Building Capacity to Support National Functions

Proposals for a new Social Partnership for the Fire Community

CONTENTS

1. EXECUTIVE SUMMARY

1.1 The success that the fire and rescue service has achieved in reducing deaths and injuries from fire and the incidence of arson is recognised; however, many believe that the move to greater local determination through Integrated Risk Management Planning has unwittingly resulted in some less welcome outcomes. Bain, in common with other studies, highlighted the inefficiencies of duplication and the risks associated with isolation and an inward facing approach. In the move to greater local autonomy that was driven by Bain's review, the service has largely ignored opportunities to engage with the business community and other stakeholders.

1.2 Before the current economic crisis reinforced the need to take action, Communities and Local Government, the Local Government Association and the Chief Fire Officers' Association had already recognised the requirement to work in partnership to secure the best use of scarce resources. There is a recognition that without effective national arrangements and functions to support interoperability and safety, promote learning, and to push research into new areas, the service risks becoming fragmented, inconsistent and wasteful. It is also widely recognised that the most effective delivery is through partnership, not only between fire and rescue services but with the wider fire community and beyond.

1.3 The disappointing conclusion to the Government's consultation on proposals for a Centre of Excellence created uncertainty as to the future management, availability of resources and governance of key national functions, giving concern to a number of stakeholders who have come together to produce this short report and proposal. The group believes that national functions and frameworks should be developed incrementally, acknowledging that the establishment of a sufficiently attractive set of deliverables, effectively executed, would persuade other stakeholders to invest in its development. The proposal therefore centres on the creation of a new social partnership for fire; a not-for-profit organisation encompassing a broad coalition of fire related interests.

1.4 Recognising the economic realities of the coming years, the group acknowledge the need for this proposal to be, at worst, cost neutral; at best it would quickly identify and establish economies, reducing resource requirements for both central and local government. It is recommended by the Group that this outline proposal forms the basis of discussions with the Minister to seek acknowledgement of the potential that exists to secure this objective, and a commitment from Communities and Local Government to work with stakeholders to develop the full business case.

2. INTRODUCTION

2.1 The direction of public policy in relation to the fire and rescue service in recent years has moved firmly towards devolving responsibility for risk management to local fire and rescue authorities. The drive for wholesale improvement has been led by central government, which devoted considerable resources to delivering specific aspects of what has been called the 'modernisation agenda'. This much-needed impetus has been welcome but has led to two less helpful outcomes. First, its narrow focus tends to ignore the wider business and economic relationships that exist in the fire-related world, and second, a shortfall in the corresponding development of national functions and arrangements to support local delivery of risk management services.

2.2 Successful public services learn from each other as well as from the best that exists in other sectors. As individual fire and rescue services develop local risk solutions there is a danger that such learning does not happen. Without effective national arrangements and functions to support interoperability and safety, promote learning, and to push research into new areas, the service risks becoming fragmented, inconsistent and wasteful. These are 'internalised' risks that affect fire and rescue services and their employees. It should be recognised that as well as fire and rescue services and representative bodies, the wider fire community – manufacturers, suppliers and installers of fire protection and firefighting equipment, insurers, and other fire organisations – also has an interest in the effective and efficient future of the FRS. They need some degree of certainty about the future direction of the service and the degree to which they can contribute to it and how their own needs are considered.

2.3 The economic future is difficult and uncertain. Funding pressure may result in significant reductions in CLG resources to continue its delivery role and, in any case, there is a desire for the Department to adopt a more strategic, enabling role. At the same time, fire and rescue authorities face budget constraints over the short and medium term which must call into question the amount of duplication that exists in providing support services. Fire-related business faces similar difficulties and the economic pressure will provide clearer evidence of the interdependence that already exists between different parts of the fire community.

2.4 There are, however, opportunities to create a national leadership capacity to ensure shared learning, interoperability, economies of scale in support services and research to support the future development of fire and rescue services. A number of stakeholders (listed in Appendix A) have come together recently under the chairmanship of Rt Hon Nick Raynsford MP to develop a proposal to do just this. This paper reflects the outcomes of this early work.

3. THE CURRENT SITUATION

3.1 The re-shaping of the fire and rescue service in the UK has been incremental and rooted in agreed principles of local determination of risk and intervention. National structures and bodies have also been created or re-shaped but it is argued that these lack coherence, authority and a clear sense of purpose. Some of these have struggled to define a clear role – for example, the Practitioners Forum and Business & Community Safety Forum – and some have suffered for the want of effective resolution to long standing uncertainly, such as the Fire Service College. Other arrangements have emerged to fill gaps, such as FireBuy or Fire Gateway, but have struggled to establish themselves in a national framework and some feel they lack definition and purpose.

3.2 In the absence of clear and co-ordinated national leadership functions, individual fire and rescue services have understandably explored local or even regional options for filling the gap. Whilst this has led to useful innovations, it could also lead to unnecessary duplication and waste. Shared learning has not been a strong feature in recent years, as evidenced in the Audit Commission's latest report, and co-ordinated research and development for future innovation has all but disappeared.

3.3 It is unfortunate that the arrangements put in place to replace the original national structures deemed ineffective by Government are themselves not considered to be working effectively by some stakeholders. As a result, external and internal stakeholders feel that there is no single point of contact for the fire and rescue service as a body, having to deal with individual FRSs instead. In addition, there is a worry about how and who is responsible for addressing issues of common concern or where national co-ordination is appropriate.

3.4 For the wider fire-related community, which includes a substantial business interest, it has been a frustrating time. The development of medium- and long-term business development strategies relies on a clear understanding of the future direction and needs of the fire sector. Other key stakeholders, such as representative bodies and the insurance industry, have increasingly struggled to locate places within the existing frameworks where their concerns can be heard and addressed. The interdependence between the different stakeholders in the fire community has been too little understood to date, and a difficult and uncertain financial future for everyone suggests that this cannot continue. In short, all concerned need to be able to see where the 'leading edge' is in order to make sure they can contribute to it. It is important to clarify the point that there are different elements of the commercial fire 'business': those who produce and supply to fire and rescue services and those who provide fire protection equipment to the wider community – for example, detection, alarm and suppression systems, structural fire protection products and other equipment – which in turn supports designers, installers, and manufacturers. It is estimated that the contribution to the UK economy is approximately £3.5 billion annually (over £400M Fire and Rescue Service spend and £3 billion in fire protection). It is, however, estimated that there has been an 8% reduction in Fire and Rescue Service spend since 2004; in part attributable to a lack of certainty within the 'change' agenda.

3.5 Concerns have been emerging in relation to the increasing gap between good and poor fire and rescue service performers and a perception that the rate of improvement overall is slowing. History would tend to suggest that economic downturns lead to increased activity for fire and rescue services and reduced resources for the services themselves creates significant pressure for a change in approach. All of this suggests that the capacity of individual services to continue the pace of innovation will reduce and the risk is that the service will stagnate, leading to further uncertainty and loss of opportunity for the wider sector.

3.6 It is worth reminding ourselves that CLG, LGA and CFOA published a joint vision in 2008 which makes reference to 'working in partnership at national, regional or sub-regional level for economies of scale or to make best use of scarce expertise and resources'. This remains a laudable aim that is worth supporting within a clearer framework capable of delivering these for the good of the service and its wider constituencies.

3.7   Whilst successful at an individual level, it as arguable that the UK fire and rescue service collectively has lost much of its international reputation for world class innovation and technical development. Fragmented research programmes and confusion over procurement processes have effectively discouraged industry and manufacturers from long term investment. The uncertainty in recent years over the Fire Service College's future within the fire community and its continuing financial difficulty do little to secure its full potential, or help in assisting to promote UK fire interests in other markets. Building developers and architects are exploring a range of new construction methods and materials without the benefit of professional input from the service and both the insurers and front-line firefighters are facing the resultant risks on a regular basis.

3.8   This analysis of the current situation should not be taken as universally pessimistic. There is much to celebrate in the development of the fire and rescue service in recent years and outcomes for communities are undoubtedly better. There are emerging concerns and risks which, if not addressed adequately will not only lead to waste and loss, but will fail to exploit the opportunities for even better performance in the future for all in the fire community.

4. A FUTURE CONCEPT

4.1 The Group believes in setting out an ambitious but realistic vision for the future of national functions and frameworks. Our discussions to date have coalesced around a series of key outcomes which should be deliverable in the medium term. These can be summarised as follows:

- national resilience and interoperability;
- safer outcomes for the public and fire and rescue service staff;
- promoting the UK as world leader in fire and rescue innovation;
- improved functional support to local fire and rescue services;
- efficiencies and economies of scale;
- learning and the sharing of notable practice; and
- leading edge research and development.

4.2 The key to future success will be how we bring together the collective capacity, experience and professional expertise that exist across the breadth of the fire-related sector to create and exploit future opportunities to deliver these outcomes. Better collaboration will itself open up other opportunities for research and development. The chance exists to see if there are greater economies of scale to be realised through increased collaboration between other national organisations concerned with fire safety and resilience.

4.3 The Group believes the national functions and frameworks should be developed incrementally rather than attempting to establish too much in one go. Persuading other stakeholders to invest will depend upon establishing a sufficiently attractive set of 'deliverables' and the Group believes that the following set of outcomes would constitute an attractive proposition:

- the provision of consistent, quality assured products and services that reduce risk and mitigate the impact of incidents;
- the development of safe and technically competent staff;
- research and development opportunities based on agreed priorities;
- a showcase opportunity for the UK fire community to generate other investment; and
- reducing the individual financial burden on both the public and commercial sectors.

4.4 A positive economic output arising from this proposal is derived from increasing the potential for the UK's fire business community to secure growth, reversing the decline referred to above. There is also the need to consider how such an opportunity can secure benefits and support objectives across a range of Government Departments including the Department for Business, Innovation and Skills (regulation and economic development, including export markets), Home Office (crime reduction) and Department of Health (fire death and injury reduction, and reducing health inequalities).

5. A NEW SOCIAL PARTNERSHIP FOR THE FIRE COMMUNITY

In setting an agenda for a new social partnership it is proposed to focus, initially, on a limited series of functions which can be developed and provided nationally for the collective benefit of not only all fire and rescue services but other sector stakeholders as well.

5.1 Knowledge management

To support better sharing of key information and organisational learning there is a series of functions which could logically be brought together under a national function. These include:

- Fire Gateway development and management;
- statistical analysis and information including FSEC and IRS;
- a 'Knowledge Hub' to gather and disseminate notable practice; and
- liaison with other academic and professional institutions to promote wider sharing of knowledge and experience.

5.2 Operational resilience and interoperability

To ensure safe and effective operations with better outcomes for both public and firefighting staff and to ensure that cross-border and multi-agency operations are similarly safe and effective. Also to maintain the national capability to respond to major disasters, whether natural or terrorist-based. Functions could include:

- development and production of Operational Guidance including New Dimensions;
- New Dimensions capability management;
- operational (and ND) research and development into techniques and equipment; and
- support for health and safety objectives.

5.3 Technical improvement

To ensure that technical developments are delivered that recognises the needs of both industry and the service. Functions could include:

- building safety and protection research;
- firefighting tactics and equipment;
- tackling unwanted fire signals; and
- liaison with other professional bodies (for example, RIBA and others).

5.4 Workforce development

The continuing professional development of staff and the maintenance of operational and technical skills to ensure safety and adaptability to changing risk requirements is critical to a healthy fire and rescue service as well as other stakeholders. Functions could include:

- support for organisational and individual learning and development;
- support for equality and diversity objectives; and
- training and development standards (liaison with Sector Skills Councils).

5.5 Risk management approaches

As risk continues to evolve, making demands on fire and rescue services and other stakeholders in the fire community, new approaches to risk management and community safety will need to emerge which take account of operational safety, business and economic impact and public expectation. Functions could include:

- support for sector performance improvement;
- regulatory and community safety support;
- support for arson reduction objectives; and
- guidance for the further development of integrated risk management planning.

6. FUNDING AND GOVERNANCE

6.1 The establishment of a robust, sustainable and attractive national capacity model will require investment. That investment must also provide a realistic prospect of a return on investment in terms of medium and long term efficiency savings through the elimination of wasteful duplication, better business opportunities and more effective interventions in loss control.

6.2 A number of options are worthy of consideration, including FRS and other stakeholder contribution, reinvesting operating surpluses, trading or fee-based income, and sponsorship. Investment from stakeholders in whatever form will be on the basis that there is considerable value added or cost avoided. Longer term commercial and business advantages may be difficult to quantify at this stage but it should be possible to construct an estimate of the amount of public money currently being spent across the service where better collaboration would engender efficiency savings on matters such as training and development, research, procurement, and knowledge management. CLG themselves are carrying a revenue cost for product delivery which is not only burdensome but also constrains them from realising their ambition to be a strategic, enabling body rather than direct provider. It should be stressed at this point that this is not a proposal requiring additional Government funding; it is based on a re-evaluation of where existing resources can be more effectively managed.

6.3 The original consultation exercise on a Centre of Excellence referred to the need for extensive stakeholder involvement in the governance arrangements. This Group would offer an approach which adheres to the same principles but draws on experience elsewhere, by proposing a 'social partnership' model for consideration. Such a model is common elsewhere in Europe and can be defined as a multi-partite arrangement involving employers, trade unions, public authorities and/or others (such as private or third sector).

6.4 Building on the social partnership principles of governance, it is suggested that the business model is one based on a not-for-profit organisation, with partners drawn from the public, private and not for profit sectors. This approach offers an opportunity to secure investment from other sectors and has the potential to remove or significantly reduce the front-end financial commitment from fire and rescue authorities. This option incorporates the social enterprise component highlighted in the Ministry of Justice's strategy: that of re-investing operating surplus in its own development and management arrangements.

6.5 Being established as a not-for-profit organisation would not preclude opportunities to operate commercially or profitably; the key feature being the re-investment in the fire community rather than dividends to shareholders. A not-for-profit organisation, established as a limited company, can employ staff and trade commercially. Partners in the relationship would maintain their individual legal and organisational identities; coming together within the new arrangements to secure complementary objectives. Governance would be exercised through a Board of Directors populated by the partners and others as appropriate. More detail on this approach is provided in Appendix B.

7. STRATEGIC AND PERFORMANCE OBJECTIVES

7.1 The full business case will present a number of prioritised objectives and deliverables in support of the business case; against which the enterprise can be performance managed. As well as providing proof of concept, success should give stakeholders the chance to 'grow' the enterprise and consider the inclusion of further functions and deliverables.

7.2 The opportunity exists through this venture to use existing expertise and stakeholder engagement to consider common fire-related issues and develop potential solutions collectively. There are a number of strategic objectives that can be supported by the enterprise.

7.3 The strategic objectives that underpin the vision for the fire and rescue service that can be supported within this arrangement include:

- reducing the number of fire related deaths and injuries;
- reducing firefighter deaths and injuries;
- reducing deliberate fires;
- reducing unwanted fire signals;
- reducing social, economic and commercial loss from fires; and
- improving equality and diversity outcomes.

7.4 In addition, there are a number of potential outputs that can be translated into performance management targets. There is also the potential for Government to consider a key performance objective for the new partnership being a target to be financially self-sufficient within an agreed timescale.

8. TIMEFRAME AND NEXT STEPS

The arguments rehearsed in the foregoing paragraphs highlight the need for this proposal to be considered seriously. The pressing economic situation adds weight to the need to act sooner rather than later. Given the appetite within the stakeholder group for this proposal to be realised, it is suggested that the next steps should be agreed in the short term, with a view to having a plan for implementation ready for action in the 2010/11 business year. To achieve this, early meetings with Communities and Local Government, and the Local Government Association are therefore essential.

9. 'DELIVERY CHAIN' WORK

Whilst this work with wider stakeholders has been continuing, the Chief Fire Officers' Association has also been involved with both CLG and the LGA to develop a 'joint narrative' on the issue of national functions. This has focused on what has come to be referred to as 'the Delivery Chain'; that is, the relationship between central and local government in delivering public policy functions and outcomes for the fire and rescue service. This work has a strong correlation with the analysis in this more detailed proposal in terms of both the current situation and the future needs. Supportive briefings have been given to Ministers and the former Secretary of State's recent address to the 2009 Fire Conference (given in her absence by Sadiq Khan MP) made explicit reference to support for a new view of national leadership functions. The proposals in this work essentially seek to move the debate on a stage further by offering one means of potentially filling the gap that everyone agrees has emerged.

10. CONCLUSIONS

10.1 There is acknowledgement within the stakeholder group that there is a pressing need for action to address the threat posed by the economic situation, both to fire and rescue authorities and the wider fire community. There is also a recognition that the pace and consistency of service improvement has reached a point at which there is need for renewed impetus to secure greater efficiencies and consistently adopt best practice through greater collaboration, in keeping with the ambition for improvement to be driven by those involved in delivery rather than by Government directly. Leadership and direction exercised by Central and Local Government will also create a climate within which the wider fire community, including the private sector can benefit, by stimulating innovation and providing a platform from which to showcase products and services worldwide.

10.2 A solution based on social partnership principles, one offering inclusive governance and increased collaboration is the model offered by stakeholders. This new social partnership will focus on bringing together existing resources, leveraging further support based on its success, and reinvesting any surpluses generated. This is not a venture reliant on new funding from Government.

10.3 Outputs will contribute to strategic objectives across a range of Government Departments, focusing on five functional areas in the first instance. Once established and demonstrating success in delivery, it is anticipated that further opportunities exist for other related functions to be incorporated.

11. RECOMMENDATION

It is recommended by the Group that this outline proposal forms the basis of a discussion with the Minister to seek acknowledgement of the potential that exists to secure this objective, and a commitment from Communities and Local Government to work with stakeholders to develop the full business case.

APPENDIX A

Stakeholder Group representation

- Association of British Insurers
- Chief Fire Officers' Association
- Communities and Local Government/Chief Fire and Rescue Advisors Unit
- Federation of British Fire Organisations
- Fire Brigades' Union
- Fire and Rescue Suppliers Association
- Fire Industry Association
- Fire Protection Association
- Institution of Fire Engineers

APPENDIX B

A NEW SOCIAL PARTNERSHIP FOR THE FIRE INDUSTRY

A new governance arrangement is offered for consideration within this proposal; one based on transparency and inclusivity, operating as a not-for-profit organisation built on the principles of a social partnership. In order to appreciate the benefits of such an approach it is useful to consider the different elements in context.

Social partnership

There does not appear to be a single definition for social partnership. Whilst the concept of a social partnership is established in trade union and employer agreements, it can be described as 'a mode of policy making characterised by actively seeking compromise'. Historically, it has been adopted in Europe to address serious issues related to economic stagnation and national problems. The TUC supports social partnership as a means by which Government, employers and trade unions can work together. Social partnership is also an effective tool with which to pursue research monies, particularly in the EU.

Not-for-profit organisation

This venture can be run as a not-for-profit organisation. As such it could run on a commercial footing; employing staff and trading commercially, with surpluses reinvested in its own objectives and initiatives. Operating as a Limited Company, it would require a Board of Directors, audited accounts and an annual report. The Board could comprise those stakeholders involved in the venture and others as appropriate. This arrangement would allow partners or other organisations to share costs of administration and accommodation whilst at the same time retaining independence and identity.

A new social partnership arrangement

The fire and rescue service's experience in relation to arms-length bodies operating on behalf of Government is not a wholly positive one. Executive agency, non-departmental public body or joint committees will not offer either a working relationship or governance model that will secure the opportunity presented in this paper. A social partnership with collectively agreed objectives, effective and inclusive governance arrangements, and operating on sound business footing can deliver it.

❯ APPENDIX C

EXAMPLES OF EXISTING 'IMPROVEMENT' ORGANISATIONS

- Details of the NPIA can be found at www.npia.police.uk.

- The Centre for Excellence and Outcomes in Children and Young People's Services run by a consortium called C4EO, details of which can be found at www.C4EO.org.uk.

- The Learning and Skills Improvement Service (LSIS) formed from the Centre of Excellence in Leadership and the Quality Improvement Agency, details of which can be found at www.lsis.org.uk.

- Regional Improvement and Efficiency Partnerships (RIEPs) replace Regional Centres of Excellence (RCEs) on 1 April 2008: 'RIEPs are partnerships of councils and other local service providers working together to deliver excellent Local Area Agreement outcomes, achieve 3% efficiency savings and support economic growth and community empowerment'. The RIEP website is at http://www.idea.gov.uk/idk/core/page.do?pageId=8595264.

⟩ ADDENDUM

Building Capacity to Support National Functions and In-Service Management consultation

In the period since the above proposal was prepared, a consultation paper has been circulated to stakeholders that provides further evidence of the need for a considered and unified solution to the question of how the fire community functions and is supported at a national level. It simultaneously offers the opportunity to address the issue presented in the consultation within the wider context of fire and rescue service functional management.

The latest consultation is based on securing appropriate management arrangements for Firelink and FireControl, with the preferred option being the 'use of an existing NDPB, based on and incorporating Firebuy'. The consultation document also makes reference to a 'strong argument for managing the contract functions within a single organisation'.

We would suggest that there is scope to consider those functional arrangements within discussions on the Building Capacity proposal. Indeed, to consider these issues separately is arguably counter productive, as the case for an effective solution that secures efficiency covers all aspects of fire support and development.

Whilst it is recognised that the are requirements to answer the question of ongoing Firelink and FireControl management within a pressing timescale, if there is a sympathetic response from Government to the Building Capacity proposal, we would urge those responsible to consider how those objectives might be addressed in unison from the outset, arriving at a single solution in the fullness of time.