

# Surrey Fire & Rescue Service

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## Summary Full Business Case

### 0. Purpose of this document

This document provides the investment case for undertaking the project, in terms of evaluating the benefit, cost and risk. Its purpose is to obtain management commitment and approval for investment. The template has been prepared with the Finance team, Policy team and Transformation Support team.

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	Date:	26 <sup>th</sup> October 2018
	Version:	1.0

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### 1. Background and business need

#### 1.1 Issue, problem or opportunity to be addressed

In 2016 the Surrey Fire and Rescue Service (SFRS) made proposals to save £6m (19% of the service budget) during FY 18/19 and 19/20, which were included in the MTFP. As these savings proposals were developed it became clear that they were not deliverable, particularly given the number of external factors that have impacted on the service since 2016. Additionally, the changes proposed did not address the key issues raised by the HMICFRS inspection. This identified that significant changes were required to the service in areas of effectiveness, efficiency and how well it looks after its people.

This FBC sets out revised proposals that will address these issues. It sets out how the structure, operating model and culture of the service needs to transform in order to meet the changes required nationally and the new vision of the council. We need to:

- respond to the recommendations of the HMICFRS inspection
- create an operating model that focusses on community risk reduction and collaboration
- shift our focus to community safety and resilience, by increasing our Prevention & Protection activities
- change the elements of our culture that don't support the future of the service
- integrate the Service into the Highways, Transport and Environment directorate and ensure it is aligned with the wider SCC vision

#### 1.2 Outline scope and approach

**Scope:**

All SFRS services are in scope.

**Approach:**

Evidence based approach to understand current and future needs for both our response and prevention and protection activities. Modelling options to enable a redesign to of the service to effectively deliver these activities. This includes ongoing advice and quality assurance from the NFCC Advisory Panel - an external advisory group made up of CIPFA and Chief Fire Officer representatives from other counties both on the approach and proposals.

Initial proposals were presented to informal cabinet in September 2018, and they have indicated support for our proposed direction of travel. The work undertaken to develop the proposals to Cabinet included:

- In-depth analysis of previous 5 years of data of incidents, call-outs per station, critical incident hotspots
- Current and future provision requirements
- Re-modelling of the baseline number of fire appliances that are required to provide a full response and meet safety requirements

In order to develop options for the service offer we considered:

1. The basic requirements to deliver an effective response service and which prevents the authority incurring additional expenditure.
2. The requirements to transform to deliver a modern fire service, with a stronger focus on prevention and protection that meets national standards, responds to the outcome of the HMICFRS inspection and the councils TOM.

In developing our proposals against we have also considered the cost of the different options, the cultural change required, and any efficiencies or income opportunities.

The modelling work carried out showed that in order to deliver a response service without compromising safety the service needs a baseline of:

- 22-3 daytime fire appliances,
- 16-18 night time fire appliances.

This includes special appliances and additional resilience to cover seasonal variations and the event of Level 3 and 4 incidents (less frequent, but serious incidents requiring multiple appliances) occurring when cross-border arrangements to provide cover cannot always be guaranteed or relied upon. Using this baseline, we are able to calculate the number of stations and firefighters required to effectively and safely provide the required level of response.

In order to transform we need to realign resources and the culture of the service to enable a shift to prevention and protection and create a new operating model that meets national standards, We need to:

- Develop our prevent and protect capability
- Create an effective response capability
- Continue to strengthen our approach to collaboration with our partners
- Improve our effectiveness and efficiency through a strong focus on continuous improvement and learning
- Create a culture of delivery that is collaborative, inclusive and diverse
- Deliver the savings created by the new service offer of c£2m in 20/21

We are also reviewing the following to identify additional savings and efficiencies:

1. An increased focus on creating additional funding through SEBS (South East Business Services) commercial opportunities.
2. Reviewing opportunities for cost recovery through our IRMP process, our specialist capabilities, including animal rescue.

3. Minimising attendance to non-emergency incidents to seek to maximise community safety activity with a reducing workforce.
4. A capital expenditure review to look at what can be delayed or shelved
5. Capability review, eg. specialist rescue techniques which can be delivered differently and in partnership
6. Review of fees and charges

The work required to deliver the transformation in the challenging national environment cannot be underestimated. This is supported by feedback from the NFCC advisory group from their own experiences who said: *“Delivering the desired changes in culture and leadership, in parallel with the Service redesign programme, will be extremely challenging”*.

### 1.3 Project objectives

Address the issues identified by the HMICFRS inspection

Create a new operating model with an increased focus on Protection & Prevention activities, focusing on community safety and resilience.

Create a culture within the service that supports the vision

Deliver the newly proposed savings target of £2m in 20/21 by remodelling service provision

### 1.4 Outcomes

- Communities will be enabled and resilient through our increased focus on Protection & Prevention activities.

- More sustainable, efficient and effective Fire and Rescue Service

## 2. Critical success factors (CSF)

Description of CSF	How will success be measured?
Response model defined and agreed with all stakeholders	We have successfully developed a core offer that ensures the service can deliver its functions within its budget which is supported by stakeholders
Member buy-in and commitment to delivery of changes	Measured by their agreement despite the fact that it may affect members locally
Service offer delivered within agreed timeframe and with minimal impact to BAU	Transformation delivered within agreed timeframe and with minimal disruption to response time KPI
Transformation of service, leadership and culture	Measured by improved performance, external benchmarking and response to staff surveys

### 3. Options analysis

#### 3.1. Options considered

Option 1	Do nothing/maintain status quo
Option 2	Remodel to deliver a service that addresses the recommendations of the HMICFRS inspection. This will involve changes to the current response model to shift to a focus on prevention and protection.

#### 3.2. Preferred option and reasons

The preferred option is option 2 as this will ensure the service is aligned with good practice for a modern fire and rescue service address the issues raised in the HMICFRS inspection and deliver the following savings by 20/21:

- £2m revenue net savings
- £0.8-1.6m reduction in future capital spend
- £0.1m SCC property running cost savings

The continued development of the wider service offer will ensure that what we do focuses the resources we have on those activities that deliver the best outcomes for residents and the council's vision.

### 4. Major Changes / High level deliverables

- Revised operating model, governance and new structure embedded within HT&E
- Updated HR policies and procedures
- Revised prevention and protection strategy
- Revised collaboration strategy
- Updated Integrated Risk Management Plan.
- New SEBS business model

### 5. Impacts the changes will have and how we will measure them

Headcount	Changing levels of service could possibly result in changes to headcount, measured through staff FTE numbers.
Demand	There will be changes to the way in which demand is managed, reviewing response standard and a review of end to end delivery of response.
Property	Possible rationalisation of infrastructure
Additional Income	Additional income will be achieved through the creation of additional funding opportunities and reviewing fees and charges. These will be measured through the income generated and greater partnership working in regard to training and property.
Commissioned services	N/A

## Appendix A

Service Improvement	The service offer will be aligned with the Council's vision and recommendations of the HMICFRS inspection.
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## 6. Benefits and financials

### 6.1 Investment needed

We will require support to deliver transformation in the form of specialist interim resource, project management, finance, communications, legal, HR and property.

In year costs	2018/19	2019/20	2020/21	Total Cost	Ongoing Cost (p.a)
	£m	£m	£m	£m	£m
<b>Cost of transformation:</b>					
- Interim staffing	0.24	0.54	0.1	0.884	0.00
- External consultancy	0.10	0.0	0.0	0.10	0.00
<b>Opportunity/Internal Resource cost</b>	TBC	TBC	TBC	TBC	0.00
<b>Total Cost</b>	0.34	0.54	0.1	0.894	0.00

### 6.2 Financial benefits/savings expected

Financial benefits	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m
<b>Savings</b>				
- reduced expenditure	0.000	0.000	2.000	2.000
<b>Additional savings, already in MTFP</b>	0.000	0.000	0.000	0.000
<b>Additional savings to offset pressures in addition to those in MTFP</b>	0.000	0.000	0.000	0.000
<b>Total Savings in FBC</b>	0.000	0.000	2.000	<b>2.000</b>

6.3 Non Financial benefits/savings expected

Benefit description	How will success be measured – what Key Performance Indicators?	Benefit realisation date
Strategic alignment	Measurable contribution to council vision	20/21
Directorate integration	TBC	20/21
Prevention awareness	Decrease in number of emergency responses and an increase in the number of businesses and vulnerable people in receipt of Protection & Prevention advice.	20/21

6.4 Ongoing Financial Implications

Impact description	How will this be measured – what Key Performance Indicators?	Impact realisation date
N/A		

## 7. Risk, Assumptions, Constraints and Dependencies (Cover Financial, Reputational and Service aspects)

### 7.1 Risks

Key risk or risk theme	Probability	Impact	Owner
Lack of support from the FBU causing delay to delivery of the programme	High	High	Chief Fire Officer
Risk averse culture within the council prevents income generation and empowerment opportunities	Medium	Medium	CLT
There is a risk that members would not support all the changes proposed because of negative reputational impact.	High	High	CLT
There is a risk there will be a delay to implementation of changes because of challenging resident engagement or public pressure which impacts on programme progression.	High	High	Chief Fire Officer
Delivering change in culture and leadership in parallel to service redesign impacts time and quality of programme delivery	High	High	Chief Fire Officer
Staff morale is damaged as a result of continual change which impacts on service delivery	Medium	Medium	Chief Fire Officer
Possible changes to infrastructure could result in legal challenge	High	High	Chief Fire Officer
Risk of industrial action (locally/nationally) including impact on BAU and impact from action short of strike	High	High	Chief Fire Officer

*Probability & impact: scale of High, Medium, Low*

### 7.2 Assumptions

Assumption
Corporate support is provided as required and to time
Cabinet support the changes
Resources are available within the directorate

### 7.3 Constraints

Constraint
Formal public consultation
Formal staff consultation
National regulations

### 7.4 Dependencies

Inbound dependency: this project is dependent on the delivery of this project/activity	
Project	Dependency
HT&E Transformation	Re-structure
Asset & Place Strategy	Changes to infrastructure
Digital	Changes to IT
Outbound dependency: other projects will not deliver if this project is not completed	
Project	Dependency
HT&E Transformation	Re-structure

## 8. Project milestones

Project Milestones	Month / Year
<i>End of 'Direction' i.e. detailed definition of the issue and approach to solve</i>	<b>Dec 2018</b>
<i>End of 'Design' i.e. design of the solution and the plan to achieve outcomes</i>	<b>Feb 2019</b>
<i>End of 'Delivery' i.e. delivery of the change</i>	<b>April 2020</b>
<i>Completion date 'D-Day' i.e. date of completion</i>	<b>April 2021</b>
<i>Start of Benefit Realisation i.e. the estimated date where benefits begin to kick in</i>	<b>April 2020</b>

## 9. Resources required

Interim Strategic Lead for Transformation,  
 Project manager  
 Employee Relations  
 HR (OD Transformation)  
 Procurement  
 Finance  
 Legal  
 Property  
 IT  
 For full details see Appendix 1 resource profile

## 10. Legal Issues / Consultation Requirements

Public and staff consultations will be required on proposed changes – March-May 2019  
 T&C's Consultation – Feb 2019 onwards

## 11. Equality implications

An Equality Impact Assessment (EIA) will be produced.

## 12. Recommendation, approvals required and next steps

That approval is given to deliver the transformational core saving proposal which requires:

- Cabinet approval to consult on new model of delivery
- Investment from Transformation Fund

Mobilisation of programme

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