



Communities Select Committee

Thursday 11 July 2013

Surrey Fire and Rescue Service Income Strategy

Purpose of the report: Scrutiny of Services and Budgets

This report is presented in order to keep the Committee apprised of the Service's approach to income generation and to ensure that the select committee has the opportunity to scrutinise the development of proposals ahead of the Cabinet meeting in September 2013.

Introduction:

1. The Medium Term Financial Plan included an additional income target of £660k by the end of the financial year 2017/18. This income is required in order to support delivery of core fire and rescue services and is an alternative strategy to reducing service provision. Surrey Fire and Rescue Service welcomed this opportunity and those provided by the approach to innovation outlined by the Leaders Report to Cabinet prior to the local elections.
2. The Service has worked with Business Services partners to determine the best operating model approaches to support the generation of income. This paper outlines the operating models being considered and the next steps to ensure the targets are achieved.

Income Operating Models

3. The Service recognises that there are advantages and disadvantages to the various operating models available and many Fire and Rescue Services are exploring trading opportunities to generate income.
4. The Service considers that the best approach is to have at its disposal a number of operating models, in this way it can select the most appropriate method to deliver the service and where appropriate recover cost or generate a surplus income.
5. The first model is to continue to provide services under the auspices of the Fire and Rescue Service, these include existing special services, provision of

services to other fire and rescue services (e.g. the calling handling service for the Isle of Wight), and provision of services to other local authorities. Partnership opportunities with other blue light services, directorates and districts and boroughs may be more easily contracted with under the current governance arrangements.

Local Authority Trading Company

6. The Fire Service has a strong, recognised and trusted brand. This is utilised by other Fire and Rescue Services to set up local authority trading companies (LATC). Of those that exist within the fire and rescue service sector there are mixed results in terms of surplus that can be redirected and reinvested into the service. There are also a range of governance arrangements and company types, "Community Interest Companies" being a popular model with new entrants into this market.
7. Sir Ken Knights "Findings from the review of Fire and Rescue Service efficiencies and operations" notes the potential of appropriately and consciously commissioned activity.
8. The SFRA Governance Review also examines the role of income and trading.
9. SFRS is undertaking work to assess the options in this area, initial indications are that a form of LATC would be beneficial to facilitate opportunities related to some joint ventures, partnerships with the private sector and provision of services to business.

Surrey Fire Service Charity

10. The final model being progressed relates to an independent charity with articles that reinvest funding back into Surrey Fire and Rescue service. In this model new funding streams can be accessed through sponsors, grants and lottery funding etc. A charity has been registered and trustees are currently being sought to establish a board. The Charity has been established without SCC funds and in interested parties own time.

Opportunities for Income

11. There are a number of opportunities being considered by the service that include utilisation of existing assets, staff, properties, skills and experience. The intention is to ensure that income can be maximised for the Service and the County Council by utilising irreducible spare capacity.
12. The types of services that could provide an income stream include training and development, transport and technical services, response services, fires safety advice, consultancy, occupational health services, event safety management, planning and intelligence, call handling and management, co-responding, TeleCare response in conjunction with Adult Social Care and other partners.
13. The continued pilot of our private sector specialist rescue and contingency crewing arrangements has highlighted the potential to generate income and or

utilise the services to avoid existing cost through elimination of duplication, for example in commissioning specialist rescue courses for our workforce. The Service continues to evaluate the benefits of the contract and is preparing to present these findings to the Cabinet and determine the longer term way forward in September 2013 as outlined in the original recommendations.

14. Each of these opportunities is being explored to identify potential scale and return on effort employed.

Conclusions:

15. The Service has identified potential for generating income through a number of means and a range of operating models are being assessed to identify how best to maximise the benefit of these opportunities.

Recommendations:

16. That the Select Committee note and endorse the approach taken by the Fire and Rescue Service to ensure the income generation target is achieved as set out within the Medium Term Financial Plan

Next steps:

The Service will conclude the options appraisal work to determine the most appropriate way forward in terms of each of the operating models and opportunities outlined above. It is intended to present a Cabinet Report in September 2013 to approve the outcomes of that work and if appropriate move to development of a full business plan prior to implementation.

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Sources/background papers: SIR KEN KNIGHTS REPORT

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