



St Nicholas  
58 St Johns Road  
Newport  
Isle of Wight  
PO30 1LT

Isle of Wight Fire and Rescue Service

# Appraisal of options for greater collaboration or full merger with Hampshire Fire and Rescue Service

Version 3 - September 2006

## **Index**

Executive Summary	3
Background	4
The Two Fire and Rescue Authorities	7
The Drivers for the Options Appraisal	9
The Project Approach	12
Development of the Business Case	14
The Financial Case	16
The Operational Case	22
The Strategic Case	32
Other Issues	35
Conclusions	41

### Appendices:

- A. Map of the Island showing Fire and Rescue Service
- B. Map of Hampshire showing Fire and Rescue Service
- C. Glossary of Terms
- D. Reference Documents

---

## **Executive Summary**

1. There is evidence, through the IDeA peer review report in April of this year and from the service improvement plan to show that the Isle of Wight Fire and Rescue Service is improving well following the CPA report in 2005. The service is well managed and more confident about its role and ability to improve. The improvement plan is on track and the service has also delivered considerable efficiency savings over the last two years.
2. It is acknowledged however that the Service is relatively small and that this can create pressures in addressing the modernisation agenda. It is also recognised that the pressures of change are also being felt in most Fire and Rescue Services. This has raised questions about the capacity of the service on the Island to sustain the current level of improvement and deliver change in the medium to long term.
3. The status quo is not an option either for the Isle of Wight Fire and Rescue Service or for any other Fire and Rescue Service as all face a challenging agenda of modernisation and improvement that can only be met through greater partnership working or merger.
4. There is scope for greater collaboration with Hampshire and with other Fire and Rescue Authorities, indeed the Isle of Wight Fire and Rescue Service has experience and current examples of partnership working with a number of Authorities. There is also scope to secure some efficiency savings from greater collaboration and from achieving more competitive charges for support services currently provided by the Council. This option could give rise to savings of around £0.45m over 6 years and a Net Present Value of £0.313m using a discounted rate of 3.5%.
5. The strongest option arising from the analysis of the business case is full combination. While combination without efficiency savings would result in a maximum Band D rise in Council Tax for Hampshire tax payers of around £2.16p per annum this option generates a potential minimum reduction in council tax on the Island of just under £25 per annum on a Band D property. This is because the fire service element of council tax on the island would stop in the event of full combination and there would be a precept to Island residents for the new combined fire

authority (CFA). The CFA precept would be equally applied across Hampshire, Southampton, Portsmouth and the Isle of Wight. The position is summarised in Table A in the report. Detailed working calculations and assumptions are available in evidence.

In addition combination generates estimated net savings over a six year period of around £1.25m, (with a Net Present Value of £1.11m). This saving could be used either to secure further reductions in council tax or be used to help build capacity to secure and accelerate improvement. The scoring of the operational and strategic business case also indicates the potential of full combination to bring about improvement.

For these reasons full combination is the most efficient and effective option that delivers value for money and best meets the needs of the Island community for the organisation, management and delivery of the service.

6. While there are differences of view about the possible arrangements for operational support and incident command and control there is broad professional agreement that combination would improve the capacity on the Island to deliver against the range of strategic and operational objectives identified within the agreed project brief. It would be necessary to ensure that operational service delivery could be configured in a way that meets the needs of the Island.

## Background

1. A number of reviews and recommendations about the Fire and Rescue Service have been made since the 1970s but few resulted in significant change. The last White Paper brought together a number of reviews of the service most notably the Bain review of 2002. It identified some key strategic changes:
  - An emphasis on emergencies as well as firefighting with resources allocated on the basis of risk
  - A more coherent regional approach

- Institutional change to improve the management of the service
  - Improved scrutiny and inspection
  - Reform of the machinery of pay and conditions
  - Modernisation of human resource management of the service
2. The Fire Service Act 2004 provided the legislative basis for reform. The Act placed a duty on the service to promote safety and made provision for collaboration with partners in the local community. The role in responding to terrorist threats was increased. Fire and Rescue Authorities were given discretion to plan, equip and take action to meet local risks and priorities. The Act also introduced a national framework to set strategic direction.
3. The Act has brought about a number of significant changes including:
- The introduction of Integrated Risk Management Plans (IRMPs)
  - Increased community fire safety work
  - The creation of Regional Management Boards (RMBs)
  - The creation of regional fire control centres
  - The introduction of a new radio system for the whole service (FireLink)
  - The introduction of Comprehensive Performance Assessments (CPAs) for all Fire Authorities from 2005
  - The New Dimension project to improve equipment for major incidents
  - The setting up of FireBuy as the national procurement body for the service
4. There are significant changes for the service to meet. These are set out in the latest National Framework 2006-8. Each

Fire and Rescue Authority has a duty to establish an IRMP to show how it intends to:

- Reduce the number and severity of fires, road traffic accidents and other incidents
  - Reduce injuries
  - Reduce the impact of fires on people, communities, businesses and the economy
  - Protect the environment and heritage
  - Deliver value for money
5. Hampshire Fire and Rescue Authority and the Isle of Wight Council as the Fire Authority on the Island both produce IRMPs. Hampshire has recently produced a revised IRMP covering the period to 2009. The Isle of Wight's risk management plan is being revised to move from a one year to two year plan. The IRMP sets out how the Authority assesses local risk and how it will deploy resources to tackle those risks and improve safety within the whole community. It also identifies ways to work in partnership with other authorities and agencies to deliver safety improvements.
  6. The Government has recognised the pressures that have arisen from the drive to modernise the Fire and Rescue Service and that the necessary improvement cannot easily be delivered without collaboration to improve the efficiency and effectiveness of the Service. The Government's approach to the "blue light" services has therefore been to encourage partnership working and collaboration between Authorities and agencies and also to encourage voluntary agreements to be reached on the merger particularly of Police and Fire and Rescue Services. At this point one voluntary agreement has been reached between Devon and Somerset Fire and Rescue Authorities. Consultation is currently taking place on the proposal to allow for the combination of the two Fire and Rescue Authorities.
  7. There has been no progress so far on the merger of Police Authorities. Cleveland Police Authority did not agree that its force should combine with Durham and Northumbria, both of which were in favour of the move. Cheshire Police

Authority voted against merging with Merseyside, and West Mercia opposed joining up with Staffordshire, Warwickshire and the West Midlands. Discussions in Lancashire and Cumbria reached an advance stage but have recently faltered as it has not been possible to agree a way forward with Government on council tax harmonization.

8. There has also been a recent restructuring of strategic health authorities, primary care trusts and ambulance trusts. The number of strategic health authorities has been reduced from 28 to 10. Primary care trusts are reducing from 303 to 152 from October 2006. From 1 July 2006 there will be 12 NHS ambulance trusts in England, with mergers of many of the existing 29 trusts although the current ambulance service remains on the Island as part of the Isle of Wight Healthcare Trust based in part on the value of a local service best suited to meet local needs.

### **The Two Fire and Rescue Authorities**

9. The Isle of Wight Fire and Rescue Service is part of the Isle of Wight Council. The Isle of Wight is approximately diamond in shape and covers an area of 146 square miles.
10. The Island is a sparsely populated, predominantly rural area, with a resident population of approximately 133,000. The age range of the island communities shows above the national average level of people aged fifty and above. The population of the Island has increased by 5.5% in the past ten years, a faster rate than the regional average adding to the significant challenges in delivering fire and rescue services to the Island community.
11. The Island has three prisons, with a population of approximately 1500, giving the Island the highest relative prison population in the United Kingdom.
12. The economy of the Isle of Wight is heavily dependent upon tourism and agriculture, although public services and manufacturing are important sources of employment for residents. The tourism industry is estimated to be worth £134 million to the economy, with over 2.5 million visitors expected to visit the Island each year.
13. The Island landscape includes areas of natural beauty and ecological importance. Designated areas of outstanding natural beauty cover over 50% of the landmass and half of

the coastline is designated as a Heritage Coast. There are over 2000 listed buildings and 24 conservation areas. The concentration of these features is reflected in one of the improvement priorities of the service to protect the Island's environment.

14. The Fire and Rescue Service delivers its operational response from ten stations, deploying a fleet of 16 pumping appliances and 11 special appliances. This deployment also enables the significant risks across the Island to be tackled, including the broader role in different types of rescue. The service employs 63 full time firefighters and 168 firefighters within the Retained Duty System (RDS). Additionally, 13 members of staff are employed within the fire control centre and there are 28 members of support staff. A report by Price Waterhouse Coopers "An Island Apart" produced in 2002 identified additional costs of £827k for providing Fire and Rescue Services on the Island.
15. Hampshire is a large and relatively prosperous county of some 1600 square miles, with a mix of rural and urban areas and a population of 1.65 million. There are however some areas of significant deprivation. The majority of the population is situated in the main towns and cities, which cover about 10% of the area of Hampshire. The remainder of the county is rural, with large areas of natural beauty, including the New Forest and the South Downs. Protecting the environment and heritage is of key importance as it is on the Island.
16. There is a wide range of industry within Hampshire with major petro-chemical installations, manufacturing, retail and transport operators spread throughout. A network of motorways, major and minor roads and a railway system serves the local economy. There is a large expanse of coastline that includes two major ports used by members of the public and the military. There are also civilian and military airports and a large number of private airfields for smaller aircraft.
17. The built environment within the county consists of a wide variety of risks including major shopping centres and leisure and sporting facilities, together with some national heritage sites such as Winchester Cathedral and Portsmouth Dockyard.

18. The Authority serves a population of 1,653,500 and covers an area of 3770 square kilometres, making it the seventh largest Fire and Rescue Authority in the United Kingdom. It is the largest of all county and combined fire authorities. Hampshire's age structure is very similar to the national average, with the largest percentage increase in persons of 85 years and over. The overall percentage of the population in Hampshire in the ethnic minority groups is 3.27% - this is less than half that of the national average.
19. Following the removal of nationally prescribed standards of fire cover, Hampshire Fire and Rescue Service is taking a different and more flexible approach to the use of operational resources to target and reduce risks by changing working patterns and use of operational resources to respond to fires and other emergencies.
20. To manage the risk in Hampshire there are 783 wholetime firefighters, 713 retained firefighters, 41 control room staff and 306 other support personnel. The service has 52 fire stations, a comprehensive vehicle workshop and a headquarters complex that incorporates the fire control suite, central stores and training centre. There is also a fleet of 235 vehicles including 77 front-line fire engines and a comprehensive range of specialist fire vehicles and equipment to deal with increasingly complex and wide ranging incidents. These resources are used to attend, on average, 25,000 incidents every year, ranging from minor accidents and fires to major chemical spills and fires involving industrial processes.

### **The Drivers for the Options Appraisal**

21. The Isle of Wight Fire and Rescue Service performs relatively well in terms of actual response to emergency call-outs but the Audit Commission CPA report last year rated the Service as "poor". The assessment identified that the Fire and Rescue Service was in the process of recovering from "a legacy of weak leadership that has impeded its ability to move forward as a modernised service"
22. The report also noted that operationally the Fire Authority was "providing an effective emergency response and its prevention activities are having an impact. Numbers of fires are reducing and it is performing well when compared to

others, particularly in relation to deaths and injuries from fires and the number of hoax calls”

23. The main weaknesses identified in the CPA report were the lack of an effective performance management system, insufficiently robust financial monitoring arrangements, and the lack of an overarching fire service human resources strategy.
24. The CPA report was a key catalyst for this project. It identified concern about the capacity of the Isle of Wight Fire and Rescue Service to carry out the necessary programme of modernisation in the National Framework document. Since the report was produced the Isle of Wight Fire and Rescue Service has produced a three year service improvement and change management plan in response to the CPA assessment identifying key outcomes to address improvement.
25. In October 2005 a report by Robson Rhodes identified 3 strategic options for closer collaboration between Hampshire and Isle of Wight Fire and Rescue Services from status quo through greater collaboration to full combination. The Office of the Deputy Prime Minister (ODPM) then requested a more robust analysis of the full merger option.
26. In April 2006 an Improvement and Development Agency (IDeA) team completed a peer review. The conclusions of the peer review team were listed under the headings of the Audit Commission’s key lines of enquiry. (KLOEs). Overall, the review identified clear evidence of positive direction of travel in the year since its CPA inspection. While the review team identified there was more for the service to achieve as it works though its programme of modernisation and improvement, a number of strengths were identified:
  - The Brigade Manager and his team demonstrate strong leadership, are highly respected and have been successful in moving what was previously seen as a poor service into an improving organisation
  - The service benefits from clear political support and this is helping to contribute to moving it the service forward

- There is evidence of a positive direction of travel across the service
- Investment in the workforce has created a feeling of value in many areas, with staff recognising and seizing their opportunity to contribute
- The service is held in high regard by its partners who are assisting in delivering an improving service to the community
- The service demonstrates a clear commitment to the CPA process as a driver for change

The review also identified some further areas for improvement:

- Some of the service's systems and processes have not had sufficient time to mature fully. This impacts on the organisations' ability to respond with agility to change, for example risk identification and long-term horizon scanning
- There is a need for the council to articulate a long-term vision for what it wants its fire and rescue service to be. The options appraisal will contribute to this... Failure to do so may prevent the service from meeting the modernisation agenda in its entirety
- The service has a role in the Regional Management Board, for example it is assisting on fire investigation and is a member of a number of other working groups. There is however, a need to continue to deepen and expand this role
- There is evidence of an understanding by senior managers of the capacity constraints faced by the service, for example with the redrafted integrated risk plan taking capacity requirements into account
- The service should ensure that it is able to provide adequate evidence that it is making the most effective use of its resources and those of its partners, in delivering its services. The service needs to be in a position to provide more evidence that it is taking the use of resources issues into account when making

decisions. This will be especially important during the forthcoming Audit Commission, use of resources assessment

- The Council should ensure that the options appraisal is progressed as quickly as possible and that the outcomes are widely communicated and advanced expediently. An action plan has been produced to deal with this

## The Project Approach

27. The scoping and approach to the project is set out in the Project Initiation Document approved by the Modernisation and Monitoring Boards established to oversee the improvement plan and the options appraisal project. The objectives of the project are:

- To produce *a strategic options appraisal of greater collaboration or full merger* between the Isle of Wight and Hampshire Fire and Rescue Service
- To *identify the most efficient and effective option that delivers value for money and best meets the needs of the Island community for the organisation, management and delivery of the service* and present a comprehensive business case for that option to the Modernisation and Monitoring Boards

28. A timetable for the implementation of the chosen option together with an implementation plan will be developed as part of a post project action plan.

29. The project examines the scope for greater collaboration between the Isle of Wight Fire and Rescue Service and Hampshire Fire and Rescue Service. It also examines the scope and benefits of full merger and presents the business case for each option scored against the criteria set out in the project initiation document.

30. Within the overall scope of the project work has also been done to assess the impact should Fire Control facilities be merged with HFRS in advance of planned regional changes currently due to take place in 2008/9.

31. The approach the project has taken has been based on some key principles:

- An open and transparent approach in analysing the strengths, weaknesses, opportunities and threats of each option
  - A thorough analysis of the strategic, financial and operational case
  - Ownership of the project by the Isle of Wight and Hampshire Fire and Rescue Authorities with support from the Monitoring and Modernisation Boards
  - Openness and transparency with both services working closely together at senior and other levels
  - A robust and objective approach to defining the benefits, disbenefits, risks, costs and savings
  - A robust and efficient approach to project management
  - An open approach to using expertise from the Department of Communities and Local Government (DCLG), Her Majesty's Fire Service Inspectorate (HMFSI), Hampshire County Council (HCC), the Isle of Wight Council, the Audit Commission and others as needed
  - Presentation of the business case with findings and recommendations based on facts and a thorough analysis of the evidence
32. The project has analysed existing data and information from both Fire Authorities including financial projections and risk management to assist in identifying the business case for greater collaboration or merger. Key personnel in each of the services have worked together to identify the potential areas for greater collaboration and the benefits and disbenefits of full merger across a range of workstreams similar to those identified in the National Framework.
33. The project has also adopted best value principles to enable each element of the appraisal of options to be subject to challenge.

## Development of the Business Case

34. The business case has been based on an analysis of the strategic, operational and financial benefits or disbenefits for each option.
35. The strategic case has been based on an analysis of potential benefits and disbenefits to the community and the two Fire and Rescue Services of the following strategic objectives:
  - Operational assurance
  - Delivery of the modernisation agenda
  - Improvement in the organisational performance of the IWFRS
  - Organisational resilience
  - Improvement in standards of service including performance on BVPIs and local indicators within the IWFRS
  - Gershon efficiency targets and value for money
  - Impact on Council tax
36. A key objective of the appraisal project has been to examine the potential of any change to improve the standards of service delivery. The framework system developed by HMFSI has been used to measure operational assurance for the purposes of developing the business case. The framework has been used to examine the potential benefits or disbenefits of operational planning and incident planning and command and control, risk assessment, operational standards and performance management.
37. The financial analysis has used the Treasury Green Book and guidelines published by the Office of Government Commerce (OGC). It covers a cost benefit analysis over an agreed appraisal life period of six years. Estimates of transitional costs and longer term costs and savings have been made.

38. The impact on Council Tax has also been assessed both with and without any efficiency savings.
39. The project methodology has been based wherever possible on joint discussion and evidence gathering to help build the information base needed to deliver a thorough assessment and appraisal of the options.
40. Staff from the Isle of Wight Council, the Isle of Wight Fire and Rescue Service, Hampshire Fire and Rescue Service and Hampshire County Council have been engaged in the work and support has also been provided by Her Majesty's Fire Service Inspectorate (HMFSI), the Improvement and Development Agency (IDeA) as well as others including elected members from the Modernisation and Monitoring Boards.
41. In addition to the research and information gathered by the project team and the regular Monitoring and Modernisation meetings, there have been three critical sets of joint discussions.
  - A workshop of staff from the two services that took place in May to discuss how best to gather the information needed for the project
  - Two day evidence gathering sessions between senior staff from the Isle of Wight Fire and Rescue Service and Hampshire Fire and Rescue Service to gather evidence of costs, savings, benefits, disbenefits and risks of further collaboration or merger
  - A workshop held on 25th July and attended by senior personnel from both services, the project leader and representatives from HMFSI and the IDeA, to discuss, assess and score the impact of the options on strategic and operational service delivery
42. It is the information from all of these discussions that has enabled the financial case to be estimated and an assessment reached on the strategic and operational impact of greater collaboration or merger.
43. Three options for the future have been considered. These are:

- Status Quo (Minimum)
  - Increase collaboration
  - Full combination
44. Each option has been assessed for financial impact and impact on both strategic development and operational service delivery.

### **The Financial Case**

45. The financial analysis has been based on the Treasury Green Book and the guidance provided by the Office of Government Commerce (OGC). The costs and benefits have been examined and estimated for the options for greater collaboration and full merger. These have been assessed against the status quo. The main areas where potential costs and benefits arise are in the costs of transitional arrangements and ongoing costs of information and communication technology (ICT). Potential savings arise principally in the areas of management and support service costs.
46. The agreed project initiation document (PID) identified a six year appraisal period for financial analysis of the options. An assessment of net present value has also been made. A second version of costs and benefits has also been produced to offer a more cautious view in order to give a range of potential costs and savings and to guard against any underestimating of the level of costs and overestimating of the amount of savings.
47. The status quo will by definition have no impact on council tax although the Isle of Wight Fire and Rescue Service has generated around £0.6m since 2004/5. Increased collaboration has the potential to generate some efficiency savings that could be used to reduce council tax but it is difficult to quantify the full extent of savings. Calculations show that efficiency savings of £0.25m could result in a tax saving at Band D of £4.69 per year rising to £9.39 for savings of £0.5m and £18.77 if £1m saving were achieved. Indications from the evidence gathering for this project indicate that there is already some collaboration and that the potential for further substantial savings is unlikely. With some modest

investment in extended partnership working with Hampshire and possibly other FRAs it may be possible to generate £75k net savings per annum including savings from driving down support costs within the Isle of Wight Council.

48. The impact of merger on Council Tax has also been calculated both for residents of the Isle of Wight and Hampshire. In addition, the potential to generate efficiency savings from further collaboration accompanied by a driving down of support costs has also been identified. The resulting saving can either be reflected in a reduction in Council Tax or in a redistribution of savings into front line Fire and Rescue services.

49. Finance staff from Hampshire County Council and the Isle of Wight Council have agreed a methodology and calculated a notional council tax for the Isle of Wight Fire and Rescue Service. The approach taken has also enabled a notional council tax to be identified for the option of a new Combined Fire Authority. A number of assumptions have been made in arriving at the calculations:

- The Isle of Wight Fire and Rescue budget share is assumed at £7.432m
- A share of the surplus on the collection fund equivalent to the Isle of Wight Fire and Rescue Service budget share would follow the Fire Service to the new Combined Fire Authority
- The Relative Needs Factor (assessment of spending need) for a new Combined Fire Authority is assumed to be the sum of the RNFs for the Isle of Wight service and the Hampshire Fire and Rescue Authority
- The share of the Amending Reports for 2004-5 and 2005-6 is assumed to be proportionate to the size of the fire and rescue service budget (6.7%)
- There will be no capital balances transferred from the Isle of Wight

50. The Table (Table A) below shows that the option of combination would clearly result in a difference between

the council tax in a new CFA compared to the current position. Assuming no efficiency savings, the assessment shows a notional council tax at Band "D" of £55.80 per annum. This represents an estimated reduction in council tax for a Band "D" property on the Isle of Wight of £24.77 per annum and an increase in Hampshire of £2.16 per annum. The cost to the Hampshire Band "D" council tax payer could reduce if efficiency savings were achieved and used to offset the impact of council tax. Table A shows the impact of this at various levels of efficiency savings.

51. Table B below sets out the potential costs and savings that could arise from full combination. The main areas where costs and savings arise are:
- Staffing savings arising from reduction in management costs and in some administrative functions that could be delivered from the mainland and benefit from economies of scale
  - Savings in support service charges raised by the Council for financial, legal and property services, ICT, communications and PR and HR support and advice
  - Costs associated with the need for convergence of systems between HFRS and the Isle of Wight FRS
  - Costs of rebranding for the new CFA
52. The position on greater collaboration is different in that by definition the purpose is to build capacity and as a result staffing reductions of the scale of full combination are not achievable. It should be possible without merger to achieve a small reduction in staffing costs by benefiting in small part from economies of scale of partners including HFRS. Some reduction in support service costs should also be achievable through discussions with the Isle of Wight Council. The evidence gathering work with HFRS suggests that for minimum cost of around £25k per annum, a saving of £50k per annum should be achievable. In addition it should be possible to deliver a reduction in support service costs in the region of £50k giving a net saving over six years of £0.45m. To achieve any further saving in support costs is difficult due to the difficulties that arise in detaching

some of the support costs from the Council. Achieving greater efficiency savings through increased collaboration with HFRS is also difficult as many of the savings that can be achieved come about only through full combination.

53. A summary of the net savings is shown in the table below.

	Option A	Option B	Option C
	£	£	£
Cost	0	150,000	435,750
Benefit	0	(600,000)	(1,687,662)
Net Effect	0	<b>(450,000)</b>	<b>(1,251,192)</b>
Net Present Value		<b>£0.313m</b>	<b>£1,11m</b>

Note: The net present value (NPV) has been calculated over the agreed six year accounting period for the project using the Treasury Green Book advised discounted rate of 3.5%.

**Table A**  
**The Impact of Combination on Council Tax shown with or without Efficiency Savings**

	New CFA with no savings	New CFA with £250k saving	New CFA with £500k saving	New CFA with £750k saving	New CFA with £1m saving
	2006-7 £	2006-7 £	2006-7 £	2006-7 £	2006-7 £
Budget Requirement	66,992,000	66,742,000	66,492,000	66,242,000	65,992,000
RSG	-4,841,478	-4,841,478	-4,841,478	-4,841,478	-4,841,478
NNDR	-25,080,751	-25,080,751	-25,080,751	-25,080,751	-25,080,751
<b>Formula Grant</b>	<b>-29,922,229</b>	<b>-29,922,229</b>	<b>-29,922,229</b>	<b>-29,922,229</b>	<b>-29,922,229</b>
Net to be met from local taxation	37,069,771	36,819,771	36,569,771	36,319,771	36,069,771
Estimated balance on collection fund	-28,927	-28,927	-28,927	-28,927	-28,927
Estimated precept requirement	37,040,844	36,790,844	36,540,844	36,290,844	36,040,844
<b>Final Estimate</b>	<b>37,040,844</b>	<b>36,790,844</b>	<b>36,540,844</b>	<b>36,290,844</b>	<b>36,040,844</b>
Net Tax base	663,801	663,801	663,801	663,801	663,801
Estimated Council Tax at Band D	55,80	55,42	55,05	54,87	54,29
<b>Cost to Hampshire Tax Payers</b>	<b>2,16</b>	<b>1,78</b>	<b>1,41</b>	<b>1,03</b>	<b>0,65</b>
<b>Or Transfer charge to IoW</b>	<b>1,434,566</b>	<b>1,184,566</b>	<b>934,566</b>	<b>684,566</b>	<b>434,566</b>
<b>Saving to IoW Taxpayers</b>	<b>-24,77</b>	<b>-25,14</b>	<b>-25,52</b>	<b>-25,90</b>	<b>-26,27</b>
	<b>-30.7%</b>	<b>-31.2%</b>	<b>-31.7%</b>	<b>-32.1%</b>	<b>-32.6%</b>

**Table B**  
**Costs and Benefits of Full Combination**

Costs/Savings	2007-8	2008-9	2009-10	2010-11	2011-12	2012-13	Total
<b>Staffing</b>	0	(100,000)	(200,000)	(200,000)	(200,000)	(200,000)	<b>(900,000)</b>
<b>Support Service Charges</b>	(34,012)	(150,730)	(150,730)	(150,730)	(150,730)	(150,730)	<b>(787,662)</b>
<b>ICT Costs</b>	28950	53360	53360	53360	53360	53360	<b>295,750</b>
<b>Branding</b>	20,000	20,000	-	-	-	-	<b>40,000</b>
<b>Change Management</b>	50,000	50,000	-	-	-	-	<b>100,000</b>
<b>Total</b>	<b>64,,938</b>	<b>(127,370)</b>	<b>(297,370)</b>	<b>(297,370)</b>	<b>(297,370)</b>	<b>(297,370)</b>	<b>(1,251,192)</b>

- Note:
1. Savings are shown in brackets
  2. Service charge savings exclude £0.083m per annum of fixed costs to the Council
  3. ICT figures are based on the minimum initial investment and annual charge required for convergence
  4. Change Management provides for a fund for two years to help manage the transition

## The Operational Case

54. Any consideration of change must be considered against the primary function of a Fire and Rescue Service, that of service delivery. Both the Isle of Wight and Hampshire are well regarded in their respective communities and have a track record of good front line service. A primary objective of the review is to identify the impact of options to improve those standards of service delivery recognising and reflecting the special requirements of the Island.
55. The modernisation agenda, the focus on Integrated Risk Management Planning (IRMP) and Fire Service Emergency Cover (FSEC) have all contributed to a review of how the service should be provided. Opportunities clearly exist to meet the objective of improved service delivery and any chosen option should seek to build on both FRS's existing standards of service provision to deliver these improvements.
56. In looking forward, the Isle of Wight and Hampshire face a series of challenges. These include the continued delivery of the modernisation agenda, realising efficiency savings and minimising the impact on council tax. An important factor in meeting these challenges is whether there is sufficient capacity to sustain improvement over the medium to long term.
57. It is clear from both of the Fire and Rescue Authorities (in proceeding with the Options Appraisal) that neither want to see any deterioration in front line resources, and service delivery, as the result of any proposed change.
58. While it is generally accepted that there would be some financial benefit from merger to Isle of Wight Council tax payers and that there would be some efficiency savings not least due to economies of scale the issue of operational assurance has been the subject of much more debate. The reason for this is largely to do with identifying an appropriate level of operational response that recognises the special conditions that apply to the Island.

59. In the event of merger it has been suggested that a 3 year Integrated Risk Management Plan (IRMP) would be developed that is specific to the Island and separate to that already be in existence for the county of Hampshire. The aim would then be to produce one plan to cover the whole of Hampshire and the Isle of Wight. The IRMP would shape service delivery on the Island, including the level of resources, their location and how those resources are best used for the benefit of the community and in line with the aims of the new Fire and Rescue Authority.
60. In some cases the evidence gathering work has indicated that it might be necessary to exactly mirror existing HFRS resources and structure to provide future service delivery on the Island. It has however been suggested and generally agreed in discussion, that this need not be the case as some functional support can be located on the mainland and that some service delivery provision that could be facilitated from the mainland.
61. The service delivery polices and structures currently adopted by HFRS, would suggest that the Island could be divided into 2 operational response groups. A risk based IRMP would shape the future provision of operational response.
62. The Fire and Rescue Service on the Island has given consideration to the merging of some stations with a new facility elsewhere. Given the current facilities at Ryde, the central location of Newport and the possibility of a new facility, the Service could be based around 3 administrative locations.
63. Innovative use of wholetime and retained duty system resources could also be considered. There would be an expectation that both wholetime and RDS personnel would, as a prime role, become engaged in a range of activities aimed at reducing risk and subsequent emergency calls. It is accepted that this may include payment to RDS personnel and also wholetime personnel. Personnel from both duty systems could become involved in activities at locations other than their normal station response area. It is HFRS policy to

place resources so as to match the risk. This may include the relocation of resources at identified periods of the day or to meet the needs of an identified temporary risk. This could include the movement of additional resources to the Island other than for actual incidents. Detached duties on the mainland could involve more travel than commuting to the Island. HFRS already has a number of IOW based personnel who commute to their role on a daily or shift pattern basis.

64. HFRS takes a pragmatic and flexible view on response times for RDS personnel, especially where recruitment may be difficult. The view in Hampshire is that it is better to crew an appliance eventually than not at all. Relocation packages are offered to encourage the provision of RDS cover and HFRS is also considering alternative duty systems for RDS personnel including part time salary based schemes to meet periodic or seasonal needs.
65. Specialist response vehicles might be grouped at one or 2 locations on the Island crewed by specialist trained crews who do not necessarily have to live or work within the same close proximity as for pumping appliances. HFRS current policy uses specialist trained non firefighter personnel to crew and operate specialist support vehicles. HFRS also fully supports the concept of paid co-responders (Community Responders) operating from its fire stations.
66. To provide the correct number of flexible duty operational response officers, a full risk based review would be needed. However based on the current risk profile of the Island, the number of operational incidents and different mainland support arrangements that would be different in nature the baseline structure could be capable of providing the appropriate level of command and command support for a 'Level 2' incident - up to 'make pumps 7'. HFRS incident command policy requires no higher level than a Group Manager for a Level 2 incident.
67. Recognising the needs of a managers duty system, the delivery of functions other than operational on the Island and the political/public interface, the Island

could, as a result of full combination with HFRS, have 2 x operational Group Managers, 1 x Fire Prevention/Fire Safety Group Manager and 1 x Area Manager responsible for delivering the IRMP on the Island and being part of the Service Management Team responsible for implementing corporate aims and policy. The professional view of HFRS is that there would be no requirement for anyone above Area Manager to be based on the Island. The IOW view is that a Principal Officer structure should be maintained in any merger.

68. A structure for delivery, fire safety enforcement, community fire safety, training, health and safety, and appropriate administrative support whilst providing the appropriate level of flexible duty system officers would naturally fall from a full review and job evaluation.
69. Incident command support as appropriate would be facilitated from the mainland, including the mobilising of Area Manager or Principal Officer.
70. In considering the timeframe for command support to arrive on the Island HFRS senior officers have referred to the fact that it can take over one hour for senior managers to arrive at incidents with Hampshire due to its geographical area. For incident command a supporting senior manager could travel as a foot passenger and accepting weather interruptions, it would HFRS suggest, be reasonable to plan that within an acceptable timeframe command support could be achieved on occasions when the structure on the Island cannot provide the appropriate level of Incident Commander.
71. There has been discussion about whether the incident command structure would have to be the same as operated on the mainland. The suggestion from HFRS is that the principles of ICS would be fully adopted; the exact method of achieving that structure would be set against the resources immediately available and those that could be available at a later stage. For very serious incidents a 'Fire Gold' team in the 'Major Incident Room' at Eastleigh could be adopted with established links to the 'Silver Command' team on the Island. This would require a suitable technology link to

the Island. Operating on 'Gold Command' remote from the incident is a common and accepted practice within incident command structures and could be the way in which a serious incident is dealt with on the mainland. It could also be established to support the On Scene Commander until such time as higher level command resources are sent to the scene from the mainland.

72. All managers would continue to receive the appropriate level of command training and assessment and HFRS expect that Group Managers would be able to cope with any incident that could in theory escalate above Level 2.
73. Making best use of available operational resources would be a vital part of the IRMP. A structure would need to be provided for a sufficient level of operational managers on the Island to meet the needs of up to Level 3 (8 pumps) incidents and also appropriately meet the needs of spate conditions and simultaneous incidents. Any planning assumptions would include the temporary movement of additional operational managers from the mainland. Both HFRS and IWFRS currently operate with a manager recall to duty protocol.
74. The sending of reinforcements to the Island is often referred to as a major problem although for the greater proportion of time it is possible to make use of one of the 3 ferry routes to place resources onto the Island. As the main reason for having reinforcements at serious incidents is the need for personnel, not additional vehicles the HFRS view is that for the vast majority of reinforcements needed crews could be embarked as foot passengers complete with PPE and, possibly BA sets to be transported by any suitable vehicle from the ferry terminal. A mobilising plan would adopt well established and well rehearsed arrangements for sending crews and equipment either by helicopter or by surface craft utilising established methods co-ordinated by HM Coastguard. HFRS has an offshore firefighting team fully trained and equipped for mobilisation at all times. An incident so large and serious that necessitated the large scale mobilising of crews plus vehicles would require consideration of assistance from other agencies including the military.

75. These considerations would need to be included in a robust business continuity plan. Any future arrangements resulting from a merger would inevitably have built in 'trigger' stages at which preparations would begin for any mobilisation with the full knowledge of any escalating single incident or extensive use of resources at multi incidents on the Island. It would be automatic and would not rely upon the decision to request mainland resources being the responsibility of the Incident Commander.
76. Full consideration would be given to make the best use of all trained personnel on the Island. As is the case throughout HFRS there are normally always many more resources on any given station or group of stations than can physically crew fire appliances. Full consideration would be given to pooling those resources, with the provision of suitable transport if necessary to provide additional personnel at the scene or to be placed strategically for other calls utilising reserves or surplus appliances parked at the incident
77. Reinforcing personnel sent from the mainland, as foot passengers would be able to work with the same range of operational equipment, PPE, vehicles and operational procedures as would exist throughout the wider area. At this time this presents some problems, particularly with BA sets, which are of a different style. Appliances themselves present less of a problem, particularly with regard to operations of the main pump, which is of the same manufacture as that used in HFRS.
78. The number of pumping appliances would be matched against risk determined by the IRMP, which would include the geographical isolation of the Island. Future policy could include pumping appliances held in reserve and crewed only for large incidents or periods of high activity. Consideration could be given to the concept of 'first strike' appliances as being evaluated currently by HFRS.
79. A number of additional issues would be discussed in the event of merger:

- The use and deployment of the Island's two aerial appliances
- The possibility of placing an additional Landrover L4T (or similar) vehicle on the Island to increase off road capability for rural firefighting and improve resilience.
- Providing all frontline appliances with extrication equipment.
- Equipping all pumping appliances with first strike Hazmat control equipment supported by Specialist Equipment Units.
- The use of 'multi role vehicles', which in addition to transporting specialist loads provide additional 4 wheel drive capability and self, contained rural firefighting water tank and hoses.
- Maintaining on the Island a vehicle capable of providing incident command support to the highest level. This would include equipment to provide the full range of operational information and link back to either a 'Fire Gold' team in the Major Incident Room at Eastleigh or multi agency gold team established at any given location (normally the Hampshire Constabulary at Netley).
- New Dimension vehicles and associated equipment have been issued to the Island by the DCLG. A full risk assessment if full merger goes ahead may remove or reduce such equipment and replace it by provision from the mainland as part of county and regional reinforcement schemes.
- Ancillary vehicles would be maintained according to need, including vehicles necessary to transport crews as part of the contingency and resilience planning. These vehicles could be used also for retained duty system personnel to become fully involved in risk reduction activities in line with the IRMP strategy.

80. At this stage there are three solutions that could be realistically delivered:

- Option A - Status Quo (do minimal)
- Option B – Greater collaborative working
- Option C – Full Combination into a Single Combined Authority and Fire and Rescue Service

81. The brief of the options appraisal is to examine these three options and weight them against the strategic objectives and operational service delivery.
82. To measure the effect of the three options in terms of their ability to satisfy operational assurance, a proposed scoring process based on the weighting used by Devon and Somerset was recommended.
83. The analysis carried out to provide Operational Assurance was completed through a workshop involving senior operational personnel from both Isle of Wight Fire and Rescue Service and Hampshire Fire and Rescue Service. The group used the framework developed by HMFSI. The workshop required the group to consider the impact of each of the options and apply a scoring against each of the operational objectives. These scores were then subject to weighting to deliver a final score. A senior officer from HMFSI applied the weighting to each of the objectives.

	Objective	Option A Isle of Wight	Option A Hampshire	Option B Isle of Wight	Option B Hampshire	Option C (Joint)
<b>1</b>	<b>Operational Planning</b>	-1	-1	-1	-1	2
<b>2</b>	<b>Major Incident Planning</b>	-1	0	1	-1	2
<b>3</b>	<b>Incident Command &amp; Control</b>	0	0	0	0	2
<b>4</b>	<b>Risk Assessment</b>	0	0	0	0	1
<b>5</b>	<b>Fires and Incidents of Special Interest</b>	0	0	0	0	0
<b>6</b>	<b>Operational Standards</b>	-1	0	-1	-1	1
<b>7</b>	<b>Monitoring Performance</b>	0	0	0	0	1

84. Each option was scored between –3 (detrimental impact on objective) and +3 (positive impact on objective). These scores then had a weighting applied to them as shown below. This gave a 'raw' score.

Impact Assessment	-3	-2	-1	0	1	2	3
Weighted Appraisal	0	1	2	3	4	5	6

85. The 'raw' score was then applied to each objective. The objectives themselves were weighted in order of importance.

These scores were calculated and are shown below. The process gave a score for each option out of a maximum of 600.

### Status Quo

Objective	Weighting	Option A Isle of Wight		Option A Hampshire	
		Raw	Weighted	Raw	Weighted
Objective 1	10	-1	20	-1	20
Objective 2	10	-1	20	0	30
Objective 3	20	0	60	0	60
Objective 4	25	0	75	0	75
Objective 5	5	0	15	0	15
Objective 6	15	-1	30	0	45
Objective 7	15	0	45	0	45
	<b>100</b>		<b>265</b>		<b>290</b>

### Greater Collaboration

Objective	Weighting	Option B Isle of Wight		Option B Hampshire	
		Raw	Weighted	Raw	Weighted
Objective 1	10	1	40	-1	20
Objective 2	10	1	40	1	40
Objective 3	20	0	60	0	60
Objective 4	25	0	75	0	75
Objective 5	5	0	15	0	15
Objective 6	15	0	45	-1	30
Objective 7	15	0	45	0	45
	<b>100</b>		<b>320</b>		<b>285</b>

## Combination

Objective	Weighting	Option C (Joint)	
		Raw	Weighted
<b>Objective 1</b>	10	2	50
<b>Objective 2</b>	10	2	50
<b>Objective 3</b>	20	2	100
<b>Objective 4</b>	25	1	100
<b>Objective 5</b>	5	0	15
<b>Objective 6</b>	15	1	60
<b>Objective 7</b>	15	1	60
	<b>100</b>		<b>435</b>

86. The results of the operational assurance self assessment demonstrate that the status quo continues to provide assurance that front line services deliver an adequate emergency response. Whilst this is the case any gap between what is currently achieved and the maximum possible score of 600 indicates the scope to achieve an outcome closer to the standard of excellence that each FRS is striving to deliver.

### The Strategic Case

87. The Strategic Objectives were also scored separately by the Isle of Wight and Hampshire against Status Quo and Greater Collaboration. The results are outlined in the tables below.

Objective	Option A IWFRS	Option A HFRS	Maximum Score
Provide capacity to accelerate the rate of progress on delivery of the NFD	60	60	120
Improve organisational performance, which will be reflected in an improved CPA rating	30	30	60
Improve standards of service delivery by adopting best practice already in place in other FRAs	15	10	30
Improve performance against BVPIs and KLPIs	60	40	120
Achieve Gershon efficiency targets	30	30	60
Minimise impact on council tax	20	30	60
Increase organisational resilience	40	60	120
Make a positive contribution to RMB work streams	10	15	30
<b>TOTAL</b>	<b>265</b>	<b>275</b>	<b>600</b>

Objective	Option B IWFRS	Option B HFRS	Maximum Score
Provide capacity to accelerate the rate of progress on delivery of the NFD	80	60	120
Improve organisational performance, which will be reflected in an improved CPA rating	40	30	60
Improve standards of service delivery by adopting best practice already in place in other FRAs	15	15	30
Improve performance against BVPIs and KLPIs	60	40	120
Achieve Gershon efficiency targets	40	30	60
Minimise impact on council tax	40	30	60
Increase organisational resilience	80	60	120
Make a positive contribution to RMB work streams	15	15	30
<b>TOTAL</b>	<b>370</b>	<b>280</b>	<b>600</b>

Objective	Option C (Joint)	Maximum Score
Provide capacity to accelerate the rate of progress on delivery of the NFD	80	120
Improve organisational performance, which will be reflected in an improved CPA rating	50	60
Improve standards of service delivery by adopting best practice already in place in other FRAs	20	30
Improve performance against BVPIs and KLPIs	80	120
Achieve Gershon efficiency targets	50	60
Minimise impact on council tax	40	60
Increase organisational resilience	100	120
Make a positive contribution to RMB work streams	20	30
<b>TOTAL</b>	<b>440</b>	<b>600</b>

88. There is general agreement in both services that the status quo will not enhance the ability to deliver the strategic objectives identified in the project brief.
89. The Isle of Wight Fire and Rescue Service see greater collaboration as bringing about significant improvement in the achievement of strategic objectives in most areas but particularly in improving capacity and resilience. However, other than seeing some benefits from sharing best practice Hampshire do not see any great benefit arising from greater collaboration. In part this is due to the more complex structures of dual accountability that would be required to support a formal service level agreement or agreement under Section 16 of the Fire and Rescue Services Act. Note: Section 16 extends existing powers in the Fire Services Act 1947 to provide fire and rescue authorities with the ability to enter into contractual arrangements with others (including other fire and rescue authorities) to provide services in the execution of their functions.
90. Full merger attracts the highest score with improvements identified by both services across the range of strategic

objectives. The key points arising from the debate on full combination in addition to the potential savings that could arise related to the opportunities to enhance staff development, build capacity through economies of scale and in some cases accelerate the process of improvement.

### Other Issues

91. There are no other issues related to greater collaboration. The existing memorandum of understanding with Hampshire could be extended and additional partnership arrangements could be established as appropriate with other Fire and Rescue Services. Discussions would be needed with the Council to see what economies can be achieved on support costs.
92. Governance arrangements, in the event of combination would be addressed through the draft Order that would need to be prepared to give effect to the scheme for the new combined area. The new combined Fire Authority (CFA) would include representation from Hampshire, the Isle of Wight, and Portsmouth and Southampton unitary councils. The new Fire Authority would have budget responsibility and be funded through a combination of Government grant and Council tax. As a new CFA council tax would be applied equally across the current Hampshire Fire and Rescue Authority area and the Isle of Wight.
93. If as a result of consideration by the two Authorities and after consultation full combination is the preferred option arrangements will need to be put in place to establish a shadow FRA until a decision is reached by DCLG, Ministers and Parliament on the combination proposal. A new CFA is unlikely to come into effect until April 2008.
94. At this stage a broad assessment of management arrangements has been made. If combination is considered to be the best option then further work will be needed to identify a more detailed structure and enable more detailed and accurate costs and savings to be identified. The schedule of costs and benefits shows a phased reduction in staffing to reflect the need for transitional arrangements although the structure may need to be enlarged in the short term to help facilitate and manage change. In the event of merger, it is anticipated that reductions would be achieved

through natural wastage to offer some protection to staff and help achieve a smooth transition.

95. The combined FRA would be required to develop an IRMP to reflect the new organisation and the needs of the new area as a whole in due course. The development and implementation of FSEC would also have to converge to deliver a risk profile for the new area. The suggestion that has come out of discussions on operational service delivery is that a new three year IRMP would be prepared and agreed for the Isle of Wight in accordance with the policies and priorities of the new CFA and that there would be convergence after three years into a single IRMP. This approach would seem to make sense given that HFRS has just completed its IRMP for the period 2006-9 and that the Isle of Wight FRS has also embarked on the development of a revised IRMP as part of its improvement planning.
96. The Isle of Wight FRS currently receives support services from the Isle of Wight Council to the value of £233k (at 2005-6 budget figures). The savings identified in this report exclude £83k of these costs as these are fixed costs that are apportioned and can not be realised as savings as part of this exercise. Combination will require a rationalisation of support service resources as there is potential to create the capacity to improve areas that are currently under resourced.
97. The starting point in any combination scheme is that the full property portfolio of the constituent authorities, including leases, transfers to the new combined authority. Until a decision is taken on whether or not combination is chosen as the preferred option it is important for there to be early and ongoing discussions to ensure that the position on property assets is clear and understood. In most cases the situation on the Island as far as property is concerned appears to be straightforward but there is a need to clarify the position of the current temporary headquarters of the FRS at St Nicholas in Newport and to understand and address any issues relating to the potential future development of the Newport wholetime Station site which also houses the workshops, stores and control room.
98. Both services take a similar approach to the monitoring and inspection of properties. Preliminary discussions suggest

that no economies of scale would arise on property in the event of merger and that the impact would in effect be cost neutral. There would be a need to reprioritise and possibly increase resources to manage the larger portfolio although HFRS are in the process of increasing their building surveyor resources in any event and it is likely that this could handle increased demands. There is a significant backlog on maintenance on both HFRS and IWFRS property. In terms of professional support the current service level agreement with Hampshire County Council would be extended to cover the extra buildings. There is an advantage to be gained from the establishment of a new CFA which would determine its own priorities for property acquisition, disposal, development and maintenance subject to available resources.

99. As far as the vehicle fleet is concerned further work would be needed to assess detailed requirements should there be a new CFA. Over time there would need to be some standardisation of fleet and equipment ensuring that the type of appliances on the Island matched the risks. There would need to be convergence of policy to achieve a common approach to the lifespan of pumps and special equipment units in the front line and in reserve. It would make sense for other special appliances to also have a common lifespan.
100. HFRS and IWFRS have laid down standards of maintenance and performance targets for workshops although the position is different on the Island as vehicle replacement, maintenance and repair requirements are specified through a service level agreement with the County Council. It would be necessary to review policies to bring them into line where necessary. It would also be necessary to retain a range of equipment and vehicle types on the Island to match the risk that may differ from that on the mainland.
101. While there has not been time to identify detailed savings there is some potential to realise some savings in making some early changes in the composition of the fleet although a number of possible improvements are already under consideration by IWFRS. There are likely to be some economies of scale from one fleet organisation and management system notwithstanding the special needs and requirements of the Island. More detailed work would be needed to identify detailed savings.

102. There is agreement that there would need to be a repair and maintenance arrangement on the Island to take care of routine defects, repairs, safety checks and maintenance. The detail of this would need to be agreed if combination took place. There might also be potential to use mobile facilities and on occasions to use mainland personnel on the Island to carry out appropriate tasks. Standardised arrangements for dealing with equipment would also need to be established.
103. The IWFRS in common with all other English Fire and Rescue Services is directed as a matter of 'Operational Priority' under powers invested in the Department for Communities and Local Government (DCLG) by the 'Fire Services Act 2004' and the associated 'National Framework' to transfer its individual local Fire Control activities to a Regional Control Centre. The current FiReControl Project plan shows this transfer commencing in April 2009 and completing in September 2009 for all nine constituent Fire and Rescue Services of the South East region. The IWFRS is in the middle of the intra-regional rollout plan.
104. The FiReControl Project is reliant on the implementation of '*FireLink*', which aims to provide the Fire and Rescue Service with a national digital radio system to facilitate voice and data communications between all fire and rescue resources throughout the UK and provide interoperability with other emergency services. It is currently expected that the *FireLink* radio system will be installed and commissioned into the IWFRS by the third quarter of 2008.
105. Running alongside these projects is the Chief Fire Officers Association (CFOA) '*Convergence*' initiative which aims to unify, on a national basis, individual Fire and Rescue Services' mobilising and operational procedures, radio call-signs and other incident related terminologies. So far almost sixty individual work-streams have been identified. A recent 'Impact Analysis' carried out by each FRS has shown that convergence will have significant implications for both resources and change management.
106. Currently the IWFRS and HFRS use different command and control mobilising systems from separate manufacturers, utilising data communication links and protocols that are currently incompatible.

107. HFRS has placed an order with Multitone to upgrade the equipment at fire stations and associated HQ equipment. This upgrade will ensure that the mobilising and communications function from HFRS Control is maintained up until the transfer of operations to regional controls. The DCLG has confirmed that the equipment HFRS will install at fire stations for this upgrade is the same equipment that has been included in their bids for FiReControl by all 3 short listed prime contractors. Station end equipment recently installed by the IWFRS would need to be replaced by the FiReControl project to allow communication from regional controls.
108. SunGard Vivista has confirmed that the maintenance for the command and control system used by HFRS can be extended in July 2007 and that there is no limit to the number of years it can be extended by.
109. The two Fire and Rescue Services currently use separate and distinct radio communications systems with radio coverage optimised for their current operational areas and with numerous hilltop transmitter/receiver sites directly linked back to their respective Fire Control Centres. The HFRS system does not currently cover the majority of the Isle of Wight.
110. The HFRS system currently communicates to fire stations in Hampshire using WAN, PSTN and Transcom mobile data (RAM) HFRS indicate that there are no technical reasons why ISDN, LAN (ADSL), GPRS, Kilostream, etc couldn't also be used. The HFRS view is that given that the equipment at the fire station end of IOW stations would need to be replaced the communication links to the stations may not need to be replaced but this would need to be the subject of further discussions if it was decided to proceed with the merger of Fire Control.
111. The IWFRS has recently invested £48,500 in new station end equipment and £13,000 in fire control centre hardware specifically to negate any potential risk. Convergence would require considerable workload and associated costs would be involved to ensure operationally critical mobilising data is transferred to a common format and it would be critical for IWFRS staff to work on this with HFRS. There are 3 main streams of work; data transfer/convergence

including the cleansing and migration of pre-determined attendance plans, special procedures, gazetteer information and statistics databases; station upgrade and radio integration. While these work-streams could run in parallel, it would not be possible to deliver the outcomes without additional resource in each work stream.

112. If early merger of fire control was considered there may be costs associated with redundancy, early retirement and redeployment, which will need to be taken into account. Further research would need to be carried out to clarify the position on the Transfer of Undertakings.
113. Professional advice suggests that the earliest that a merging of the two fire controls could realistically take place would be around sixteen months before the planned introduction of the RCC. The principal costs involved would be to pay for connectivity and compatibility of fire stations and information management systems. An assessment of the costs involved in 2001 indicated costs in the order of £218,000 for this with an annual revenue cost of around £12,000 for line rentals and airtime services. In addition costs to link transmitter/receiver sites on the Island to the HFRS control centre were estimated at £155,000. It is acknowledged that these costs are now out of date so they should only be regarded as a benchmark against which current costs would need to be reassessed. It is also important to note that the IWFRS has recently invested around £62,000 in new station end equipment and fire control hardware.
114. Based on the costs identified in 2001 it is reasonable to assume costs in the region of £375- £450,000 to accomplish a move to the HFRS control centre in advance of the RCC. This would be set against a potential saving of £540,000 per annum or £720,000 over sixteen months and produce estimated net savings of £270 - £345,000. If it proved possible to achieve a merger of Fire Control earlier than January 2008 and/or the introduction of the RCC were delayed then additional savings would arise. It is important to note however that the information on which these estimates are based is five years old and that there is also still a need to clarify some of the technical work that would need to be completed. It would be prudent therefore to carry out a further short review to deal with outstanding

technical issues and to produce an up to date assessment of the likely costs and potential savings involved.

115. There are clearly important issues for IWFRS and HFRS to consider to establish whether the level of potential savings justifies the expenditure and technical work involved and if so to develop a clear implementation plan. Of course, if a decision is taken to establish a new combined fire authority and this takes place in advance of the RCC a merging of fire control would have to take place as part of the establishing of the new CFA.
116. In the event of full combination there will be some transitional issues to deal with, not least the need to ensure effective emergency response arrangements are in place and to establish agreed management structure in a phased approach and in line with the combination order. The priority should be to achieve convergence in a phased way in order to minimise risk and to plan to deliver improvements in emergency response in the period following combination by increasing resilience, building on best shared practice and improving capacity. This is reflected in Table B on page 21.

## Conclusions

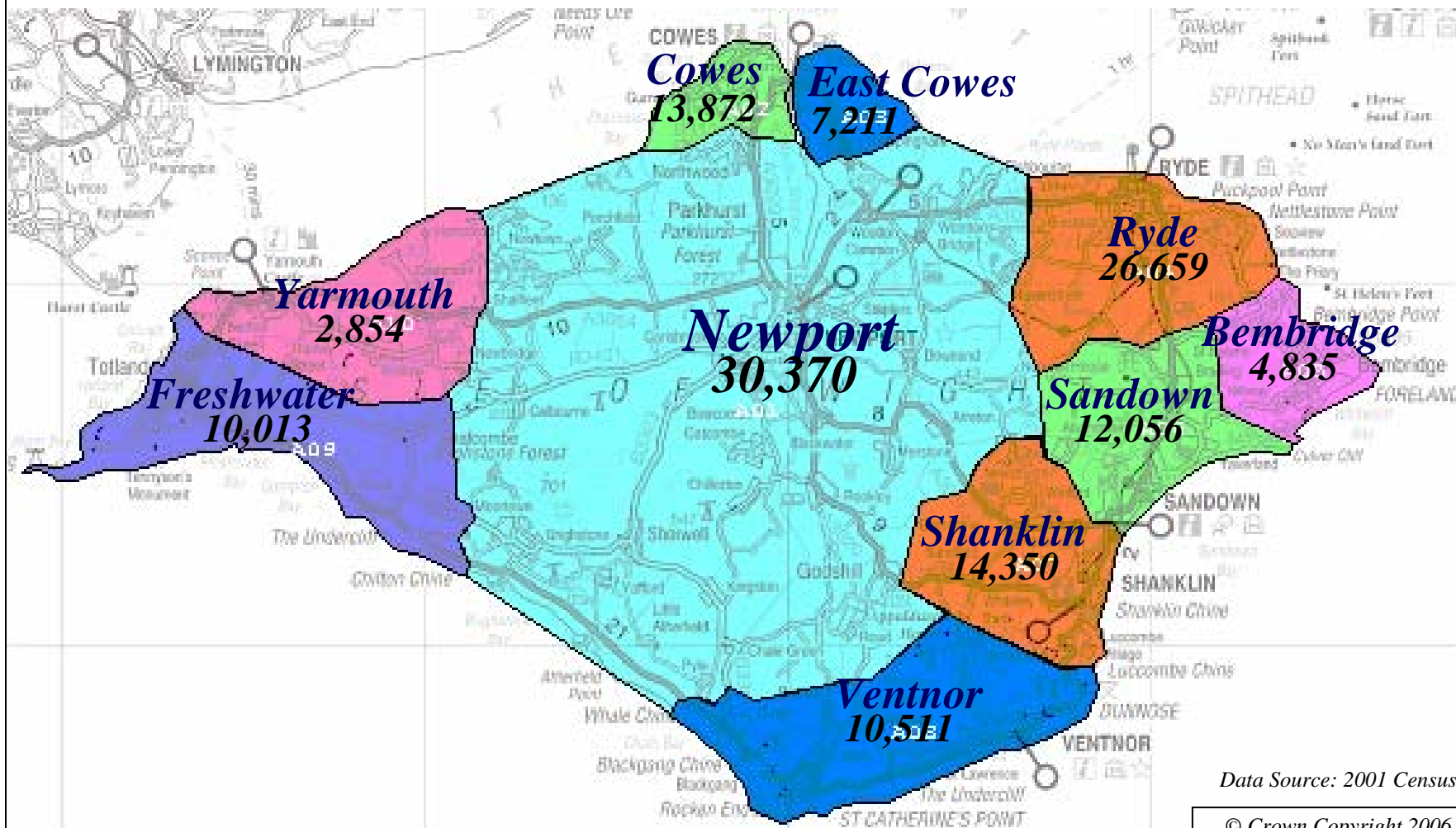
117. The analysis of the business case shows that full combination would generate the most benefit to the service and to the community. It gives rise to savings to residents on the Island and at the same time builds capacity to support change and accelerate improvement. It would strengthen operational support and resilience and enhance the achievement of operational and strategic objectives and a new IRMP and FSEC review which responds to the needs and risk profile of the Island should provide the necessary reassurance that emergency services will be sustained and enhanced and that operational services overall will improve.
118. The option of greater collaboration with HFRS and others is an option that cannot be dismissed in its own right. With a relatively small annual investment fund to support the development of partnership working and initiatives it is possible to achieve further improvements and savings. In addition it should also be possible to achieve efficiencies in support service charges through business like discussions within the Council to drive down overhead costs.

119. The status quo is not a realistic option. The service has made great strides in the last year to improve and deserves enormous credit for the way that it has addressed past weaknesses and moved forward. It is also important to note that some of the improvements that would result from combination are being planned within the service, as it exists now. The main concern for everyone involved however is whether the pace of change and improvement can be sustained in the medium to long term. It is for this reason, notwithstanding the progress made so far, that the status quo is not an option.
120. This has been a challenging piece of work. It has had to be done within a tight timescale. I appreciate that the conclusions will present some challenges to staff and to elected Members when they consider the options and the process of consultation that will need to follow. The brief was to produce an honest, objective and thorough report and I believe that aim has been achieved. It is for others to judge and decide what actions will follow.

**Mike Ellis**  
**Solace Enterprises**  
**August 2006**



# Isle of Wight Fire and Rescue Service - Station Ground Population

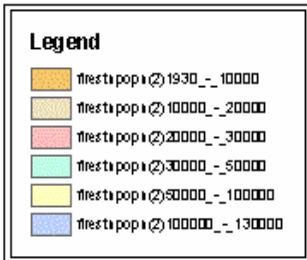
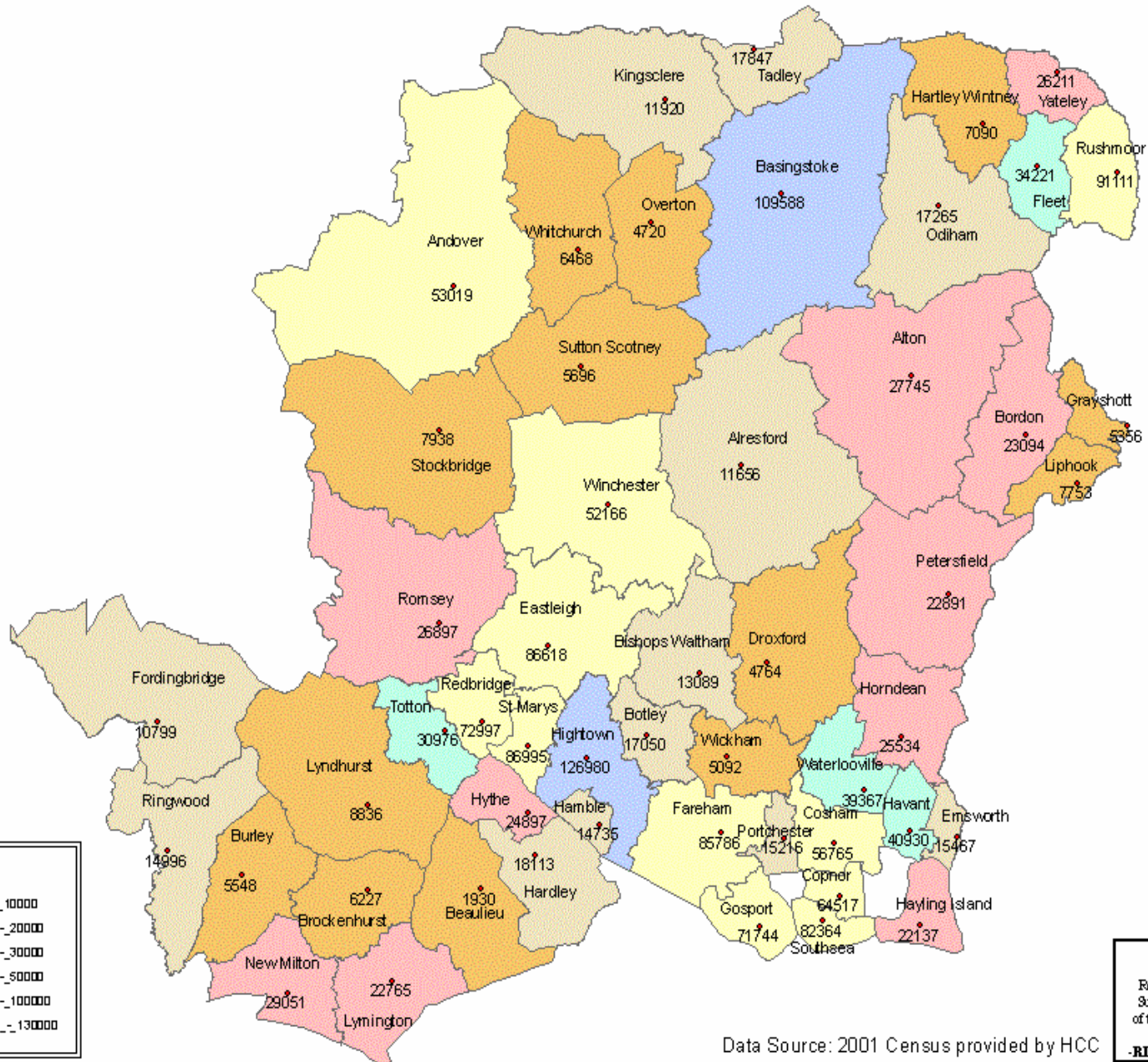


Data Source: 2001 Census

© Crown Copyright 2006  
Licence DWIG150  
All Rights Reserved



# Hampshire Fire and Rescue Service - Station Ground Population



Crown Copyright 2006  
HFRS 100016992  
Reproduced from the Ordnance  
Survey map with the permission  
of the controller of Her Majesty's  
Stationery Office  
**-RISK INTELLIGENCE DEPT-**

Data Source: 2001 Census provided by HCC

## Appendix C - Glossary of Terms

<b>Term</b>	<b>Meaning</b>
ADC	Assessment and Development Centre
AFA	Automatic Fire Alarm
BA	Breathing Apparatus
BC	Business Continuity
BVP	Best Value Principle(s)
BVPI	Best Value Performance Indicator
BVPP	Best Value Performance Plan
C&D	Crime and Disorder
CCA	The Civil Contingencies Act 2004
CFA	Combined Fire Authority
CFOA	Chief Fire Officers' Association
CFRMIS	Community Fire Risk Management Information System
CIPFA	The Chartered Institute of Public Finance and Accountancy
CMS	Certificate in Management Studies
CPA	Comprehensive Performance Assessment
CS	Community Safety
CSRM	Community Safety Risk Management
DCLG	Department for Communities and Local Government
DMS	Diploma in Management Studies
ESRI	GIS technology company
FDR1 data	Data collected on primary fires for the national fire incident statistics database
FDS	Flexible Duty System
FI	Fire Investigation/Fire Investigator
FireBuy	National central procurement project
FiReControl	National regional control centres project
FireLink	National digital radio project
FRS	Fire and Rescue Service(s)
FSC	Fire Service College
FSEC	Fire Service Emergency Cover
Gershon targets	The required 2.5 % annual efficiency gains based on Sir Peter Gershon's public sector efficiency review of 2004 "Releasing Resources to the Frontline" which informed the Government's 3 year Spending Review 2004 and among other things involves improving procurement processes, reducing unnecessary administration and bureaucracy and making more effective use of new technologies in central and local government in order to spend the savings gained on frontline public services.
GIS	Geographical Information System
Green Book employees	Non-operational and support staff
Grey Book employees	Wholetime, retained and control personnel
H&S	Health and Safety
HCC	Hampshire County Council

<b>HFRA</b>	Hampshire Fire and Rescue Authority
<b>HFRS</b>	Hampshire Fire and Rescue Service
<b>HMFSI</b>	Her Majesty's Fire Service Inspectorate
<b>HSE</b>	The Health and Safety Executive
<b>ICS</b>	Incident Command System
<b>IDeA</b>	The Improvement and Development Agency
<b>IFE</b>	The Institute of Fire Engineers
<b>ILM</b>	Institute of Leadership and Management
<b>IPDS</b>	The Integrated Personal Development System
<b>IRMP</b>	Integrated Risk Management Plan(ning)
<b>ITOP</b>	Initial Test of Potential
<b>IWCC</b>	Isle of Wight County Council
<b>IWFRS</b>	Isle of Wight Fire and Rescue Service
<b>KLOE</b>	Key Line of Enquiry
<b>KLPI</b>	Key Local Performance Indicator
<b>LAA</b>	Local Area Agreement
<b>LGA</b>	Local Government Association
<b>LPSA</b>	Local Public Service Agreement
<b>LRF</b>	Local Resilience Forum
<b>LSP</b>	Local Strategic Partnership
<b>MCA</b>	The Maritime and Coastguard Agency
<b>ND</b>	New Dimension (see definition)
<b>New Dimension</b>	The programme established following the September 11th terrorist attacks to supply equipment and procedures to enhance the capability to respond to a range of incidents including terrorism, industrial accidents and natural disasters.
<b>NNDR</b>	National Non-Domestic Rates
<b>ODPM</b>	Office of the Deputy Prime Minister
<b>OGC</b>	Office of Government Commerce
<b>PID</b>	Project Initiation Document
<b>PPE</b>	Personal Protective Equipment
<b>PRT</b>	Performance Review Team
<b>QSA</b>	Quality Safety Audit
<b>RCC</b>	Regional Control Centre
<b>RDS</b>	Retained Duty System
<b>Region</b>	The Region is defined in this context as the area covered by a Regional Development Agency. There are nine regions in England and both HFRS and IWFRS are part of the South East region.
<b>RFFDP</b>	Retained Fire Fighters Development Programme
<b>RMB</b>	Regional Management Board
<b>RNF</b>	Relative Needs Factor (assessment of spending need)
<b>RoSPA</b>	Royal Society for the Prevention of Accidents
<b>RRO</b>	Regulatory Reform Order
<b>RSG</b>	Revenue Support Grant
<b>RTC</b>	Road Traffic Collision

<b>SCP</b>	Safer Communities Partnership
<b>SE</b>	South East
<b>Service Level Agreement</b>	An agreement between customer and supplier defining a specified level of service, the enforcement options or penalty provision for services not provided and specifying the level of customer support given by the supplier
<b>SLA</b>	See Service Level Agreement
<b>SLDC</b>	Service Learning and Development Centre
<b>SOCO</b>	Scene of Crime Officer (Police)
<b>TFS</b>	Technical Fire Safety
<b>TFS&amp;E</b>	Technical Fire Safety and Enforcement
<b>TUPE</b>	Transfer of Undertakings Protection of Employment
<b>UFS</b>	Unwanted Fire Signals
<b>VQ</b>	Vocational Qualification
<b>W/T or WT</b>	Wholetime (full-time firefighters as opposed to retained firefighters)

## Appendix D: Reference Documents

### The following publications were consulted during the production of this report:

An Island Apart: Identification of Additional Costs of Service Provision arising from Severance by Sea. Report to the Isle of Wight Council, PriceWaterHouseCoopers September 2002

Isle of Wight Fire Authority – a Report on the Scope for Increased Joint Working and Possible Merger with Hampshire Fire and Rescue Service, RSM Robson Rhodes LLP, 2005

Isle of Wight Fire and Rescue Service, Special Report “Scope for Change”, HMFSI, 1999

Combined Authority Risk Assessment Workshop prepared for Bedfordshire and Luton Fire and Rescue Service and Cambridgeshire Fire and Rescue Service, Risktec Solutions Ltd, 2005

Somerset Fire and Rescue Service and Devon Fire and Rescue Service Strategic Review Business Case, SFRS/DFRS, 2006

Fire and Rescue National Framework 2006/8, Office of the Deputy Prime Minister, April 2006

Fire and Rescue – Use of Resources 2006/7. Consultation Key Lines of Enquiry, The Audit Commission April 2006

Select Committee on Communities and Local Government Committee Fourth Report 5 June 2006

The Fire and Rescue Services Act 2004, Her Majesty's Stationery Office, 2004

Fire and Rescue Services Act 2004, Sections 13 and 16 Model Agreement

“Our Fire and Rescue Service” White Paper, The Office of the Deputy Prime Minister, 2003

Configuration of NHS Ambulance Trusts in England – Consultation Document, Department of Health, December 2005

Commissioning a Patient-led NHS – A Local Response from the Isle of Wight, Transition Project Team, Isle of Wight Healthcare NHS Trust and Primary Care Trust, September 2005

Consultation on New Strategic Health Authority Arrangements in Hampshire and the Isle of Wight. Ensuring a Patient-led NHS, Hampshire and Isle of Wight Strategic Health Authority, 2005

Consultation on New Primary Care Trust Arrangements in Hampshire and the Isle of Wight. Ensuring a Patient-led NHS, Hampshire and Isle of Wight Strategic Health Authority, 2005

IWFRS Comprehensive Performance Assessment 2005, The Audit Commission

Peer Review Report for IWFRS 2006, IDeA

CFOA Position Statement – Larger Units of Delivery, John Bonney, March 2006

Aim High – The Isle of Wight Council's Change Management Plan, October 2005

Operational Assessment of Service Delivery 2006, IWFRS

Community Safety and Risk Management Plan 2006, IWFRS

Integrated Risk Management Plan 2006/09, HFRS