons for changes to the programme and Home Office agreement to these changes, the Authority continue to comply with those conditions (which include the regular progress reports).

Financial Implications & Value for Money

17. The current capital programme includes the full Grant award of £4,170,600 and it has been allocated between the Saughall Massie and St Helens new community fire station schemes (£2,085,300 per scheme). The £297,900 revenue grant has been used to fund any pre-scheme costs that cannot be capitalised and any unspent monies are carried forward each year. Currently £115,800 remains available to fund non-capital expenditure associated with the Transformation Grant initiative.

Risk Management, Health & Safety, and Environmental Implications

18. There are no risk management, Health & Safety or environmental implications arising directly from this report.

Contribution to Our Mission: *Safer Stronger Communities – Safe Effective Firefighters*

19. Whilst the proposed station merger programme will not improve operational cover in the areas affected, it is the least worst option to adopt in the circumstances and is

seen as reasonable given the financial challenge faced by the Authority. The new fire stations will however provide an improved working environment for firefighters.

BACKGROUND PAPERS

GLOSSARY OF TERMS

DCLG Department for Communities and Local Government