

**HERTFORDSHIRE COUNTY COUNCIL**

**COMMUNITY SAFETY & WASTE MANAGEMENT  
CABINET PANEL**

**THURSDAY, 7 NOVEMBER 2019 AT 10.00A.M.**



**INTRODUCE A NEW FORMULAE FOR CALCULATING THE CHARGE FOR PROVIDING SERVICES AT INCIDENTS UNDER THE AUSPICES OF THE FIRE & RESCUE ACT 2004.**

*Report of the Director of Community Protection*

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Executive Member: Terry Hone, Community Safety & Waste Management

**1. Purpose of report**

- 1.1 Due to the need for mutual assistance from neighbouring fire and rescue services there has been limited cost recovery from other authorities and vice versa. We have identified that this mutual assistance is no longer balanced and that Hertfordshire Fire & Rescue Service (HFRS) are increasing their level of assistance whilst not receiving or requiring the same level from our neighbours.
- 1.2 This paper updates Members on a review of Section 13 and 16 of the [Fire & Rescue Services Act 2004](#) identifying the numbers of mobilisations to our colleagues in other authorities and look to ensure that costs to HFRS are recovered from the recipient of our services.
- 1.3 It is important to note that any charge has to be set at a level which does not reflect any profit margin, it merely recoups costs incurred.

**2. Summary**

- 2.1 As part of the Integrated Planning process it has been identified that there is an opportunity to generate efficiencies by renegotiating the mutual aid arrangements HFRS has with bordering Fire & Rescue Services.
- 2.2 This paper considers the various options available for calculating the charge for providing services at incidents under the auspices of the Fire and Rescue Services Act 2004 (Section 13 and Section 16).

**3. Recommendation**

### 3.1 The Cabinet Panel:

1. is invited to support the proposed change to charging as outlined within the report and the new charge which is based on the Local Government Association (LGA) Rate x The Total No. of hours per annum; and
2. recommends to Cabinet that Cabinet approves the proposed changes to charges as detailed in this report to generate efficiencies by renegotiating the mutual aid arrangements with bordering Fire and Rescue Services.

## 4. Background

- 4.1 As part of the Integrated Planning process it has been identified that there is an opportunity to generate efficiencies by renegotiating the mutual aid arrangements HFRS has with bordering FRSSs. HFRS is a net provider in all five arrangements of this type and by recouping more realistic costs associated with this work significant income could be generated. Appendix 1 provides more detail.
- 4.2 The concept of both mutual support and emergency provision has been enshrined in Fire Service legislation since 1947. Originally Section 2 and 12 of the Fire Services Act 1947, the concept was reinforced when the revised Fire and Rescue Services Act 2004 was introduced (Section 13 and Section 16).
- 4.3 HFRS has long standing arrangements in place with its neighbouring Services which were updated following the introduction of the new Act.
- 4.4 Section 13 re-enacts the previous provisions of the Fire Services Act 1947 on reinforcement schemes and extended them to apply to road traffic accidents and other serious emergencies. Section 13 obliges Fire and Rescue Authorities to group together, so far as practicable, to provide mutual assistance. (If Fire and Rescue Authorities are unable to agree, Section 14 gives the Secretary of State power to direct).
- 4.5 Section 16 extends powers to Fire and Rescue Authorities to enter into contractual arrangements with others (including other Fire and Rescue Authorities) to provide services in the execution of their functions. In respect of fire-fighting, this can only be delegated to another Fire and Rescue Authority or others that employ fire-fighters. (Section 17 contains the Secretary of State's provision to direct, although these powers can only be exercised in the interests of economy, efficiency and effectiveness).
- 4.6 As HFRS seek ways in which to accommodate the significant shortfall in budget, it is felt that the provisions of the Act could help in respect of

revision of charges incurred for these arrangements and a review of the methodology for calculating such charges.

- 4.7 This paper considers the various options available for calculating the charge for providing services at incidents.
- 4.8 The Chief Fire Officer has existing delegations with regard to determining the provision of operational delivery. However, as the provisions of the Act are the responsibility of the Fire and Rescue Authority, it is important that the Authority receive updates on any significant amendments to any arrangements, and endorse any specific contractual arrangements that may arise specifically under Section 16.

## **5. Charging for attendance at incidents**

- 5.1 The Authority bases its charge for the service it provides at certain types of special service incidents, on the cost to the Authority of an appliance attending. There are a number of ways in which Services calculate the hourly cost recovery charge for services provided at special service incidents. For HFRS the criteria for incidents where costs should be recovered is set out in SO 104 Special Service charges and SO 103 Special Service Incidents - Mobilising and charging, attached as Appendix 4 and 5 to the report .
- 5.2 Services such as London Fire Brigade (LFB) are now actively investigating or using this charge for attendance at incidents other than special services (i.e. false alarms due to automatic fire alarms (AFAs), attendance to other Service areas under S13/16 agreements).
- 5.3 Indeed this has been the basis of charging for S13/16 services between HFRS and LFB since 2015.

## **6. Legal basis for charging**

- 6.1 The legal basis for charging comes from the Fire and Rescue Service Act 2004 (FRSA) as amended by the Localism Act 2011.
- 6.2 The Authority has no legal power to make a profit from any charges. Section 18A(5) of the FRSA says “In setting the amount of the charge... a FRA must secure that, taking one financial year with another, the authority’s income from charges does not exceed the cost to the authority of taking the action for which the charges are imposed.”
- 6.3 The Localism Act 2011 amended the FRSA to introduce a requirement to consult *‘any persons the authority considers appropriate’* before it begins to charge under S18A (1) FRSA. However, S10 (5) Localism Act 2011 disapplies this requirement where a charge was previously authorised under the former legislation.

- 6.4 The Localism Act has also amended the FRSA by introducing a new power, which allows the Authority to charge for attendance at false alarms due to an AFA

## 7. Financial Implications

- 7.1 The current arrangements for Bedfordshire, Buckinghamshire, Essex and Cambridgeshire Fire & Rescue Services the current charges for existing s13/16 arrangements are based on the following formula: -

$$\text{Charge} = \text{the LGA Rate} \times \frac{\text{The total number of calls over the last 3 yrs}}{3}$$

- 7.2 The LGA Rate means the sum specified by the LGA from time to time as applicable to charges for arrangements under s.16 of the 2004 Act. This is also adjusted annually by the County Councils standard income inflation figure.

- 7.3 The total number of calls over the last 3 years means the total number of calls attended by the Assistor in the Recipient's area under this Agreement in the three years prior to the year in which the charge is to apply.

- 7.4 This is a charge per incident and not per hour. It also does not include the number of appliances sent.

- 7.5 Appendix 2 provides details of costs under these arrangements.

- 7.6 A different formula is in place for London Fire Brigade: -

$$\text{Charge} = \frac{\text{Gross LFB Budget}}{\text{Total Appliance Availability (Hours)}}$$

- 7.7 The gross budget is comprised of Mayoral Funding and Metropolitan Fire Brigades Act funding.

- 7.8 The appliance availability is hours in a year multiplied by number of appliances in front line fleet.

- 7.9 This is a charge per hour and not per incident. It is also per appliance requested by LFB.

- 7.10 Appendix 2 provides details of costs under these arrangements.

- 7.11 A number of different charging models have been explored as part of the review and are set out below: -

1. The current special service charge for a fire appliance is set at £526 per hour as stated in SO3104.

2. The current charge based on the most recent LGA figure plus inflation which for 2019/20 is 2% and applying that to the 2018/19 charge would make it £336 per call in 2019/20.
3. The updated LFB figure for 2019/20 has been set at £339 per hour. If HFERS adopt the same methodology based on guaranteed wholetime pump availability the charge would be £199 per hour.

7.12 It is recommended that HFERS continue to utilise the figure from option 2 as this is based on the current charging model. However this should be charged on an annual basis and at an hourly rate for each appliance requested as per the LFB model.

$$\text{Charge} = \text{the LGA Rate} \times \text{the Total No. of hours per annum}$$

7.13 This will ensure that HFERS are adequately recompensed in order to cover costs associated with work carried out under Sections 13 and 16 arrangements.

7.14 By analysing the figures from LFB over the last 3 years, the table below shows the average duration at an incident to be 75 minutes this would result in a 2 hour charge being applied.

	No. Of Calls	No. Of Hours	Mins
16/17	274	335	73
17/18	290	353	73
18/19	180	239	80

<b>Total</b>	<b>744</b>	<b>927</b>	<b>75</b>
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7.15 The effect of implementing this recommendation is shown in Appendix 3 utilising the figures in Appendix 2 as a baseline. (Using 2018/19 rates)

Current Income (App 2)	£193,671
Comparable Income (App 3)	£279,429
Difference	<b>£85,759</b>

7.16 This indicative income is based on one appliance for 2 hours and meets the forecasted figure identified in the Integrated Plan proposal in Appendix 1.

## 8. **Equalities**

- 8.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 8.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 8.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 8.4 No EqIA was undertaken in relation to this matter.

## 9. Risks

Risk area	Rating Severe, Significant, Material or Manageable	Comment
Business Continuity	Material	FRAs may not wish to continue with 13/16 arrangements meaning HFRS could not call upon their support when required.
NFCC		
Carbon Reduction & Sustainability		
Equality Impact Assessment		
Data Protection Impact Assessment		
External Agencies		
Financial	Manageable	FRAs may look to reduce the number of occasions HFRS are called upon to an extent income falls to below current levels.  Figures are based on an incident duration resulting in a 2 hour charge, this may go up or down.
Health and Safety		
Human Resources		
Industrial Relations		
Litigation		
Media		
Operational		
Political	Significant	If FRAs are unable to agree, the Secretary of State has the power to direct
Protective Security		
Regional	Manageable	Those FRAs who do not have a current agreement with LFB may challenge any proposed changes.
Societal		
Strategy and Planning		

### Rating Guide

<b>Severe</b>	The consequences will have a severe impact on the delivery of a key priority and comprehensive management action is required immediately.
<b>Significant</b>	The consequences of the risk materialising would be significant, but not severe. Some immediate action is required plus the development of an appropriate action plan.
<b>Material</b>	Consequences of the risk are not significant and can be managed through contingency plans. Action plans can be developed later to address the risk.
<b>Manageable</b>	Consequences of the risk are considered relatively unimportant. The status of the risk should be reviewed periodically





**APPENDIX 1  
INTEGRATED PLAN SAVINGS**

Ref	Title	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total Budget £'000
PS15	Cross-border charges – renegotiate mutual support arrangements (HFRS is a net provider) to recoup more realistic costs	40	40	40	40	160
<p><b>Savings Description</b>  <i>Brief description of changes to be made to deliver saving</i>            This is a Policy Decision that can be taken without the production of a new Incident Risk Management Plan (IRMP).            Overall currently HFRS is a net benefactor (appliance movements are more in support of other FRS and so could generate income) for all existing agreements. Currently charging is applied through arrangements under the FRS Act 2004 (S.13 &amp; s.16) to neighbouring FRS as a one-off cost regardless of resources sent or time spent at the incident. By applying a new charge incorporating number of resources sent and time spent at the incident an increase of income could potentially be achieved as indicated.            There would be a requirement for adjoining FRSs to agree to an increase in costs and this may result in neighbouring FRS taking action to reduce their use of HFRS resources. Should this occur then this would have the effect of reducing income which may result in no increase in income and may ultimately see revenue decrease below its current level.</p>						
<b>Saving Type</b> (click check box for relevant type):		Efficiency (does not require policy decision)			<input checked="" type="checkbox"/>	
		Service Reduction			<input type="checkbox"/>	
		Change in Service Delivery			<input type="checkbox"/>	
<p><b>Service impact:</b>  <i>Description of impact on service</i>            Service impact of this Policy Decision would be minimal but neighbouring FRS may take action to reduce use of HFRS resources thereby reducing potential income.</p>						
<p><b>Impact of increasing saving</b>  <i>Brief description showing how options for increasing saving have been considered, and if rejected, why</i>            The increase would be up to the level of cost recovery, which is the maximum</p>						
<p><b>Delivery checklist:</b>            Have implementation costs been included? Implementation costs are minimal as regular reviews already occur between each FRS within which this change could incorporated.            -----            Does saving require Capital Programme or Invest to Transform bid to be approved? N            -----            Does saving contribute to cross cutting targets (eg commercial – procurement savings; digital – smart working: Prevention)?N            -----            Will saving result in redundancy costs? N            -----            Does the saving require/ impact on internal commissioning? N            -----</p>						
<p><b>Member approval required ? Y</b></p>						
<b>Savings Status sign off:</b> <b>AD / Service responsible officer</b> Gus Cuthbert		<b>SLFO</b> Guy Pratt			<b>Finance BP</b>	
<b>Date 21 August 2018</b>		<b>Date 21 August 2018</b>			<b>Date</b>	

**APPENDIX 2**  
**(BASED ON CURRENT CHARGING RATES PER CALL)**

Financial Year	CAMBRIDGESHIRE		BEDFORDSHIRE	
	Assistance To	Assistance From	Assistance To	Assistance From
	01/04/15 – 31/03/16	108	1	81
01/04/16 – 31/03/17	110	1	105	36
01/04/17 – 31/03/18	119	3	50	22
Total	337	5	236	89
Charge Rate	£322			
<b>Income</b>	<b>£35,634.67</b>		<b>£15,778.00</b>	

Financial Year	ESSEX		BUCKINGHAMSHIRE	
	Assistance To	Assistance From	Assistance To	Assistance From
	01/04/15 – 31/03/16	116	32	12
01/04/16 – 31/03/17	156	32	21	31
01/04/17 – 31/03/18	92	26	58	14
Total	364	90	91	45
Charge Rate	£322			
<b>Income</b>	<b>£29,409.33</b>		<b>£4,937.33</b>	

Financial Year	LONDON	
	Assistance To (Hrs)	Assistance From (Hrs)
01/04/17 – 31/03/18	353	24
Charge Rate	£328	
<b>Income</b>	<b>£107,912.00</b>	

### APPENDIX 3

#### (BASED ON RECOMMENDED CHARGING RATES FOR 2 HOURS)

Financial Year	CAMBRIDGESHIRE		BEDFORDSHIRE	
	Assistance To	Assistance From	Assistance To	Assistance From
	01/04/15 – 31/03/16	108	1	81
01/04/16 – 31/03/17	110	1	105	36
01/04/17 – 31/03/18	119	3	50	22
<b>Total</b>	<b>337</b>	<b>5</b>	<b>236</b>	<b>89</b>
Charge Rate	£322			

<b>Income</b>	<b>£71,269</b>	<b>£31,556</b>
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Financial Year	ESSEX		BUCKINGHAMSHIRE	
	Assistance To	Assistance From	Assistance To	Assistance From
	01/04/15 – 31/03/16	116	32	12
01/04/16 – 31/03/17	156	32	21	31
01/04/17 – 31/03/18	92	26	58	14
<b>Total</b>	<b>364</b>	<b>90</b>	<b>91</b>	<b>45</b>
Charge Rate	£322			

<b>Income</b>	<b>£58,818</b>	<b>£9,874</b>
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Financial Year	LONDON	
	Assistance To (Hrs)	Assistance From (Hrs)
01/04/17 – 31/03/18	353	24
Charge Rate	£328	
<b>Income</b>	<b>£107,912.00</b>	