



**Manchester City Council
Report for Information**

Report To: Resource and Governance Overview and Scrutiny Committee
– 12 November 2009

Subject: Risk Management Practices and Efficiency Programme in
Greater Manchester Fire and Rescue

Report of: Gerard Murphy, Director of Finance
murphyg@manchesterfire.gov.uk
0161-608-4110

Background

1. In 2008, the Audit Commission judged that the Authority's use of resources (UoR) judgement is improved and again results in an overall score of 4 out of 4, performing strongly and well above minimum requirements. Particularly notable were the integrated and embedded risk management practices, financial reporting, the approach to partnership working and the financial standing.
2. UOR scores for Direction of Travel, UOR and Operational Assessment over the last number of years show that the Authority's performance standards have not been compromised in achieving efficiencies and avoiding overspending. Current Comprehensive Area Assessment scores are still embargoed until December 2009 at which point they will be shared publicly.

Risk Management

3. The Authority has ensured that risk management processes are built into the Corporate Planning framework so that risks are identified and managed as part of service delivery arrangements rather than being an additional process. A higher level process also operates where Strategic Risks, which relate to the longer term objectives within the Authority's Vision, are identified and monitored through the Corporate Planning process. The Authority is currently reviewing its strategic vision and key objectives and will also be consulting shortly on a new draft Integrated Risk Management Plan (IRMP) for 2010/11.

4. Risk management is embedded into overall management arrangements and is reported to all member groups within service plan / corporate plan management reports along with any reports relating to specific issues. Overall responsibility for corporate risk management is with the Deputy County Fire Officer. who chairs the overall Risk Management Strategy Group and is also a key role for the Audit Committee who regularly review strategic risks.

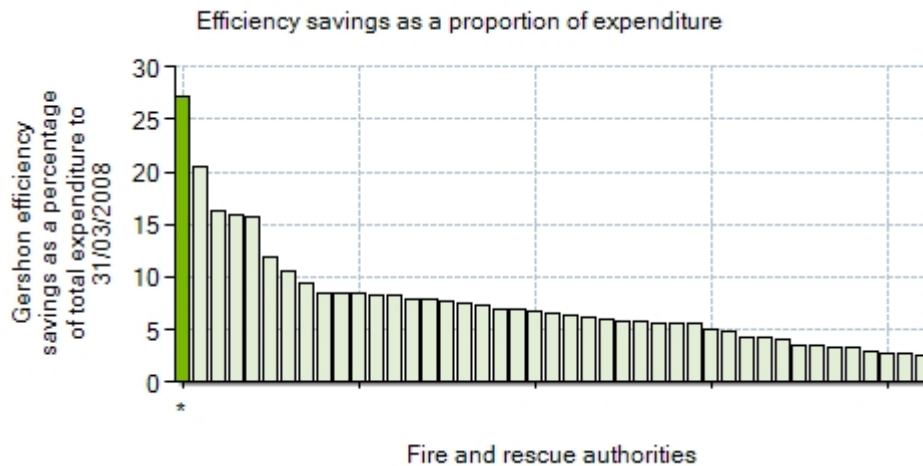
5. Greater Manchester's medium term financial planning process links between financial planning, resource allocation and the Authority's priorities as expressed in the Integrated Risk Management Plan and the Community Plan.

6. The Authority's risk process is fully integrated with the financial planning process. If the risk is accepted, it is prioritised using a scoring system and placed on the Corporate Risk Register. Any financial implications are identified as part of this process and the appropriate budgetary changes are incorporated into either a) the next budget monitoring cycle of reports, or b) budget estimates for the next financial year.

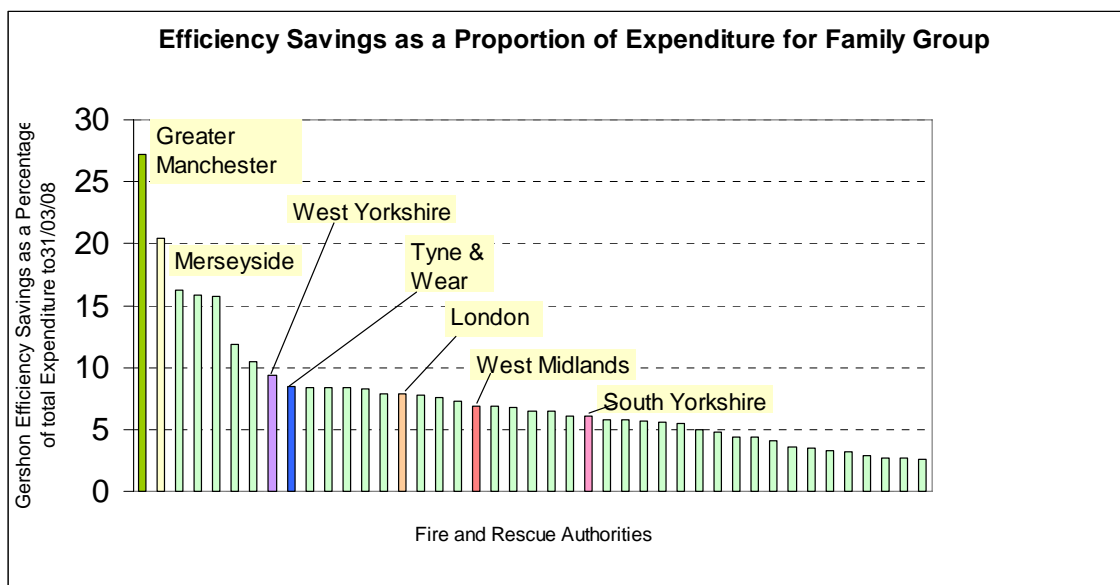
7. These key integrated system strengths have been recognised by the Audit Commission including:
 - Focus on risks – those addressed in the current year and new or emergent future risks and what the mitigating strategies might be at this stage.
 - Sensitivity analysis via Medium Term Financial Strategy which is linked to key business objectives via the risk management process. There is a proactive plan linked to this to deliver efficiencies over the medium term.
 - A strong statement on the level of balances and the part they play in giving stability to the budget strategy over the 3 year period.
 - A clear statement of how service priorities described in the IRMP and the Community Plan are included for in the financial plan.
 - The efficiency agenda and its role in releasing or redirecting resources is explicit, as evidenced by Rising to the Challenge
 - Budget balanced and fully funded
 - The implications for partners and other stakeholders are considered
 - Link to Capital Programmes and their revenue implications

Efficiency Programme

8. The Authority identifies efficiency savings as a key part of the Integrated Risk Management Plan and the Medium Term Financial Strategy, and these are incorporated into the budget over the medium term; this has been the practice in this Authority for many years. The Authority has placed a strong emphasis on the delivery of efficiency savings (whilst driving performance improvement) and has a proven record to date in delivering both cashable and non-cashable efficiency savings. Key cashable and non cashable efficiency savings to date include:
- Alternate crewing arrangements for a number of appliances have generated non-cashable efficiency savings. This means that staff resources are better utilised.
 - Replacement of Emergency Salvage Tenders with Incident Support Vehicles and Enhanced Rescue Vehicles
 - Reduced ill-health retirements.
 - New management structures
 - New crewing arrangements
 - A new work routine has been introduced to make better use of operational personnel in line with other service priorities and to release time to undertake Home Fire Risk Assessments, other Community Fire Safety initiatives and training
 - Change of duty system at Mossley Fire Station.
 - Removal of the aerial appliance currently located at Bury Fire Station. 10 posts have been released and reinvested into other service priorities as set out in the IRMP.
 - Extension of Flexible Operational Resource Deployment (FORD 3) from July 2009
 - Revised crewing arrangements – Agecroft, Bolton North and Cheadle from 1st April 2009
9. In the summer of 2008 the Audit Commission conducted a national study of the Fire Service which was to support recommendations aimed at improving economy, effectiveness and efficiency in the provision of Local Authority Services.
10. In the Audit Commission study, 'Rising to the Challenge', Greater Manchester Fire and Rescue Authority (GMFRS) are ranked as number one in terms of achievement of efficiency savings with a 32% total saving in the period to 2007/8, as shown below.



11. The following chart expresses the sum of the last three years Gershon efficiency savings declared in backward-looking efficiency statements as a percentage of total expenditure. GMFRS has implemented integrated risk management plans (IRMP's) that have delivered savings in excess of 27% of its budget, through switching resources from response to prevention and as the speed of response remains adequate this is a good indication of improved value for money.



12. As a Fire and Rescue Authority, GMFRS makes comparisons of its relative performance both with its family group; the average saving within our family group was 12.6% with the national Fire Service reduction standing at just 10.2%.

Outcomes

13. The reinvestment of efficiency savings has and will continue to generate improved outcomes in partnership initiatives and help deliver improved outcomes for the Greater Manchester conurbation.. This mixture of efficiencies and reinvestment delivers a sustainable position for the medium term financial plan.

14. The generation of Efficiency savings has given the Authority the opportunity to invest in community fire safety initiatives, including partnership activities. Scrutiny arrangements are in place to monitor the performance of partnerships, both in terms of financially (in terms of costs to the Authority) and in terms of outputs delivered, to ensure that the partnership arrangement remains good value for money for the Authority.

15. Examples of recent schemes include:

- Bolton, Oldham and Trafford Home Fire Risk Assessment schemes;
- Trafford Neighbourhood Co-ordinator;
- Trafford Volunteer scheme;
- Moss Side Boxing

16. Five hundred lives were saved last year from fire, road traffic collisions and other life threatening incidents. Our work with our partners continues to have a major impact on public behaviour in relation to fire safety and the Home Fire Risk assessments undoubtedly save many lives. We want the public to know about how we are doing as an organisation and to know that with their help we can do even more.

17. Outcomes include:

- Deliberate fires down by 20%
- Carbon emissions from fire reduced by 2,264 tonnes
- Fires overall down by 19%
- 95% of accidental fires confined to one room
- hoax calls down by 70%

18. The Authority is developing its Blueprint for the future. This will be a long term view of how we intend to shape the service. It will set out our vision, the things we care about and value (including our expectations of how we should all behave). It will also set out some of the developments we will be engaged in over the next three to five years. To support the development of the Blueprint, our elected Members have had a briefing on the recession and its implications for the Authority by a Treasury economist. This has given them a clearer picture when making decisions with respect to setting the strategic context and determining the service in the over the medium to long term.