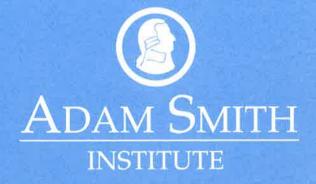
# Michael Simmonds

# The Burning Question



THE BURNING QUESTION

by

Michael Simmonds

Adam Smith Institute London 1989

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#### 1. INTRODUCTION

Whenever there is a major fire such as at Kings Cross Underground Station in November 1987, or a disaster such as that which took place at Hillsborough football ground during an FA Cup Semi-Final earlier this year, or a pile up on the motorway, the fire service is called to the scene. There is much more to a fireman's job than putting out fire.

Perhaps more than any other state service, Britain's fire brigades are held in high esteem. Those who criticize inefficiencies elsewhere steer clear of questioning the running of the fire service in fear of being seen to criticise firemen who are rightly highly regarded by the public.

This report is not intended to question the dedication of firemen and officers throughout Britain who regularly risk their lives protecting people and property against fire. The conditions in which they work are often terrible and the situations they encounter horrific. Although a fireman's day can be mundane and spent pumping out a sewer or rescuing the anecdotal cat from a tree, a fireman's day can also be most traumatic and galling. At the train disaster at Moorgate Underground station in London in the mid 1970s, conditions were so bad that that the Salvation Army dropped its abstentionist scruples and served whisky to the firemen rescuing the injured and removing the dead.

The Functions of the Fire Service

Within the past 20 years there have been at least three major government reviews of the fire service. Perhaps the most thorough was the 1970 report of the "Departmental Committee on the Fire Service", chaired by a former deputy chairman of ICI, Sir Ronald Holroyd. The report is still regarded as relevant by many within the fire service. In 1971 the report of the "Cunningham Inquiry into the work of the Fire Service" examined "the work of the whole-time members of the fire service". More recently the Home Office conducted a Review of Fire Policy which was published in 1980.

The Review defined the three key functions of the fire service:

- (i) The extinction of fires and the protection of property and life put at risk by fire. These functions derive from statutory duties placed upon fire authorities under the Fire Services Acts 1947-59;
- (ii) Fire prevention, which derives from the wider range of fire prevention duties placed on local authorities generally under public safety legislation;

(iii) Special services, which cover a wide variety of accidents or other emergencies in which assistance is sought from fire brigades, and on which fire authorities are empowered to employ the brigade under the Fire Services Act 1947 (although there is no statutory requirement to do so).

The fire service is a local government service. It is organised (with the exception of the Fire and Civil Defence Authorities in the areas formally covered by Metropolitan Councils) according to county council borders. It is a very costly service. Figure One shows how costs have increased, both in cash and in inflation adjusted terms, in the fire service since local government reorganisation since 1974.

This report does not aim to be comprehensive. It does not, for example, examine the management of fire risk and look at issues such as the case for smoke detectors and sprinkler systems. Nor is consideration given to the merging of fire and ambulance services. The report aims to look at the organisation and work of the fire service in the light both of international experience and of the changes that other areas of public service have undergone since 1979.

#### 2. THE EVOLUTION OF THE MODERN FIRE SERVICE

It was not until 1938 that local government was given a statutory duty to maintain fire brigades. Before then much of the burden of fire fighting had fallen on insurance companies.

#### The role of insurance

The first fire insurance company in the UK was founded in London in 1680, although there had been previous attempts to set up such companies. For example, Charles I had been petitioned in 1638 to grant a patent to start what was in effect a fire insurance company and although the request had been granted, the scheme did not come to fruition. The City of London had also considered setting up a fire insurance scheme soon after the Great Fire, but this too failed to come about.

It was not until the 1680s that fire insurance companies started to be established, and right from the start the companies linked fire insurance with the provision of a fire-fighting force. Although parish authorities had a duty to provide fire equipment, in practice this rarely meant more than the provision of buckets since there was no statutory duty to provide a force of men to carry out fire-fighting. The insurance companies recruited Thames watermen as firemen and each company had their own brigade with distinctive uniforms and badges. An early recognition by government of the value of the private brigades was given in 1707 when firemen were given exemption from impressment into service with the Navy.

Throughout the eighteenth century the number of fire insurance companies grew. Companies such as the Sun Fire Office, the Union Fire Office, the Royal Exchange Assurance Corporation, the Friendly Society, the London Assurance Corporation, the Hand in Hand Office, the Westminster Fire Office, and the Phoenix Assurance Company all set up their own brigades and marked the buildings which they insured with their own distinctive Fire Mark. Although in the early days of their existence there is little doubt that company brigades only dealt with fires in property insured by their company; there was a gradual realisation that some sort of co-operation between brigades was essential. In 1791 the Royal Exchange, the Sun and the Phoenix established a joint night patrol in London and, although this only lasted for a few years, by 1826 a more permanent arrangement had been signed and the companies put their brigades under the control of a joint superintendent.

Throughout this period local companies established fire brigades in other towns and cities. For example there was a Bath Fire Office in 1767, a Manchester Fire Office in 1771, the Liverpool Fire Office was opened in 1777 and in 1790 a fire office was established in Worcester. The London insurance offices also extended into the provinces, either setting up brigades or giving financial or material aid to help set up new brigades. Often, if one company considered it economical to run a brigade in a particular town or area, other companies would also set up. This spirit of

competition for insurance business also led to greater co-operation between the companies' fire brigades. In 1827, for example, the Norwich Union held a meeting between all the companies operating in Bristol to arrange a "more efficient attending and working of the engines at fires".[1]

In 1832, ten of the major companies in London formed the London Fire Brigade Establishment. The companies involved in the Establishment set up a combined fire brigade under the control of an independent superintendent which for the first time was "a true public service without any proviso at all that reference should be made to the interests of individual companies".[2]

The creation of the London Fire Brigade Establishment led to pressure from both the insurance companies and from the parishes for changes in the running of fire services in the country. The companies felt that they were providing a costly service with little real financial return and called for more publicly provided fire protection and for the placing of all parish fire engines under the control of the Commissioner of Police. They petitioned government and received the following response:

"I beg to assure you in reply, that I am not disposed to deny that there are cases of fire in which this arrangement which you recommend might be productive of beneficial consequences, but nevertheless it appears to me that, in the great majority of instances, the interference of Government would be of little benefit, while it might, and probably would, relax those private and parochial exertions which have hitherto been made with such effect and so much satisfaction to the public." [3]

In 1850 a deputation from the parishes lobbied government to exempt them from the responsibility of keeping fire fighting equipment in those areas where insurance companies were providing fire cover. Already by this time some local authorities were setting up their own brigades. For example, by 1832 the town fire brigade in Manchester had become so efficient that the insurance companies disbanded their own brigades.

Following the 1865 Metropolitan Fire Brigade Act, which set up the London Fire Brigade under the Metropolitan Board of Works, the role of the insurance companies declined until by 1938, when the Fire Brigades Act was passed, almost all fire fighting in the UK was in the hands of local authorities.

<sup>[1]</sup> See 'The Work of the Insurance Companies in Combating and Preventing Fire'. Published by the Insurance Institute of London. 1966

<sup>[2]</sup>ibid.

<sup>[3]</sup>Letter from Henry Gaulburn as quoted in 'The Work of the Insurance Companies in Combating and Preventing Fire'. ibid.

# The modern fire service

The foundations of the modern fire service in Britain lie in the early years of World War Two. The 1939 Fire Brigades Act had put responsibility for the provision of fire services into the hands of the County Borough, the Rural District and Urban District Councils. This had led to there being over 1600 fire brigades in the UK, each with their own practices and procedures. In 1941 the powers and duties given to all local authorities under the 1938 Fire Brigades Act were suspended and transferred to a national fire service which, it was thought, would be more able to meet the needs of a country at war. As a national brigade, the new organisation abandoned separate working methods and set new national standards. The national fire service operated as a single operational machine with standardised training, duty systems, uniforms, appliances and equipment, and standard arrangements for appointments, promotion, discipline, pay and administration.

At the end of the war, the 1947 Fire Services Act disbanded the national fire brigade and responsibility for fire services was passed to the County and County Borough Councils which became Fire Authorities. This led to creation of 155 new brigades. However, following the wartime experience, Britain now had brigades which, if not organised on a national basis, at least operated along similar lines.

#### Fire Services Act 1947

The 1947 Fire Services Act contains the bulk of the statute law relating to the provision of fire services in Great Britain.

The Act requires fire authorities to ensure that adequate fire cover is available in their areas. The authorities must "secure the services...of such a fire brigade and such equipment as may be necessary to meet efficiently all normal requirements".

The 1947 Act vested considerable powers of central control into the hands of the Secretary of State for the Home Department (and in Scotland the Secretary of State for Scotland). The Secretary of State may order local authorities to combine for fire fighting purposes if he considers it expedient in the "interests of efficiency." Under the Act the Secretary of State was required to give his consent to any changes that fire authorities wished to make to the size of the fire service in their area. The Act also gave the Secretary of State the power to make regulations regarding the pay, conditions of service and discipline of firemen.

The Act also created the the Central Fire Brigades Advisory Council (CFBAC) to advise the Secretary of State on any matters arising from the Act (except for matters relating to pay, conditions of service and discipline). In practise the CFBAC, through the Secretary of State, gave advice to the newly created fire authorities upon operational and other issues. The constitution of the CFBAC was set out by the Act.

#### Fire Services Act 1959

This act deprived the Secretary of State of those controls which were thought by the fire authorities to bear more on economy than on operational efficiency. The Secretary of State's powers over pay and conditions of service such as hours of duty and leave were removed and responsibility was passed to the individual fire authorities. In practice, the local authorities have pooled this responsibility and have accepted the recommendations of the National Joint Council for Local Authorities' Fire Brigades (NJC). The NJC consists of representatives of the fire authorities and the fire service unions. The Act also modified the Secretary of State's control over the size establishments, so that his approval is now required only for reductions in cover and not for increases.

#### 3. THE FIRE SERVICE TODAY

The fire service in England & Wales attended 291,984 fires in 1987.[4] The costs of fire to property in 1988 is estimated to be at least £646 million.[5] The fire service also attended 175,846 incidents which did not involve fire. These 'special service' fires, such as traffic accidents and emergencies which the other emergency services cannot deal with, accounted for 24% of the services' total calls. A worrying statistic is the increased occurrence of false alarm calls. In 1987 there 267,774 false alarms, 105,900 of which were malicious, which accounted for 36% of all turnouts. [6]

Staff costs make up 60% of the cost of the fire service. Fireman's pay is determined by a formula agreed after the national fireman's strike of 1977/78. The Fire Brigades Union called the strike, which followed a work-to-rule the previous year and other industrial action around the country, to try to force the Callaghan government to breach its pay policy. Although the "pay norm" was not broken, the firemen won an agreement which guaranteed that fireman's pay would be raised from near the average for male industrial workers to the average for skilled workers - the top quarter of industrial earnings.

In 1987 the fire service in the United Kingdom employed 39,330 whole-time firemen, 16,747 part-time firemen and 8,078 control room and non-uniformed employees. The fire service cost the taxpayer £832m last year.

#### Organisation

There are three bodies whose influence pervades every aspect of fire service organisation.

#### 1) The Central Fire Brigades Advisory Council

It has already been noted that the Central Fire Brigades Advisory Council (CFBAC) was set up by the 1947 Fire Services Act. The council advises the Secretary of State on all aspects of the fire service. The CFBAC is made up of a Chairman (appointed by the Secretary of State) and representatives of "the interests of fire authorities and of persons

<sup>[4]</sup>Only provisional figures are available for 1988

<sup>[5]</sup> This figure does not include losses insured by Lloyds underwriters, losses by the Government (which carries its own insurance risks), uninsured losses and consequential losses

<sup>[6]</sup>All figures are taken from the Report of Her Majesty's Chief Inspector of Fire Services 1988

employed as members of fire brigades." The Secretary of State can also appoint "such other persons appearing to him to have special qualifications as he may determine." The present membership of the CFBAC is listed in Figure 2.

There is a separate Central Fire Brigades Advisory Council for Scotland which has a similar membership.

The CFBACs develop common standards which they recommend to the Secretaries of State (the Home Secretary and the Scottish Secretary) who if they accept them incorporate them into recommendations to the fire authorities. Although the councils are purely advisory and their advice is not binding upon the Secretaries of State, in practice most recommendations are accepted by them and are passed onto fire authorities as recommendations which are generally accepted.

#### Figure 2

#### Membership of the CFBAC

#### Representatives from:

Association of County Councils
Association of Metropolitan Authorities
Chief and Assistant Chief Fire Officers' Association
National Association of Fire Officers
Fire Brigades Union
Institute of Fire Engineers
Department of the Environment
Home Office
Her Majesty's Chief Inspector of Fire Services
Special Nomination (at present the Chief Officer of the London Fire and Civil Defence Authority

# 2) The National Joint Council for Local Authority Fire Brigades

The National Joint Council for Local Authority Fire Brigades (NJC) consists of representatives of the employers (the county and district councils in England and Wales and the regions in Scotland) and the major fire brigades unions.

Since the Fire Services Act of 1959 the NJC has effectively determined conditions of service in the fire service. Together with the Central Fire Brigades Advisory Council the NJC lays down the rules which govern the fire service in the United Kingdom.

#### Figure 3

#### Membership of the NJC

Number	$\mathbf{of}$
Representa	atives

Association of County Councils	13
Association of Metropolitan Authorities	9
Confederation of Scottish Local Authorities	7
Northern Ireland	1
National Association of Fire Officers	10
Fire Brigades Union	22
rechnical advisors to the employers	A

# 3) Fire Service Inspectorate

The Fire Service Inspectorate was set up under the 1947 Fire Services Act. It obtains information for the Home Secretary on the way in which fire authorities are performing their functions under the Fire Services Acts, the Fire Precautions Act 1971 and on technical matters relating to those functions. It also gives professional advice to the Home Secretary on more general fire matters. The Inspectorate also plays a role as an advice giver to the CFBAC and, through its annual inspection of brigades, helps to ensure the promotion of common standards.

Recently, the Inspectorate's role has been broadened to include the examination of the organisation and management of brigades and to look at efficiency and value for money.

#### Standards of Fire Cover

The 1947 Fire Services Act lays down only that fire authorities must carry out their duties efficiently. The use of manpower and level of service for each brigade is largely determined by Home Office requirements as to the minimum level of fire cover required in particular areas. Fire Service Circular Number 4/1985 contains the latest guidance on how the risk of fire should be categorized. (Figure 4) The circular was issued by the Home Secretary following the report of the 'Joint Committee on Standards of Fire Cover' set up by the Central Fire Brigades Advisory Councils for England and Wales and for Scotland. The circular advised fire authorities to review existing fire cover arrangements in the light of the new guidelines it contained.

Recently the final authority to conduct such a review, the London Fire and Civil Defence Authority, has announced its findings. The amount of 'A risk' area has remained unchanged at 10% of the total area covered by the Authority, although the configuration of the risk has changed significantly. However, there has been a considerable drop in 'B risk' from 45% at present to a proposed 25%. 'C Risk' areas will increase from 35% of the total area to 39% and 'D risk' areas will from 10% to 23%.

These proposals, which have still to be considered by the Authority's members, have sparked considerable controversy.

The Home Office issues minimum standards of response time according to risk category. In 'A risk' areas three pumps must be available to respond to any call. Two of these pumps must arrive within five minutes of the call and the third must be at the scene within eight minutes. In 'B risk' areas two pumps must be available within five minutes. In 'C risk' areas one pump must arrive within eight to ten minutes of any call. In 'D risk' areas one pump must reach the scene of the emergency within twenty minutes.

Following an Audit Commission report in 1986, [7] the CFBAC set up a committee to examine the organisational matters raised by the Commission. This committee is expected to present their report in November.

<sup>[7]&#</sup>x27;Value for money in the fire service: some strategic issues to be resolved', Audit Commission Occasional Paper, September 1986

#### Figure 4

Fire Service Circular No. 4/1985 contained updated guidance on how the risk of fire should be categorized.

## Category A Risk

Category A risks are normally to be found in the largest cities or towns of the country. For an area to be classified as A risk it should be of substantial size and should contain a predominating concentration of properties presenting a high risk of life loss or damage to property in the event of fire. Examples of such areas might include

- (i) Main shopping and business centres, with department stores, shopping malls and multi-storey hotels and office properties;
- (ii) Concentrations of theatres, cinemas, clubs, dance-halls and other entertainment centres;
- (iii) Concentrations of high-risk industrial or commercial property.

#### Category B Risk

Category B risks are normally to be found in the larger cities or towns not falling within category A risk. For an area to be classified as B risk it should contain continuously built-up areas of substantial size, with a predominating concentration of property presenting a substantial risk of life loss or damage to property in the event of fire. Examples of such areas might include:

- (i) Shopping and business areas, predominately of multi-storey properties, offering some degree of concentration;
- (ii) Concentration of hotels and leisure facilities such as occur in the larger holiday resorts;
- (iii) Concentrations of older multi-storey property offering substantial amounts of residential accommodation;
- (iv) Industrial or trading estates containing some higher risk occupancies.

#### Category C Risk

Category C risk areas are normally to be found in the suburbs of the larger towns and the built up areas of smaller towns. For an area to be classified C risk it should contain built-up areas of substantial size, where the risk of life loss or damage to property in the event of fire is usually low, although in certain areas the risk of death or injury may be relatively high. Concentrations of property may vary, but will generally be of limited extent. Examples of such areas might include:

- (i) Developments of generally post-war housing, including terraced and multi-storey dwellings, deck access housing and blocks of flats (see also Special Risks);
- (ii) Areas of older, generally pre-war, detached or terraced multi-storey dwellings, with a predominance of property converted for multiple occupation;
- (iii) Areas of suburban terraced, semidetached and detached residential properties;
  - (iv) Mixed low-risk industrial and residential areas;
  - (v) Industrial or commercial areas of smaller houses where there are few higher-risk occupancies.

#### Category D Risk

Category D risk includes all areas other than those classed as Remote Rural, not falling within categories A to C.

#### Remote Rural Risks

Areas may be classified as Remote Rural risks if they are isolated from any centres of population and contain few buildings

#### Special Risks

There are certain small areas, whether comprising single buildings or complexes, which need a first attendance over and above that appropriate to the risk which predominates in the surrounding area. These premises or small areas should be treated as Special Risks and given an appropriate pre-determined attendance. There are many difficult types of Special Risks, but some typical examples might include:

- (i) Residential premises of substantial size and presenting abnormal risks, such as hospitals, or prisons, wherever they occur;
- (ii) Tower Blocks, whether residential or commercial in C and D risk areas;
- (iii) Major petro-chemical or other high risk industrial plants, wherever they occur;
  - (iv) Airports, wherever they occur

organise their manpower and resources according to response time and assessment of risk. If a response time and assessment of 'A risk' includes a large proportion of 'A risk' he necessary to ensure that there are sufficient acall within the minimum time laid down by reach a call within the minimum time laid down by reach a call within the minimum time laid down by a fire authority

or pump as the main fire fighting vehicle is correctly crew of five firemen (or four for a back-up ways in which the fire service deploys its

- To provide a crew of five firemen at all advices an establishment of about 28 firemen. Since the state of the state of a week (exactly one quarter of a week) a shift crews is needed to provide permanent the need to cover for absence due to public holidays, the state of training and sickness raises this ratio (the state of training and sickness raises this ratio (the state of about 28 firemen to man one pump (5.5 X 5), or the state of about 28 firemen to man one pump (5.5 X 5), or the state of t
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Males. It examined how these Home Office cover

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Cost."

Covering 'C risk'

#### Manning levels

Fire authorities must organise their manpower and resources according to the categorization of response time and assessment of risk. If a particular fire authority includes a large proportion of 'A risk' development, then it will be necessary to ensure that there are sufficient crew and equipment to reach a call within the minimum time laid down by the Home Office. This will clearly have implications for the type of manning arrangements made by a fire authority

Each fire engine (or pump as the main fire fighting vehicle is correctly called) normally requires a crew of five firemen (or four for a back-up pump). There are three main ways in which the fire service deploys its fire-fighting manpower.

- (i) Shift manning. To provide a crew of five firemen at all times, requires an establishment of about 28 firemen. Since firemen work a 42 hour week (exactly one quarter of a week) a minimum of four shift crews is needed to provide permanent manning. The need to cover for absence due to public holidays, leave, off-station training and sickness raises this ratio (the so-called 'ridership factor') to about 5.5, thus requiring an establishment of about 28 firemen to man one pump (5.5 X 5), or 48 for a two pump station. The Audit Commission report estimated that training and sickness absence in a typical brigade amounted to five hours per fireman per week but indicated that "the figures are considerably higher in some cases."
- (ii) Retained manning. Some pumps, particularly in rural areas, are manned by 'retained firemen'. Such firemen are part-time volunteers who are paid a retainer plus a fee each time they turn out. Each pump would typically have an establishment of 10-12 retained men. Since, under the Home Office requirements, retained firemen are allowed 5 minutes from the time they receive a call to turnout, they cannot be used in areas where regulations require a five minute first response time.
- (iii) Day-manning. Some pumps are manned by 12-15 whole-time firemen who work during the day and who serve as 'retained firemen' at other times.

In preparing its 1986 report, the Audit Commission looked in detail at 36 of the 54 fire brigades in England and Wales. It examined how these brigades allocated manpower and equipment to meet Home Office cover requirements. It concluded that

" a considerable number of whole-time pumps are deployed where Home Office standards could be fully satisfied by day-manning at around half the employment cost, or in some cases even by a retained pump, at around a tenth of the annual cost."

The report cited one brigade where two whole-time pumps, covering 'C risk' and 'D risk' areas, were receiving less than one call per day but were manned on a 24 hour basis. Apart from the costs involved, such over manning has 3 serious implications:

- (i) On average members of each crew are turning out to one call of any kind per week,
- (ii) since some of these calls will be to minor incidents or false alarms, the Audit Commission estimated that they would only attend a serious fire once a month;
- (iii) Attending so few fires and emergencies, firemen in such stations will not have as much practical experience as they should, nor will they maintain good levels of physical fitness or morale.

The recent review of fire cover in London has reached similar conclusions about the need to reduce cover in some areas. The London Fire and Civil Defence Authority's (LFCDA) proposals to close 4 stations and re-define risk categories has led to considerable criticism. In a letter to 'The Guardian', Mr Jim Fitzpatrick of the National Fire Brigades Union, wrote:

"These proposals should be closely scrutinised by the community whose support we will be attempting to enlist to persuade the councillors who sit on the LFCDA on behalf of their boroughs to vote against cutting the London Fire Brigade again".[8]

The Audit Commission report also pointed to major difficulties which brigades encountered in trying to down-grade fire cover. The report quotes a report by one Chief Fire Officer:

"My professional opinion, despite many pressures to retract, remains that one or more stations within this county could be placed on the day-manning system and still continue to conform to Home Office standards ... I feel it my duty, however, to inform members that I find absolutely no allies in my opinion, ... I have been approached by management of all types of industry, members of the hotel and boarding house profession, many shopkeepers and members of the public in general, and, of course, the unions, all expressing extreme concern at the re-introduction of day-manning proposals."

The other major difficulty is that, in order to introduce day-manning and abide by Home Office requirements, it is necessary for the firemen involved to be housed within five minutes of the fire station so that they can respond to calls outside the working day shift. If re-housing is necessary, the costs involved for the fire authority, in purchasing houses and the debt charges incurred could rule out any savings, at least in the short term.

Another difficulty is imposed by the NJC's Conditions of Service, which force fire authorities which wish to change from shift manning to day manning to put their proposal to independent adjudication. This is as well

<sup>[8]&#</sup>x27;The Guardian', 18th August 1989

as the Secretary of State's statutory duty to approve any reductions in fire service establishment.

#### Retained firefighters

The fire service does find considerable difficulty in recruiting retained firefighters and this may be another difficulty which brigades encounter when wishing to denigrate cover. In order to try to improve recruitment of part time firemen the Home Office has produced publicity leaflets and videos and has joined with the Institute of Directors to try to persuade employers to release staff to join retained and volunteer units.

#### Volunteers

There is one type of manning arrangement which the Audit Commission did not examine in the context of the British fire service, but did point to as a major difference between Britain and Europe. Volunteer firemen are widely used in Europe, for example, West Germany has a network of voluntary brigades with over 900,000 members. In the UK there are only 147 fire stations manned by volunteers, 140 of which are situated in remote parts of Scotland.

There is, however, an example of a national volunteer emergency service in the UK. The Royal National Lifeboat Institution (RNLI) maintains a lifeboat fleet, manned entirely by volunteers, in 203 lifeboat stations around the UK. It raises £34 million each year through donations and fund raising efforts. The RNLI is proud of its independence from government:

"The RNLI considers that government aid is neither necessary nor desirable. Indeed, it is certain that in the recent years of high inflation the RNLI has received better financial support from the public than would have been forthcoming from the state to a nationalised service."

Clearly, the fire service operates on a larger scale than the RNLI however, its example shows that voluntarism can have a role to play in the provision of emergency services.

#### The Peterborough Effect

The Peterborough Volunteer Fire Brigade is a unique institution. Unlike the other volunteer forces in the country, the Peterborough Volunteers are a separate fire brigade and provide their services to the Cambridgeshire Fire and Rescue Service under a contractual agreement.

The brigade was founded in 1884 in response to general dissatisfaction within Peterborough with the town's existing fire brigade. In spite of the town council's decision to form its own brigade, the Volunteers managed to raise enough money through subscriptions and from the insurance companies to continue. After the 1938 Fire Brigades Act the brigade entered into a number of 'retained' agreements with local councils. Following the outbreak of war, the Peterborough Volunteers were submerged into the National Fire Service.

The 1947 Fire Services Act made no specific reference to the use of volunteers and so after the war the future of the volunteer brigade was in serious question. However, as has already been noted, the 1947 Act did make provision for local authorities to enter into agreements with "other persons who maintain fire brigades" and so the Soke of Peterborough (the fire authority under the 1947 Act) applied to the Home Secretary to recognise the volunteer brigade. The Home Office eventually agreed on 2nd April 1948 (one day after the Act came into force).

The brigade is a registered charity and so cannot be run as a profit making organisation. Under their arrangement with the Cambridgeshire County Council, the brigade receives an annual "retaining fee" and a nominal rent for the use of the brigade's station. The local authority also provides and maintains "the necessary appliances, equipment and uniform." The money received is used to pay the rates on the station and also to pay all the running costs of the station. If at the end of the brigade's financial year there is a surplus, then it is put into the brigade's central fund and can be used to purchase extra equipment.

The Peterborough Volunteer Fire Brigade, like all brigades in the UK, has to abide by the national guidelines set down by the Home Office. Requirements for entry to, and promotion within, the brigade are in line with those laid down by the Cambridgeshire Fire and Rescue Service for retained firemen. However, to ensure harmony within the brigade all recruits have to be accepted by other members of the brigade before their names go to the fire authority for approval. The brigade's members are trained to the same standards as the county's retained firemen.

The brigade's full strength is 20, which is the standard size establishment for a two pump station in Cambridgeshire. Its members do not receive any payment for their services and are on call 24 hours a day. All brigade members are in full-time employment and so must secure the agreement of their employers before they join the brigade. In order to meet the Home Office required response times all brigade members should live and work nearby. The brigade admits that recruitment is difficult, since employers are often reluctant to allow their employees time off for fire-fighting.

The brigade operates as an integral part of the Cambridgeshire Fire and Rescue Service. The brigade's fire station is computer linked to the county fire control and all members carry bleepers which are activated as soon as there is a call-out. The brigade works side by side with full-time and retained firemen and has a good relationship with both. In 1988/89 the brigade attended 663 calls, spending on average 24.56 minutes on each.

#### Advantages

There are a number of advantages to the fire service in maintaining volunteer brigades. The first is obvious - it is the cheapest way of ensuring fire cover in a particular area, since there is no wages bill or retainer fee to pay. Secondly, since volunteers are by definition not full-time firemen it is highly unlikely that they would take part in any strike action. During the national fireman's strike in 1977/78, the Peterborough Volunteer Fire Brigade continued to work and provided essential fire cover.

One slightly ironic advantage of volunteer firemen is that since all the brigade is on call 24 hours per day, it is probable that a volunteer fireman actually attends more calls than his professional counterpart with their elaborate shift system and lengthy times off.

Although volunteers will never play a major part in the UK's fire service, there is probably more scope for their use. At present, however, greater use of part-time and volunteer fire fighters is restricted by established fire service practice.

#### Conditions of Service

The Audit Commission was concerned about some of the conditions of service within the fire service. The Occasional Paper concluded that the fire service "is bound by some rigid employment conditions which must reduce the value for money it can provide".

The Audit Commission paper identified a number of rigidities which restrain management.

- a) Although the National Joint Council for Local Authority Fire Brigades has agreed to prearranged overtime working, the Fire Brigades Union has, since 1974, banned all avoidable overtime. Management's inability to make use of planned overtime makes it difficult to arrange adequate cover at times of staff shortage.
- b) There is a virtual ban on whole-time firemen working as retained firemen whilst off-duty. Although firemen work a 42 hour week, many hold part-time jobs. It seems strange that the most highly qualified men available should be excluded from serving as retained firemen. This ban is particularly hard to justify at a time when there is considerable concern that the numbers of part-time members of the fire service are falling.[9]
- c) The Audit Commission also pointed to the rigid separation between whole-time manned stations and retained men. There are very few examples of whole-time firemen working side-by-side in the same station with part-time men. The pattern overseas is very different where there is often a nucleus of full-time fire fighters supported by a larger number of part-timers or volunteers.

As well as the rigidities identified by the Audit Commission, there are a number of other conditions of service which hamper managerial freedom.

Amongst these are the following:

The national firemen's strike ended with the establishment of a mechanism to fix firemen's wages. The NJC, which represents all local authority fire

<sup>[9]</sup>Report of Her Majesty's Chief Inspector of Fire Services for England and Wales 1988

brigades, sets national pay rates. Increasingly, national pay agreements are being questioned by employers and government. The 1988 White Paper "Employment for the 1990s"[10], sets out the government's view:

"Pay structures have to change. National agreements...all too often give scant regard to differences in individual circumstances or performance".

There has also been criticism of the 42 hour week and the rigid shift system which accompanies it. Critics say that, together with leave, the current duty system can result in seven men being off duty for every one at work. Other critics have pointed to the 15 hour night shift and claim that firemen often spend most of the shift asleep. It is estimated that a million more productive hours could be gained by shifting from two shifts to a three 8 hour shift system.

The acceptance that all uniformed members of the fire service must be classed as operational and that as soon as they are unable to fulfil all the range of fire fighting duties must retire, has also been criticised. Not only are 'ill-health' pensions expensive, the fire service loses very experienced and skilled staff who could well be transferred to other duties.

The disputes procedure, which has been agreed by the NJC, gives considerable power to the fire brigades unions. If the unions do not agree with a particular management action they can declare themselves in dispute with the management and, through a 'status quo' arrangement, can halt the management's action whilst negotiation takes place.

Bank Holiday leave arrangements have also been criticised as being too generous and expensive. Every member of the fire service is credited with Bank Holiday leave days whether they are worked or not and those who do work are entitled to time off in lieu and double paid time.

The government has recognised many of these concerns and has asked the NJC to participate with it in setting up a working party to consider:

"the ban on whole-time firefighters serving in a retained capacity in their spare time; manning practices on public holidays; the Fire Brigade Union's ban on rostered overtime; and whether the present pay formula remains the best way of determining fire service pay for the future".[11]

Initially the NJC, which due to the political complexion of local government and the large representation of union opinion can be expected

[10]Cmnd. 540

[11] House of Lords 3 May 1989, Hansard Col. 252-254. See also response to question from Dr Keith Hampson MP House of Commons, 28 July 1989, Hansard Col. 1051

to take an anti-government view, refused to participate. After the government made it clear that it would consider the future of the fire service alone and would legislate "if this appears necessary and justified"[12], the NJC relented and have now agreed to set up a joint group.

<sup>[12]</sup>ibid

#### 4. FIRE SERVICES OVERSEAS

The 1986 Audit Commission Occasional Paper concluded that although the Fire Service in England and Wales is an "effective and well-managed service, it is also apparently a relatively expensive one, at least in its call on public funds." It based this statement on a comparison of the costs of fire services in the rest of Europe and concentrated particularly upon the fire service in the Netherlands.

"Although there are obvious differences, the Netherlands is one of the EEC countries most likely to be comparable with England and Wales, with its high population density and the concentration of high fire risk areas around Rotterdam. There are also...very similar standards of fire cover in terms of the way localities are graded for fire risk and the prescribed response time."

The fire service in the Netherlands employs 60% fewer full-time firemen in proportion to population and five times as many volunteers than the UK. The Commission found that, in spite of higher salary levels, the overall costs of the Dutch fire service were about 25% lower than in England and Wales.

Figures from the World Fire Statistics Centre in Geneva would seem to confirm the Audit Commission's view that in an international context Britain's fire service appears to be expensive. (Figure 5)

#### Figure 5

# Expenditure for Fire Protection % of GDP (1984)

Denmark	0.09
Holland	0.14
Norway	0.15
Canada	0.19
New Zealand	0.19
Finland	0.22
UK	0.23
Sweden	0.27
USA	0.28
Japan	0.35

International comparisons are not new in the context of the fire service but they have rarely been taken seriously. Both the Holroyd Report in 1970, and the Home Office's 'Review of Fire Policy' in 1980, had looked at fire services in other countries but neither had drawn serious conclusions. The official view was perhaps best summed up by one of the contributors to the 1980 review when he said "the international comparison, will not wash." [13] This comment was made in spite of the fact that the review had devoted almost thirty pages to an examination of foreign fire services.

However, some bodies, such as the Chief and Assistant Chief Fire Officers' Association, have seen the value of international comparison. In their response to the 1980 'Review of Fire Policy', the CACFO stated

"we...believe that an examination of the activities of some other countries' fire brigades and the role they play in their communities would be fruitful."[14]

Since this report aims to examine the future of the fire service in the United Kingdom in the light of recent changes in role of local government, it is useful to look at countries where similar trends can be identified.

The United States of America, for example, has seen many municipalities contract-out local government services to the private sector. Although, progress in contracting-out fire services has been slow, many areas are now covered by private services. In Denmark, about half the country receives its fire cover from a private company.

The following pages examine aspects of the fire service in the USA and Denmark.

#### 1) The United States of America

As in the UK, most fire protection in the United States is provided by the public sector. However, in a few areas there are private companies which operate fire services for profit.

There are many differences between the fire services in the United States and the United Kingdom. Unlike the UK, the USA has no national fire standards set down by central government. Fire protection is not an issue for federal control. Apart from state laws, which may lay down certain fire safety standards, most control over the US fire service is exercised by the insurance industry through the Insurance Services Office (ISO) ratings.

<sup>[13]&#</sup>x27;Wither the Future', Chief and Assistant Chief Fire Officers' Association 1981. Page 48

<sup>[14]</sup> ibid. Page 47

The ISO inspects the level of fire protection in every community in the country. Each is graded on a scale which takes account of water supply, the standard of the local fire service, communications systems and efforts at fire prevention. The total score determines the area's ISO rating class, from Class 1 (best) to Class 10 (worst). Those who live in areas which achieve a low (good) rating can expect to have lower fire insurance bills.

There are at present fewer than 20 private firms operating in 14 states across the country. The following four case studies look at some of these companies and the types of service which they provide. The first two examples (Rural/Metro in Scottsdale, Arizona and American Emergency Services in Elk Grove Township, Illinois) are of private services run under contract from a local authority. The third study (the Lewiston Rural Fire Service in Idaho) looks at a private subscription service. Finally, the fourth study looks at the political problems encountered in Dover, New Hampshire when the City authorities proposed that fire protection should be contracted-out.

#### Case Studies

#### i) Rural/Metro, Scottsdale, Arizona

The Rural/Metro Corporation operates a fire service under contract to the City of Scottsdale, Arizona. As with most other companies providing fire services, this is but one of a wide range of private services delivered by the company. These include emergency medical and ambulance services, home health care services, communications dispatch centres, and fleet maintenance operations. Rural/Metro is the largest provider of fire department services in the United States, providing fire protection to over 20 communities across America.

Rural/Metro was formed in 1948 by Louis Witzeman, a resident of a Phoenix suburb. Since he lived some miles from the centre of town, his home fell outside the Phoenix Fire Department's jurisdiction, and so there was no fire protection available. Having witnessed a neighbour's house burn down, Witzeman decided to set up his own company to offer fire services to any local residents who wished to subscribe.

In 1951 the new City of Scottsdale, which encompassed much of the sprawling Phoenix suburbs, decided that rather than create their own fire department they would contract with Rural/Metro to provide fire cover. Over the years this contract has been renewed and the present ten year agreement is due for renewal in June 1993.

#### The contract

Under the terms of the contract between Rural/Metro and the City authorities, Rural/Metro supplies most (60%) of the equipment and all of the full-time manpower necessary for fire services including fire prevention, fire suppression and inspection. The contract specifies manpower levels and sets minimum response levels. The response levels lay down that one engine should attend all calls and that 3 engines and 15 men should attend all structural fires. Rural/Metro are also required to

maintain all equipment regardless of ownership and is also responsible for maintaining general liability insurance.

In return for the service provided, the City pays the company a monthly set retainer which is determined annually. The City owns about 40% of the fire-fighting equipment as well as the five fire stations. The City is responsible for all utilities, except for telephones, within these facilities.

As well as the full-time firefighters employed by Rural/Metro an auxiliary force made up of City employees is maintained. These auxiliary firefighters, who are trained in basic fire techniques, are paid a monthly retainer fee for their hours of service during their regular working hours and are paid an hourly wage for calls during non-working hours. Each auxiliary is assigned to one of four shifts which are on duty one week out of four. The auxiliary firemen - they mostly work in the parks and public works departments - are required to leave their regular job when summoned by a radio pager to attend a fire.

In 1986 Rural/Metro set up a Fire Academy to train its firefighters. They study at the academy for eight weeks and then join the department where they receive the hands-on training needed to gain state certification.

#### The benefits

The Institute for Local Self Government (ILSG) made a detailed study of fire protection in Scottsdale and its three very similar neighbours—Glendale, Mesa, and Tempe— all of which have public sector fire departments. Over the years 1971-76, the average per capita cost in Scottsdale was only \$6.48, about half as much as in Glendale (\$12.62), Mesa (\$11.43) and Tempe (\$10.68). The ILSG also looked at response times in the three areas and discovered that although Scottsdale had the twice the land area of the others Scottsdale's average of 2.96 minutes was better than Glendale and Mesa (3.0 minutes) and Tempe (3.8 minutes). An examination of the ISO rating for the three areas also reflects the success of Scottsdale's private fire service. Scottsdale has a Class 5 rating (the same as Glendale's) and compares well to Mesa (Class 3) and Tempe (Class 4). Since insurance companies charge homeowners the same rates for Classes 3, 4, and 5 Scottsdale residents do not pay a higher premium than their neighbours.

More recent evidence shows that Rural/Metro have continued to offer competitive and cost-efficient fire cover to the people of Scottsdale. In 1987 the per capita cost of the Scottsdale fire department was \$38.70, compared to \$41.84 in Glendale, \$50.98 in Tempe, \$60.90 in Mesa and \$70.49 in Phoenix. Since Rural/Metro provides a service to a larger area than that covered by its neighbouring fire departments, it is worth looking at the costs per square mile of fire protection and prevention services in the 5 cities. The service provided by Rural/Metro is 77% cheaper per square mile than Glendale, 83% lower than Mesa, 84% lower than Phoenix, and 86% lower than Tempe. Response times appear to have risen in all the cities but Scottsdale is still comparable to its neighbours. The average response time in Mesa is 3.45 minutes compared to 4.08 in Scottsdale, 4.10 in Glendale and 4.18 in Tempe.

#### Innovation

Rural/Metro prides itself on being innovative. The company pioneered the use of smaller "attack trucks" which, since they are lighter and more manoeuvrable than regular fire appliances, can get to emergencies more quickly. The trucks have an on-board water tank, pump and hoses and so can often deal with minor incidents and allow the larger appliance to return to the station. Another innovation is the Snail - a remote controlled device on tractor treads - which can drag several hundred feet of hose into temperatures of up to 700 degrees Fahrenheit and thus tackle fire in areas which are too dangerous for firefighters to reach.

The company's innovative approach is also applied to the design of fire appliances. Louis Weitzman, Rural/Metro's founder, sums up the company's approach when he says that "Chrome doesn't put out a fire". According to Rural/Metro Vice President Robert Edwards "you can save 15% to 20% on a truck by taking the frills off". As a licensed manufacturer of fire appliances Rural/Metro puts its theories into practice. One of their most impressive vehicles, Engine 21, was developed by the company from scratch, Witzeman says "as if we had never seen a fire truck, but knew that water in the proper quantities at the proper pressure would put out a fire". Engine 21 is of modular design and carries a portable pump that can be dropped off at one hydrant whilst the truck can move off and link up to another hydrant. This effectively serves as two pumps in one engine. It cost \$25,000 to design and build compared to the \$50,000 to \$75,000 it would have cost at that time for a conventional 1,000 gallon per minute pumper. Another innovative feature of Engine 21 was its use of lightweight plastic 4 inch hose.

It is not just in the area of equipment design that Rural/Metro's reputation for innovation is justified. They were the first fire department in Arizona - including public departments - to require state certification for all its firefighters.

In recent years Rural/Metro has focused its creativity on fire prevention and pre-fire planning. In 1985, together with the City of Scottsdale, Rural/Metro designed and implemented new rules which required the fitting of sprinkler systems in all new residential and commercial buildings after 5th July 1985. This followed extensive tests which led the company to conclude that the installation of sprinkler systems would reduce the risk of fire in single family residences by up to 98.5%.

Rural/Metro also carries out extensive public education campaigns. Free home fire safety inspections are conducted showing residents how to take preventative steps to reduce the risk of fire in their homes. Rural/Metro firefighters run a very successful 'Learn Not to Burn' programme in the City's schools, teaching children about fire prevention and safety.

#### Conclusion

Despite the dire warnings of those who oppose private sector fire provision, the Rural/Metro run fire department in Scottsdale provides and receives 'mutual aid' from neighbouring public sector departments when extra manpower and equipment is needed. At times of emergency Rural/Metro can also call on its own units stationed outside Scottsdale, providing services to other communities.

The company is well regarded both by the public and its workforce. A 1988 survey by Arizona Opinion and Political Research found that by a margin of 6-1, Scottsdale voters prefer sticking with Rural/Metro over switching to a municipal fire department. Another factor in Rural/Metro's success has been the motivation of its workforce. Since 1979 Rural/Metro has operated with an Employee Stock Ownership Plan (ESOP) which means that the company is employee owned. According to Rural/Metro firefighter Manuel Montez:

"The ESOP is one of the greatest things that Rural/Metro has to offer. It gives me great pride to be an owner of a major corporation; where else could I get an opportunity to do that"?

"I believe that being an employee-owned company makes our people more conscious of doing a good job. It makes us more aware of the importance of cost-effectiveness, preventative maintenance and top performance. We realize that the better job we do in those areas, the more money we make down the line. That makes us a more efficient company...".

The philosophy behind Rural/Metro's Scottsdale fire service is summed up by Robert Edwards:

"Rural/Metro challenges tradition. As a private company we are forced to monitor and measure things that municipal departments never do. We are forced to assume the dual responsibilities of professional emergency service provider and professional businessman...Rural/Metro is proud of its flexibility and ability to challenge tradition with innovative cost-effective alternatives".

# ii) American Emergency Services Inc., Elk Grove Township, Illinois

In early 1978 the Elk Grove Township, a suburb of Chicago Illinois, was informed by neighbouring Mount Prospect that it would no longer provide fire cover for the area. Faced with a bill of \$1 million to start its own emergency services, the Township turned to the private sector. It contracted with American Emergency Services Inc. (AES) to provide a fire service for \$587,000 - almost half the cost of setting up their own department.

#### The contract

AES is required to have 9 full-time and 25 'paid-on-call' retained firefighters. Its fleet of fire vehicles consists of two pumpers, one tanker and a back-up squad. The contract specifies minimum staff levels and requires 24 hour fire cover. AES also have a contract with Elk Township for the provision of emergency medical services.

AES pays all staff costs and purchases (or leases) all of its equipment. The company is responsible for training. Full-time AES firefighters train daily and also attend courses run by Illinois University and by the Phoenix public fire service. 'Paid-on-call' firefighters train twice weekly.

#### Benefits

The former Elk Grove Township Rural Fire Protection District Trustee, Jim Sheldon, estimates that by contracting with AES the district saved its taxpayers over \$2 million in start up costs.

A 1981 study of private fire departments compared AES's cost to the district with other municipalities of similar size. The report found that although the per capita cost of fire protection in Elk Grove was high when compared on resident population, if compared on the size of the daytime population "the per capita cost of about \$20.00 would be well below that in other communities. The study concluded that "although Elk Grove Township [AES] does not have the economies of scale encountered with Rural/Metro, it still supports the hypothesis that a private profit-making firm will provide service at lower cost than a public supplier".

AES has followed a similar innovative path to that tread by Rural/Metro in Scottsdale. AES aims to make more productive use of its fire-fighting personnel. The firemen are on duty 72 hours per week and are expected to repair and renovate vehicles whilst on duty. On duty staff are also used to monitor burglar alarms across the country.

#### iii) Lewiston Rural Fire Service, Lewiston, Idaho

The Lewiston Rural Fire Service is a privately owned subscription fire department which, unlike the previous two examples, does not receive any tax funding. The LRFS protects 167 square miles and is staffed by 18 paid-on-call firefighters. It operates one station, a quick attack unit, an engine/tanker and a water supply tanker. It has been operating since April 1984.

The LRFS undertakes frequent direct mailings to all residents in the area detailing subscription benefits and providing fire safety tips and information. According to LRFS Fire Chief, Michael Supkis, most residents subscribe to the fire service because it saves them money on their fire insurance policies. "Eighty per cent of the community indicates that the cost/savings factor determines whether or not they will subscribe to the LRFS". Every subscriber has a "prefire" plan developed for his property. This plan consists of a description of the property; the best route for the fire truck to take to reach the property; details of those who live in the house (i.e. number of children, adults disabled persons etc); building construction details; availability of water; and general subscriber information such as contact telephone numbers and the name of the subscriber's insurance company. The subscriber is then given a fire code number which is posted on a reflective "fire mark" next to the property.

LRFS does not necessarily tackle fires in buildings whose owners do not subscribe to the service. The two priorities which LRFS take into account when deciding whether to tackle a non-subscriber's fire are life safety and the protection of subscriber and fire department property. When the service first started the LRFS put out all fires in its area, regardless of whether the owner of the property was a subscriber to the service, and then billed the non-subscriber for the cost of extinguishing the fire. However, the non-subscriber collection rate was only 18% and so the service was discontinued.

Fire Chief Supkis says that public reaction to the LRFS's non-subscriber policy has been "unemotional and supportive". "When an unfortunate non-subscriber incident occurs, the public understands the fire department's priorities and acknowledges the failure of the non-subscriber to take responsibility for fire protection in a free choice system".

Since 1984 the LRFS has made a notable difference to the local community. Previously the whole area now covered by the service had no fire cover at all. The high profile adopted by the company has increased fire awareness and safety; incidents have decreased by more than 60% in five years. Supkis sums up the LRFS's achievement:

"Most important, the LRFS has been successful in meeting its priorities of protecting lives and subscriber property. In the past four years, there has been no loss of life in a structure fire and no firefighter injuries. Subscriber property loss has been minimal. The LRFS is financially sound and stands ready to answer the call".

## iv) Dover, New Hampshire

In November 1982, following pressure from members of the city's own fire department, the Dover city manager announced that he intended to seek bids from the private sector for the provision of fire and rescue services. Finally after seriously considering two bids the city decided to accept a proposal from Wackenhut Services Inc, a Florida based company which had considerable experience of fire fighting across the world. The Wackenhut bid envisaged the re-introduction of a 56 hour working week, a cut of 6 firefighting jobs and a pay increase of of an average \$2,000 each. The company estimated that net savings over a five year period would be a minimum of \$600,000.

Even before Dover accepted Wackenhut's bid the International Association of Firefighters (IAFF) had started to agitate against the proposal. A bill was introduced in the state legislature prohibiting any municipality from contracting out for protective services including firefighting. Although this bill failed, a compromise proposal, which would require private fire companies to be certified by the state fire marshall, did become law. This additional bureaucracy, although it was an inconvenience did not worry either Wackenhut or the City authorities since they were convinced that the private firefighters would have no problem passing any certification requirements.

However, this was only the first phase of the union's campaign against the proposal. As soon as the council formally accepted Wackenhut's bid the IAFF filed lawsuits in the county court challenging the legality of the contract. A citizen's group called "Voters Interested in Public Safety" (VIPS) was formed and a series of advertisements was run in the local press attacking the plans. "Don't let Wackenhut Burn You" ran the slogans of protesters outside city hall. At a series of public meetings union officials sought to attack the principle of private enterprise firefighting. One union official argued that "If government has \$300,000 to spend, you would get \$300,000 worth of service but if the private sector has \$300,000 to spend, you get \$225,000 worth of service and

\$75,000 worth of profit". The union also claimed that if the city went over to private fire protection cover would be reduced, since neighbouring fire departments would refuse to honour existing "mutual aid" agreements. In fact, Chief George Gorman of the Community Mutual Aid Association categorically denied that there was any possibility of this.

The VIPS group mounted a petition and obtained enough signatures to require a city charter amendment to be placed on the ballot of the next municipal election later in the year. The awarding of the fire protection contract to Wackenhut became a major election issue. The local unions embarked upon a major campaign urging voters to "Elect our friends, defeat our enemies". At the election the three of the five council members who had voted to accept the Wackenhut bid were defeated and the city charter amendment was passed.

Finally, on November 12th 1983, the New Hampshire Supreme Court ruled the Wackenhut contract invalid.

#### v) The American experience

The case studies above demonstrate that private enterprise can provide fire services as cheaply and as efficiently as those provided by the public sector. We have seen that the service provided by Rural/Metro in Scottsdale and American Emergency Services in Illinois is comparable with public sector departments in similar locations across the country. However, it is the innovative and consciously radical approach adopted by the companies that is most impressive. Without the 'benefit' of monopoly, and always at risk of losing a contract, a private fire department has to cut costs and provide a better service than competitors.

The subscription service run by the Lewiston Rural Fire Service is not altogether typical of such operations. Many companies, such as Rural/Metro in some unincorporated areas of Arizona, do have a policy of putting out fires in properties of non-subscribers. However, LRFS does provide an interesting example of the extent to which fire protection can be left up to individual initiative and choice.

The problems encountered by authorities wishing to put out to contract fire protection services which have traditionally been provided 'in-house' are not unique to Dover, New Jersey. Gary Jensen, the founder of American Emergency Services Inc, puts this down to union pressure:

"Privatization of public services in the United States has been quite extensive for most everything except the fire service. The firefighter's union has been successful in stopping most attempts by cities and counties to contract out their fire departments".

The slow growth of private fire departments reflects the fact that no city authority has successfully managed to contract-out a fire service which had previously been run by the city. Most private fire companies either operate in areas where there had previously been no fire provision or else have been called in to replace a fire service which no longer wished to provide protection.

Until recently it had been the proud boast of the Private Sector Fire Association (the private fire companies' trade association) that no community had ever returned to public fire provision after hiring a private sector fire department. In 1987 Wackenhut was ousted from its seven year fire and rescue contract at Kansas City International Airport (KCI). Following a 1987 city council election a pro-union majority took control of the council with the strong backing of the local branch of the International Association of Firefighters. In spite of an estimate by the City Manager that it would cost the City \$860,000 to provide service equivalent to that provided by Wackenhut for \$466,551, the council voted to cancel the contract.

In a long article published in 'International Fire Chief', the journal of the International Association of Fire Chiefs in the USA, the case for private sector provision was coherently argued:

"It is interesting to note that opponents of contract fire service have not provided any facts which would support their position. In fact, statistics reflect that contract services are succeeding and are capable of supplying adequate, if not better, levels of service at a reduced cost. The issue at hand is excellent fire protection at affordable costs, not how it is being provided. If the fire service wishes to become cost-effective and cost-efficient, then it must become innovative, imaginative and progressive and not be inhibited by unimaginative and poorly thought out legislation or labour practices."

It is interesting that this article was written, not by a member of the private sector, but by David H Bibber, Chief of the Dover (New Hampshire) Fire Department. Mr Bibber's experience in Dover led him from a position of skepticism to become an advocate of private provision.

#### 2) Denmark

Denmark spends 0.09% of its GDP on fire protection. As Figure 2 (above) illustrates, this is considerably less than in the UK or elsewhere. Like many European fire services, the bulk of Denmark's 211 fire stations are manned by part-time personnel. A few are manned exclusively with full-time personnel, some use a combination of full-timers and part-timers, whilst in South Jutland firemen are volunteers and unpaid. However, there are many similarities between the British fire service and its counterpart in Denmark. As in the UK, Denmark's fire service is the responsibility of local government but is heavily regulated by central government. There are nationally determined standards of fire cover and, since the Fire Service Act of 1960, the Danish government has the power to prescribe the use of standardised equipment.

#### Standards of fire cover

The standards of fire cover laid down by the Danish authorities require that calls to fires in built-up areas should be responded to within 10 minutes and that for calls in rural areas the response time is 15 minutes. According to the fire cover standards the object of the first attendance is that after arrival of the first appliance to the scene of the fire no

persons or animals threatened by fire should be hurt; and the fire should not spread.

In order to achieve this objective manpower levels and the number of vehicles that must attend each call are clearly defined. The initial attendance at a fire must be one fire officer, a junior officer and seven firemen. In towns with buildings of more than three floors or with bigger industry, one water tender plus one turntable ladder must attend. In towns with no high buildings or industry, one water tender and a water tanker must attend. In rural areas and towns without sufficient water supply from hydrants the minimum first attendance is a water tender, a water tanker and a hose layer.

The type of risk is assessed for each fire station. Stations which cover a population of less than 15,000 inhabitants must be able to fulfil the requirements for a first attendance. Stations which cover a population of between 15,000 and 40,000 must be able to meet two first attendances and stations which serve a population between 40,000 and 80,000 must be able to meet three. For districts with more than 80,000 inhabitants individual estimates are made. In Greater Copenhagen, for example, the distance between fire stations is so small that neighbouring stations can respond within the maximum response time and so each station only has to be able to deal with one first attendance.

#### Falck Organisation

A major difference between Denmark and the UK is that almost half of Denmark receives fire protection from a private company. Falcks Redningskorps is the only privately owned rescue corps in the world in public service for an entire country.

Falck was founded in 1906 as a salvage company. Throughout the early years of the century the company expanded into new fields and by the 1920s was providing fire protection in rural areas and small towns. Following the 1926 Fire Service Act, which laid down that every municipality must have a motorised fire brigade at its disposal, Falck expanded into provincial towns and cities. Today the company has more than 130 fire and salvage stations, all of which are manned 24 hours a day. As well as operating a fire service, Falck is responsible for the ambulance service in the entire country (except for the central part of Copenhagen and Roskilde, where the municipal fire brigades run a joint service) and operates a road rescue service similar to that provided in the UK by the Automobile Association or Royal Automobile Club. Falck employs about 6,500 employees which makes it one of the 20 biggest private companies in the country.

Falck operates fire services under contract for approximately two thirds of Denmark's local authorities. Falck fire brigades must meet exactly the same standards concerning appliances, equipment and personnel as a municipal fire brigade and all contracts between municipalities and Falck must be approved by the National Fire Inspectorate. Under Danish law any local authority which contracts its fire service to the private sector must still employ a fire chief whose responsibility it is to enforce regulations concerning fire prevention measures and to supervise the contractor's fulfilment of the contractual obligations. This publicly employed fire officer should also be the commanding officer at first attendances.

Since both public and private sectors operate under the same strict national regulation it is possible to make a comparative analysis between the costs of private and public provision of fire services.

Comparison of costs in the public and private sectors.

Professor Ole Kristensen examined the costs of fire protection in 241 Danish municipalities and, using a complex regression model, analysed the cost difference between public and private sector provision of fire services in Denmark.[15] He found that the cost difference between private and public provision "is next to incredible: 46.3 kroner per capita to 131.9 kroner per capita, respectively". That is, the private service is almost three times cheaper than the public fire service.

Kristensen attributed the lower cost of private fire protection to three factors:

i) Private sector operations are more likely to benefit from economies of scale. Municipal fire departments only benefit from economies of scale to the extent of the size of the administrative unit. The private firm, however, enjoys economies of scale over the whole of its operation which includes contracts with many municipalities.

Falck also benefits from economies of scale since its activities are based upon 'joint production' of a number of different services (i.e. fire, rescue and ambulance services may all be based in one building). The overhead costs of establishing and running a fire station may therefore be distributed across more than one function. This joint supply of many services also makes possible a more efficient utilization of the company's personnel.

ii) The second factor identified by Kristensen is the fact that Falck faces competition from alternative sources of supply. Although Falck has a virtual monopoly on the provision of private fire protection the company is always under pressure from the threat of public provision. The main argument used by a private company when trying to win (or keep) a contract is that there is an economic advantage (i.e. private provision is cheaper). If the local authorities did not save money by contracting with a private company it is likely that they would provide the service themselves. So, Falck must stay competitive to remain in the market.

Some public fire departments might also feel this pressure since

<sup>[15]&#</sup>x27;Public Versus Private Provision of Governmental Services: The Case of Danish Fire Protection Services, By Ole P Kristensen. 'Urban Studies', 1983

they are under threat of being replaced by a private provider. However, as Kristensen points out, if for political reasons the local authority will never seriously consider switching from public to private provision, then there is no competitive pressure. Interestingly, the analysis shows that the largest differences of costs between public and private sectors appear in such areas. Those departments which have felt under least pressure from competition have not cut their costs.

The existence of competition also seems to have increased the amount of innovation. Kristensen reports that "Falck seems to be more innovative than public fire departments" and cites in evidence the fact that a number of fire fighting technologies have been introduced to Denmark by Falck. Since 1980 Falck has operated a subsidiary company, Falck Teknik, to research and develop new fire technology.

iii) The third factor which might explain the difference between the cost of private and public fire protection is the "separation of the demand articulating unit from the producing unit". In other words, the separation of the supply of fire services (by contracting with a private company) from those demanding the supply (i.e. the local authority). Where the demand articulating unit and the producing unit are not separated there is likely to be pressure towards increased expenditure. The separation of demand and supply is likely to have the opposite effect since local authorities will wish to pay as little as possible for a service which they do not themselves provide.

#### Conclusion

The standards of fire cover operated in Denmark are not as stringent as those that apply in the UK. However, the Danish fire service does operate under strict service quality controls in the same way as the British service.

There is much greater reliance on volunteer and part-time firefighters, although in large cities, such as Copenhagen and Roskilde, full-time men are employed. This difference is unlikely to account for all of the lower cost, as a percentage of GDP, of the service, since similar arrangements apply throughout Europe. The competitive pressure of Falck Redningskorps must be seen as a key contributing factor to this.

The evidence of low cost, innovative fire services in America has shown that private fire provision is an attractive option. The Danish system shows that the benefits which were identified in America also appear in a system which better approximates the British situation. Denmark provides an excellent example of a highly regulated, local government controlled fire service. The experience of Falck Redningskorps, and the empirical evidence provided by Professor Kristensen, are of great relevance to the United Kingdom.

"As experience of competitive tendering is gained, other facilities spanning from Ambulances to Air Traffic Control, to, I'm sure, Fire Protection services, are certain to appear on the privatization agenda. I have no doubt that contracting-out will eventually be applied to the Fire and Rescue Services of this country. The only question is ... When?"

Surprisingly this warning came, not from a government backbencher or minister, but was issued by a Chief Fire Officer to his own union's annual conference in 1987. Although the issue is rarely debated, there can be no doubt that in the light of changes to local government since 1979, the fire service recognises that it might be facing a period of change.

Before looking at the future relationship between the fire service and local government, it is important to look at ways in which the service can adapt to the new challenges it faces as a public sector service entering the 1990s.

#### Changing attitudes

The fire service has changed little since the 1950s. It carries out its role as an important public service with little fanfare or self promotion. Most members of the public have no contact at all with the service except at times of emergency. Few people know of the extent of non-fire related emergency work carried out by the service. These criticisms are not new. In 1971 the Cunningham Inquiry into the work of the Fire Service [16] stated:

"We have been impressed, in the course of our enquiries, by the strength of feeling in the fire service that its work and achievements are insufficiently understood. We believe there is some justification for this feeling. The range of fire service duties, including those involved in dealing with road accidents and other emergencies, is probably not well known to the public. The number and variety of calls which are made for the services of the the fire brigades is not appreciated".

This view was echoed by the Chief and Assistant Chief Fire Officers' Association in their response to the government review of the fire service in 1980 when they wrote of the need to:

<sup>[16]</sup>Cmnd 4807, Paragraph 298 Page 82

"ensure that its [the fire service] role is clearly understood by both Central and Local government as well as the public at large. It is our opinion that is not the case at present".[17]

There are a number of ways in which the fire service can tackle the lack of public awareness of its role. Many of the private fire services in the United States, which were examined in Chapter 4, spend considerable time promoting themselves to the public. They do this for commercial reasons, since public support is necessary if they are to win contracts elsewhere, and also because increased fire safety measures amongst their clients means that fewer resources need to be used tackling fire. In this country increased use of publicity campaigns warning of the dangers of fire and promoting fire prevention can contribute both to decreasing risk of fire and increasing public awareness of the role of the fire service. A recent study, into the effectiveness of fire safety publicity in Manchester, provided encouraging results which indicated that campaigns promoting the ownership of smoke alarms had had a marked effect. [18]

More firemen entering schools to talk to children of the role of the fire service would also contribute to greater public awareness. Once yearly open days at fire stations are no substitute for regular contact with the community.

It is strange that the annual conferences of the Police Federation and Chief Constables should attract considerable media attention but that that the conferences of similar bodies within the fire service should be ignored. The bodies concerned could do much more to promote themselves to the media.

#### Northumbria Ambulance Service

There are other more commercial routes which the fire service could follow. The example of Northumbria Ambulance Service's Income Generation Programme points to a number of initiatives which the fire service should consider.

The Northumbria Ambulance Service is marketing four services to both the public and private sectors. The schemes - 'Communi-Com' (an emergency radio communications system), 'Communi-Care' (ambulance service to the private sector), 'Communi-Aid' (a number of first aid courses directed at the general public and at business), and 'Communi-Fleet' (vehicle maintenance services) - use the expertise of the Ambulance Service to provide services for payment. According to the Regional Ambulance Officer, Mr Laurie Caple, the underlying principle behind the schemes is to "ensure that the Ambulance Service concentrates on doing those things that it believes it does best....We are using our income generation monies to develop the

<sup>[17]&#</sup>x27;Wither the Future', a response to the Home Office "Review of Fire Policy", 1981

<sup>[18]</sup> See 'Fire' magazine, June 1989 Page 17

sharp end of our Service, the Accident & Emergency Tier".[19]

As well as the income generation programme, Northumbria Ambulance Service has contracted-out 43 per cent of its routine, non-emergency work to a private company. So far this has led to savings of around £250,000 a year. The service in Northumbria has been totally restructured with five ambulance stations closing, a reduction of the fleet by 73 vehicles and the cutting of 79 jobs. The service now employs 83 highly trained paramedics and has introduced new emergency ambulances.

Following the National Health Service Review, Northumbria, together with the ambulance services in Cumbria, Cleveland and County Durham, has applied to become a self-governing trust. Mr Caple foresees a future where the ambulance service would be providing transport services under agreed contracts to self governing hospitals. [20]

There is little doubt that the fire service could develop similar schemes, utilising the expertise within the service and raising money to develop its core services.

Other issues which should be addressed by the fire service include the use it makes of its fire stations. For example, especially in inner city areas, many fire stations are situated on prime building land. Perhaps some of these sites could be developed

#### Climate of Change

The government has signalled its intention to look at practices within the fire service. No commercial company, faced with competition, would survive with the conditions of service laid down by the NJC or imposed, in the case of the overtime ban, by the Fire Brigades Union. The ban on whole-time firemen working as retained firemen, the strict division between whole-time and part-time men, and the other restrictions identified in Chapter 3 would not be tolerated in the private sector.

Similarly, the rulings of the CFBAC and the advice issued by the Home Office sometimes seem to be unrealistic. Although Home Office Fire Service Circulars often end with the statement that "This Circular has no direct cost or manpower implications" in reality this is often not the case since brigades have to alter practice or set up new procedures to meet the new requirements. A look at the membership of the committee (Figure 1) suggests that it is made up of representatives of bodies who have vested interests in maintaining the 'status quo'. The 1985 Review of Standards of Fire Cover, which was drawn up by a sub-committee of CFBAC, is a classic example of committee work. Suitable words had to be found to suit the purposes of a diverse number of people within the service, all of whom have a vested interest to protect. According to the adage, a camel is a

<sup>[19]</sup>Quoted from letter to the author

<sup>[20]</sup> For more details see 'Financial Times', June 12th 1989

horse designed by a committee; many in the fire service may have cause to think that the committee in question is the CFBAC. Her Majesty's Inspectorate of Fire Services could replace many of the functions of the CFBAC and outside consultants, free of the constraints of vested interest, could give advice upon matters such as standards of fire cover.

#### The fire service and local government

Recent government legislation has radically altered the shape of local government. Laws which allow schools and housing estates to opt-out of local government control, the growth of Urban Development Corporations with wide planning powers and the removal of polytechnics from local government have all contributed to this change. Contracting-out of services has already brought about a revolution in the provision of local government services in some parts of the country and, since the introduction of compulsory tendering, its effects are now being felt nationwide. The introduction of the Community Charge in England and Wales in 1990 will bring further changes.

Increasingly, local government is becoming an "enabler" rather than "provider" of services to the public. Through a contractual arrangement with a third party, local authorities arrange for a particular service to be provided. A contractual arrangement enables councils to monitor and judge the service provided in an objective way since the providers of the service are no longer council employees.

Although the future of the fire service as a local government provided service must, in the long run, be in question, its existing position in local government has also been questioned.

## Devolving responsibility

The Association of District Councils (ADC) and other groups have campaigned for the scrapping of two-tier local government, with county council powers being devolved to the districts. The ADC commissioned a report by the School for Advanced Urban Studies at the University of Bristol to study the feasibility of transferring county council functions to the districts. The report found that although some form of reciprocal agreements would be needed there was no reason why fire services could not be devolved to the districts. The report concluded that "we feel that the Districts may have underestimated the potential of making the fire service district based". The precise details of how fire services would operate under such a system were not identified. However, it is likely that transfer to the districts would impose considerable changes onto the fire service.

The Holroyd Report of 1970 looked in detail at arguments in favour and against retaining the fire service as a responsibility of local government. The report strongly rejected the idea of nationalization (i.e. the creation of a national fire service)[21], but whilst recommending that

<sup>[21]</sup> This option has since been suggested by the Fire Brigades Union (see 'The Times' May 9 1977). It is not, however, their present policy.

that fire brigades should remain under local government control, Holroyd felt that "many fire authorities areas are too small to support viable brigade units". Although local government reform in 1974 solved some of these problems, many within the fire service still consider Holroyd's arguments valid.

The Holroyd Report stated:

"We consider that the optimum size of a brigade would be one containing about 30 stations (two part-time stations being considered the equivalent of one-whole time station) corresponding to a range of about 1,110 to 1,300 men."

The committee reached this conclusion after looking at a number of small brigades in operation. It was argued that small brigades offered limited opportunities for men to "obtain experience of the full range of fire brigade activities". Small brigades could not economically provide training facilities and encountered difficulties in releasing men for attendance at central training courses. Holroyd also felt that specialist functions such as fire prevention could not be given adequate attention in small brigades with limited command structures. The committee felt that uniform national standards could best be maintained by the establishment of larger and more uniform commands.

Apart from organisational arguments there are sound economic and political reasons for keeping fire services at a county level. Establishing a district based fire service would involve creating new command structures, establishing new headquarters and developing new operational arrangements. Such changes would be expensive and would cause unnecessary political friction. In 1984 Coopers and Lybrand conducted a feasibility study into a proposal by Wirral Metropolitan Borough Council to create a Wirral Metropolitan Borough Fire Brigade. The Coopers and Lybrand study concluded that the establishment of such a brigade would impose extra costs (they estimated that the change would add about one per cent to the current annual cost of the fire service in Merseyside) and would not improve effectiveness.

#### Regional Authorities

If, in any future reorganisation of local government, the government wished to abolish the county councils, a model already exists for the provision of fire protection as a regionally based service. Following the abolition of the Greater London Council and the Metropolitan County Councils in 1985, the government created joint boards composed of representatives of the borough councils. The seven Fire and Civil Defence Authorities (London, Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire) replaced the fire brigades run by the former Metropolitan Counties. As well as being the fire authorities for their areas they also have responsibilities for the preparation of local civil defence plans. It should be noted, however, that work done by

Professor Kristensen in Denmark indicates that the integration of fire protection and civil defence in the public sector does not lead to cost improvements. [22] It will be interesting to look at evidence in the UK, now that the FCDAs have been freed from government 'rate-capping'.

There might be scope within the existing local government structures for reorganisation of the fire service. Although the Holroyd Report recommended that the optimum size of a brigade should be one containing 30 fire stations, many fire authorities are considerably smaller. Under the terms of the 1947 Fire Services Act, the Secretary of State has the power to order local authorities to combine for fire fighting purposes if he considers it expedient in the "interests of efficiency." A possible model for this could be the combined police authorities.

There are twelve combined police forces in Great Britain. Figure 6 shows how many fire stations each of the Combined Fire Authorities would have.

Figure 6	5年。		
COMBINED AUTHORITY	NUMBER OF FIRE	STATIONS	TOTAL
Avon and Somerset Devon and Cornwall Hampshire (inc Isle of Wight) Northumbria (Tyne & Wear and	W/t-13, D/m-1, W/t-10, D/m-7, W/t-11, D/m-6,	P/t-72 V/m-1	30.5 53.5 42
Northumberland) Sussex (East & West) Thames Valley (Berks, Bucks	W/t-24, W/t-13, D/m-8,		46 36.5
and Oxon) West Mercia (Hereford and Worcester and	W/t-16, D/m-6,	P/t-45	44.5
Shropshire)	W/t-7, $D/m-5$ ,	•	30.5
Dyfed-Powys North Wales (Clwyd & Gwynedd) South Wales (Mid, South & West	W/t-7, $D/m-3$ , $W/t-3$ , $D/m-6$ ,	P/t-33, V/m-2 P/t-35	27.5 26.5
Glamorgan) *Lothian and Borders	W/t-21, W/t-12,	P/t-23 P/t-22	32.5 23
*Northern Constabulary (Highland & Islands)	, W/t- 1,	P/t-26, V/m-10	01 64.5

Abbreviations: W/t-whole time, D/m-day manned, P/t-part time, V/m-volunteer manned

TOTAL: P/t and V/m stations considered the equivalent of one W/t station as recommended by the Holroyd Report

\* Already operate as combined authorities SOURCE: Municipal Year Book 1988

<sup>[22] &#</sup>x27;Public Versus Private Provision of Government Services: The Case of Danish Fire Protection Services, by Ole P Kristensen. 'Urban Studies' 1983.

The Home Secretary and the Secretary of State for Scotland should, under the terms of the Fire Services Act 1947, urgently consider whether "in the interests of efficiency" fire authorities should not combine.[23] There may be advantage in the fire service following the example of the police forces in these areas and combining operations. Certainly some of the Welsh fire authorities are very small and there could well be operational gains to be made if some of the authorities were to merge.

There is at very least a good case for combining fire communication controls. These are very costly and, with the spread of computer technology, could easily cover wider areas. There could also be scope for fire controls to be combined with ambulance and police controls.

#### Contracting-out of local government services

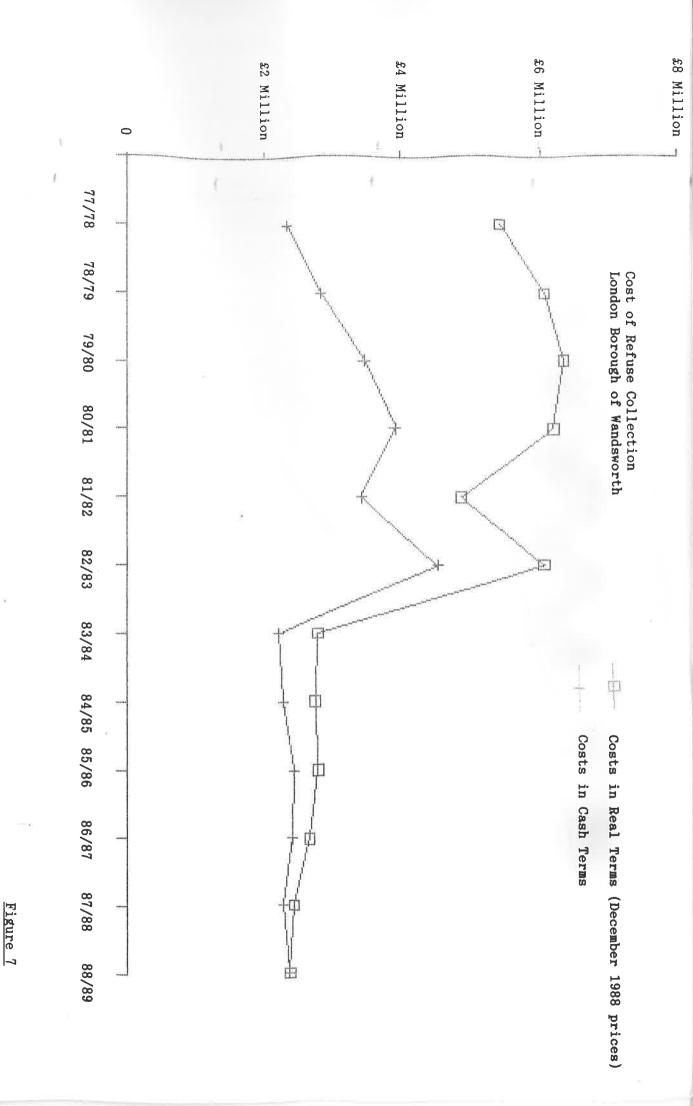
The examples of private sector fire brigades in the United States and Denmark illustrate the effects that competition can have on fire services. The innovative and cost cutting approach of Rural/Metro in Scottsdale Arizona has had a direct effect upon fire departments in its neighbouring cities. In Denmark too, the threat of losing contracts to the Falck organisation has led to more efficient municipal fire brigades. However, it is not necessary to look abroad for experience of local government services being performed by the private sector. There is considerable evidence in the UK of the success of contracting-out in local government.

Contracting-out in the UK is a phenomenon of the 1980s. One of the first local authority services to be contracted-out was the collection of refuse. In 1981 there were only two local authorities (Maldon and Mid-Bedfordshire) that had contracts with the private sector for the provision of a refuse collection service. [24] Between 1981 and 1986 fifty five formal tenders were issued by local authorities for refuse collection, street sweeping, and associated services. Other local authority functions such as catering, vehicle maintenance, street lighting maintenance and gardening have also been put out to tender.

In 1985 the government claimed that "far too many authorities appear to have been unwilling to open services to competition" and announced its intention to legislate to extend competitive tendering to a wide range of local government services. The Local Government Act 1988 forced local authorities to put out to tender the following services: Collection of refuse, cleaning of buildings, street cleaning, catering (including school meals) ground maintenance, and repair and maintenance of vehicles. (The Fire Service has not been forced to contract-out repair and maintenance of its vehicles). Under Section 2, (Subsection 3) of the Act, the Secretary

<sup>[23]</sup>Under Section 8 of the Fire Services Act 1947 the Secretary of State has the power to order fire authorities to consider combination.

<sup>[24] &#</sup>x27;Fiscal Studies' November 1986



Figures for 1982/83 include £713,067 redundancy and severance pay following contracting-out in October 1982

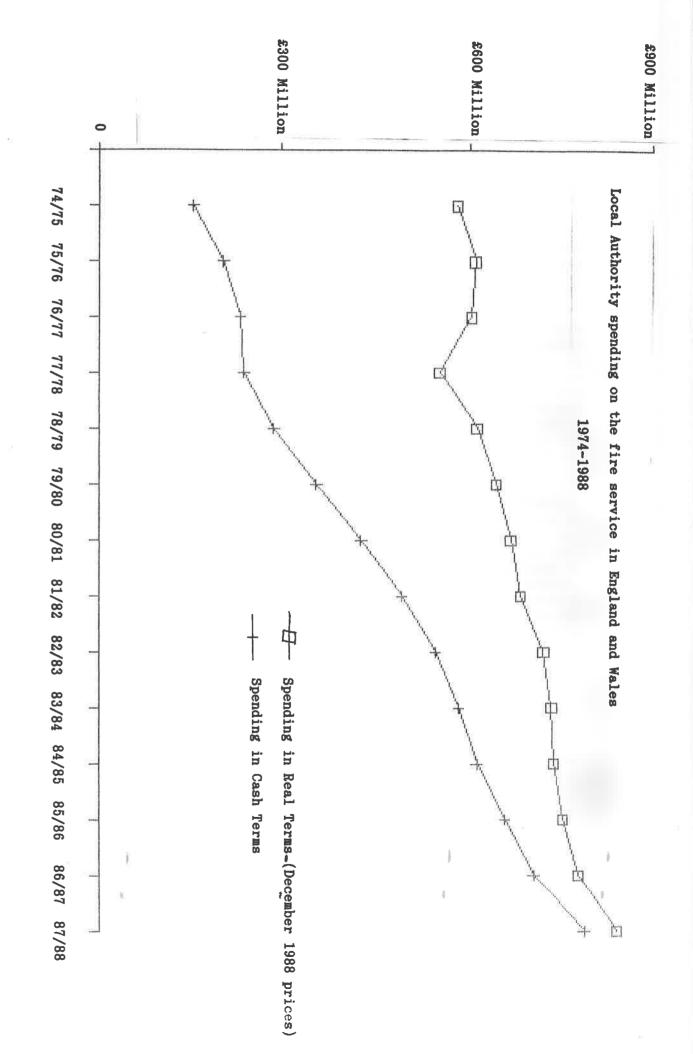


Figure 1

Local authorities now have considerable experience of formulating detailed specifications of services which they intend to put out to tender. The specification process will be conducted by the fire authorities' officers, who will be able to draw on their considerable expertise and also call on Her Majesty's Inspectorate and the Home Office for detailed advice. There may well be a case for the Home Office to commission an independent review of the Standards of Fire Cover in order to help local authorities draw up adequate specifications.

The government should encourage local authorities to consider incorporating their fire brigades into companies which, although they would be owned (at least to begin with) by the local authority, would have an identity separate from the council. This will enable a more businesslike relationship to be maintained and make it easier for potential competitors to compete fairly. The new companies would be free to negotiate local agreements on pay and conditions, subject (whilst still owned by the council) to expenditure constraints set by the authority.

Some councils and fire service managers may wish to free the brigades from the public sector and set the brigades up as private companies. Management buy-outs have become an increasingly common feature of local government in the past year. For example, Bath City Council sold its Contractor Services Group to its management in April 1989 [28] and Westminster City Council accepted a management buy-out for its £12 million refuse collection and street cleaning service. Such sales often enable the workforce to take a stake in the company for which they work. The idea of firemen owning the company which runs their brigade is not far fetched. The Rural/Metro Corporation in Arizona, USA, for example, is a worker owned company.

It is possible that the proposals above will not require legislation, since the 1947 Act clearly states that local authorities do not have to maintain their own fire brigades. There is room for doubt as to whether the Firemen's Pension Scheme, which was set up under the terms of the 1947 Act, would need to be legislated out of existence and it is clear that if the government wished to abolish the CFBAC, legislation would be needed. And so, since contracting-out of fire services is likely to prove a contentious issue, it may be that legislation is desirable to clear up the uncertainties and to place the new arrangements for the fire service on a firm legislative basis. Legislation would also enable the government to force local authorities to incorporate their fire brigades into free standing companies.

#### Conclusion

In a speech in July, the then Chief Secretary to the Treasury defined the government's attitude towards ensuring greater efficiency within the public sector. He said:

<sup>[28]</sup> See 'Bath's Bloodless Revolution' by Philip Bishop in 'New Civil Engineer' 30th March 1989

"... efficiency and value for money must remain an absolute obligation for the public sector...we must wherever possible open public services to competitive pressures through market oriented policies" [29]

Judged by this standard, the increasing cost of the fire service (as seen in Figure 1 above) must be a cause for concern to the government. The experience of contracting-out of local government services over the past ten years indicates that public services can be carried out in the private sector. The examples of the USA and Denmark show that fire services should be no exception. Competitive tendering offers a realistic future for the fire service.

<sup>[29]</sup>Lecture to the Adam Smith Institute by Rt Hon John Major MP, 27th June 1989