

## **Sir Ken Knight's Efficiency Review**

### **Purpose of report**

For discussion and direction.

### **Summary**

This report provides a brief summary of the themes and issues raised in *Facing the Future*, Sir Ken Knight's Efficiency Review which was published on 17 May 2013. The report also sets out some questions to support the consideration by the Fire Commission of the review's findings.

### **Recommendation**

Members are asked to consider and debate the findings set out in Sir Ken Knight's Efficiency Review, *Facing the Future*.

### **Action**

Officers will take action as directed.

**Contact officer:** Eamon Lally

**Position:** Senior Advisor

**Phone no:** 0207 664 3132; 07799768570

**E-mail:** [Eamon.lally@local.gov.uk](mailto:Eamon.lally@local.gov.uk)

## **Sir Ken Knight's Efficiency Review**

### **Background**

1. Sir Ken Knight published his independent fire and rescue efficiency review on 17 May 2013. The review, *Facing the Future*, was commissioned by the Fire Minister, Brandon Lewis MP and it is expected that the government will respond formally to the review in the autumn. The LGA's initial response is set out in the press release in [Appendix A](#).
2. The terms of reference were to review the ways in which fire and rescue authorities may deliver further efficiencies and operational improvements without reducing front line services to the public.
3. The review uses financial and operational data up to and including 2011/12.
4. The review does not present recommendations, but sets out options in a discursive manner.
5. On 23 May Brandon Lewis MP held a teleconference on the review which was open to all. A number of members of the Fire Commission, including Cllr Kay Hammond, participated in the teleconference and asked questions of the Minister and Sir Ken Knight.

### **Key points from the report**

6. The final report can be viewed here:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/200092/FINAL\\_Facing\\_the\\_Future\\_3\\_md.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200092/FINAL_Facing_the_Future_3_md.pdf). Here we set out some of the broad themes of the review and pose a number of questions that might inform debate.
  1. **Quantifying the level of potential efficiencies**
  7. The review suggests that there are still efficiencies to be achieved by fire and rescue authorities. The review states that there seems to be little relationship between expenditure and outcomes and that if all authorities spending more than the average reduced their expenditure to the average, savings could amount to £196 million a year. The review goes on to suggest that fire and rescue authorities spend to budget and not to risk.
  8. The review's suggestions for achieving efficiency savings include increasing the total 'on-call' firefighters nationally. It states that an increase by just 10 per cent (to 40 per cent) could provide annual savings of up to £123 million. It also suggests that £17 million could be saved if authorities adopted the leanest structure in their governance types.

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**2. Wholesale reform**

9. The review states that “the 46 fire and rescue authorities, each with different governance structures, senior leaders, and organisational and operational quirks does not make for a sensible delivery model”. The review floats a number of options for wholesale reform as a means of achieving greater efficiency, these include moving to a national model, but also and in contrast, embedding fire more with local government so that it has to compete with other local priorities for resources. However, the review suggests that these options would require central government direction.

**3. Funding systems**

10. The review indicates that “the major driver for change has been reduction in central government funding and the freeze in local council tax revenue”. It argues that using funding to incentivise further change must be a key consideration for government. This implies a funding system that rewards the efficient.

**4. Scrutiny and improvement**

11. The review raises some concerns about the commitment to reform locally and the robustness of scrutiny arrangements. The review recognises that the sector is taking charge of its own improvement through the OpA peer challenge and through other measures such as the Leadership Academy. However, the report asks whether peer reviewers should be appointed rather than selected by the fire authority. The review goes on to note that the fire sector does not have an inspectorate and suggests that it is an outlier in this respect.

12. The review states that “a greater level of trust between authorities is needed to ensure the rapid spread of good ideas and proven technology”.

**5. Interoperability and collaboration**

13. The review states that the challenge for fire and rescue authorities is to accept that to achieve interoperability, the sector needs to forgo an element of customisation. It suggests that fire and rescue authorities are not yet prepared to take this step.

14. The review states that collaboration, co-responding and co-location with other blue-light services are patchy and driven or hindered by local relationships.

**Questions**

15. Although the report does not set out recommendations it makes some very firm statements which need to be questioned and debated. Some questions are set out below to aid the consideration of the review’s findings.

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- 15.1 The review suggests that the current organisational and governance arrangements for the fire and rescue service are not a sensible delivery model. Is wholesale reform of the fire service necessary and if so should this be led by government or by the sector itself?
- 15.2 The review argues that there are still efficiencies that can be achieved without wholesale reform. However, it does not take into account the restructuring and downsizing that has taken place since 2011/12. Is there still scope for efficiencies and if so where?
- 15.3 The review suggests that there is a lack of commitment locally to reform and questions the robustness of scrutiny arrangements. Is this criticism justified? What can fire authorities do to demonstrate to government the strength of local arrangements?
- 15.4 The review says that OpA peer challenge teams should be appointed rather than the current system, which applies across all LGA peer reviews, where teams are agreed with the relevant authority. Is there any need to reform the current arrangements for selecting the OpA peer challenge teams? What more can we do to demonstrate to government the commitment to sector led improvement and the robustness of the method?
- 15.5 The review suggests that greater interoperability can only be achieved through greater standardisation. Is greater standardisation needed or should operational delivery remain a matter for local determination?

**Next steps**

16. Following the debate at the Fire Commission and the breakfast session at the LGA conference an initial draft response to Sir Ken Knight's efficiency review will be prepared for consideration by FSAC in July.

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**Appendix A**

**LGA Press Release – Efficiency Review of Fire and Rescue Service**

IMMEDIATE RELEASE: Friday May 17, 2013

CONTACT: Greg Burns, Local Government Association Media Office, 020 7664 3333.

Responding to the publication of Sir Ken Knight's efficiency review of fire and rescue, Cllr Kay Hammond, Chair of the Local Government Association's Fire Services Management Committee, said:

"Sir Ken's review rightly recognises the sharp decline in call-outs and fire incidents which continue to reduce vastly because of the excellent preventative work, such as community safety schemes, which fire and rescue services have in place.

"Fire authorities are always looking to increase efficiencies with many already operating differently in order to manage an unprecedented decline in funding and will continue to find savings through measures such as shared service arrangements, reducing the number of fire stations and new flexible employment practices.

"But it is clear that without major reforms to the service this will not be enough to sustain it in the future. Therefore we will study Sir Ken's findings with great interest and are pleased that the Government intends to consult fully with the sector before it makes its own response."

**NOTES TO EDITORS**

1. Analysis published in March 2013 by the LGA, which represents 46 fire authorities in England, in March predicted government funding for the fire and rescue service will fall by £300 million from £1 billion in 2011/12 to £700 million in 2017/18. At the same time expenditure is expected to rise from £2.1 billion in 2011/12 to £2.4 billion in 2017/18 - [http://www.local.gov.uk/web/quest/publications-/journal\\_content/56/10171/3908549/PUBLICATION-TEMPLATE](http://www.local.gov.uk/web/quest/publications-/journal_content/56/10171/3908549/PUBLICATION-TEMPLATE)
2. As fire authorities must balance their budgets they will, by 2017/18, have to spend 30 per cent less annually compared to 2011/12. This would be equivalent to a reduction of nearly 40 per cent of the workforce.
3. According to the report, the cuts are already starting to bite with fire authorities reporting a drop of 7 per cent in the number of home fire safety checks carried out in 2011/12 than in the previous year.

ENDS