

Audit Commission Value for Money Indicators 2011

Report of the Chief Fire Officer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260205.

1 Purpose of Report

This report details the results of the Audit Commission's 2009/10 Value for Money analysis of Fire and Rescue Authorities, taking data from a range of sources. The report also informs Members about areas where additional analysis is necessary to assist in further improving value for money.

2 Recommendations

The Committee is recommended to:

- a) Note the contents of this report; and
- b) Task officers with carrying out further analysis on the two significant areas for possible savings of: crewing / shift changes; and costs of corporate management and democratic services.

3 Background

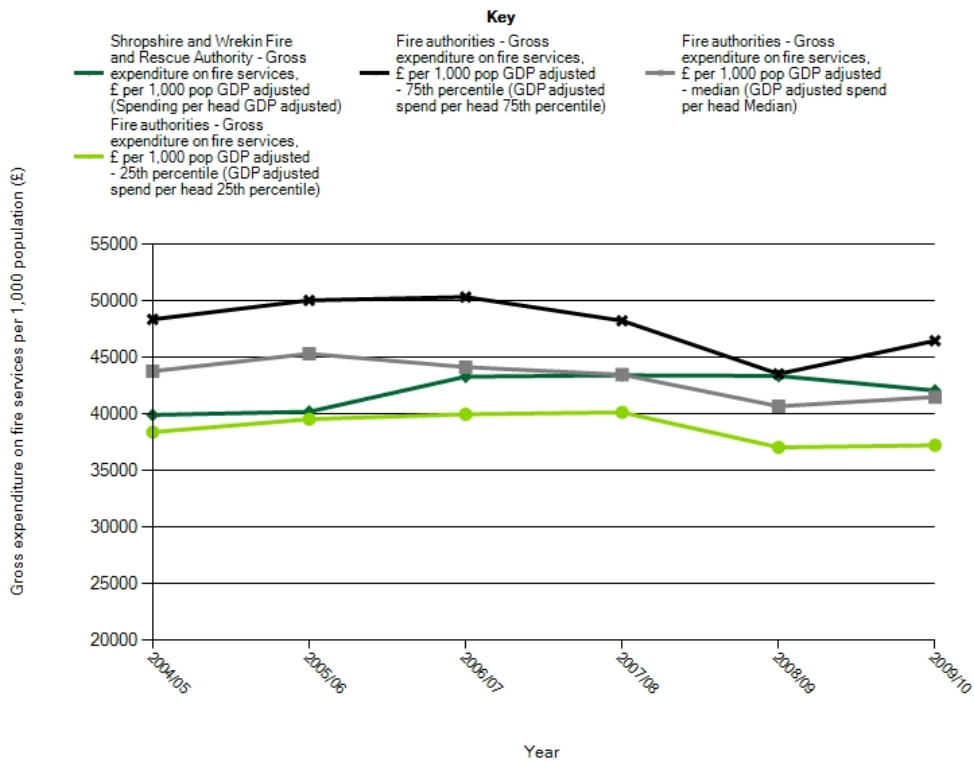
In May 2011 the Audit Commission published their data on value for money in fire and rescue authorities.

Officers have analysed the data published and this report explains, and responds to, the findings of that review. There are some data that can be best described as confusing or inaccurate. This is disappointing, as this will be the last opportunity for officers and Members to benchmark the Service's performance, since all national data and performance criteria were removed on 1 April 2011 and will now become dated.

Some of the inaccuracy is due to the move from FDR1 reporting to IRS reporting but there are also some confusing data from financial statistics that will be identified through this report.

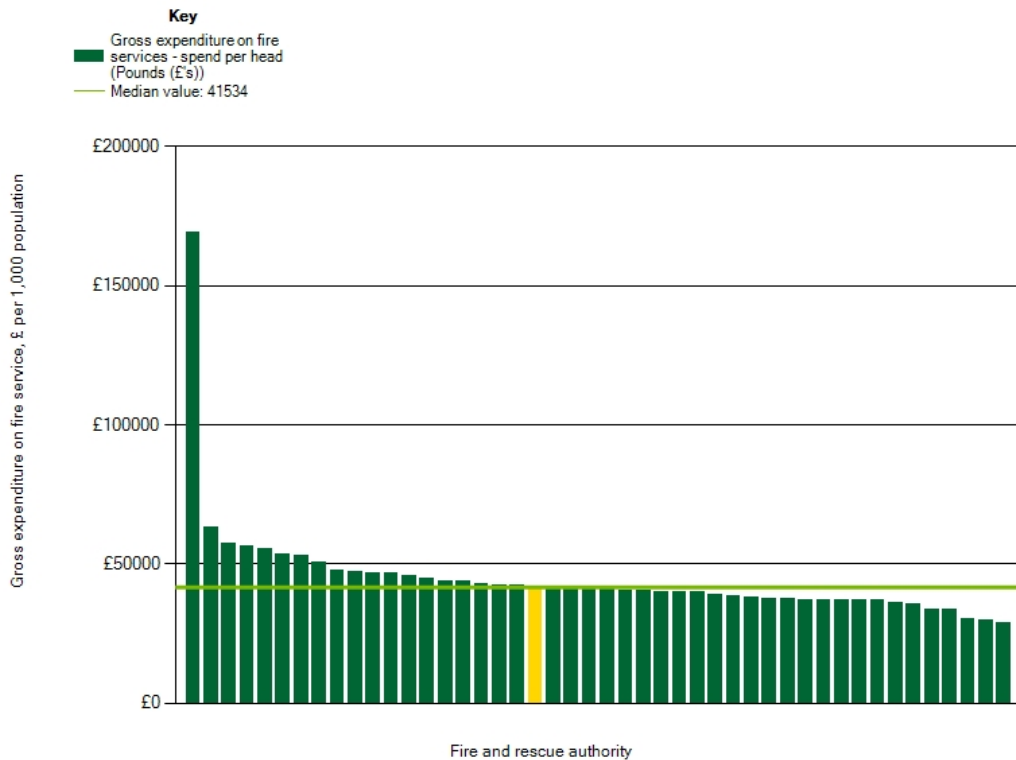
This report will take each section of the Audit Commission review in turn, as published on the web site. Some of the comparators are taken from what the Audit Commission identifies as ‘similar’ authorities and, where more applicable, charts include all authorities. However, it appears that similar authorities only encompass Combined Fire Authorities, Counties and Metropolitan Authorities, rather than more accurate comparators.

4 Overview of Spending by Fire and Rescue Authorities



As can be seen above this Authority spends at the median point for all fire authorities per 1,000 head of population at £42,103.

More detailed analysis reveals that, against all authorities, this Authority is £13 per head of population more expensive than Cambridgeshire (the cheapest) and £21 per head cheaper than Northumberland (the most expensive after the Isles of Scilly).



Authority	Area in Hectares	Population	Retained Stations	Wholetime Stations	Day Crewed
Shropshire	348,756	454,900	22	4	0
Cambridgeshire	339,587	769,000	20	4	3
Northumberland	502,612	311,000	15	4	2

There are so many variations between authorities it is difficult to make simple value for money comparisons. With these three Services, however, variations in population and total area can give indications of what may drive cost in non-Metropolitan Authorities:

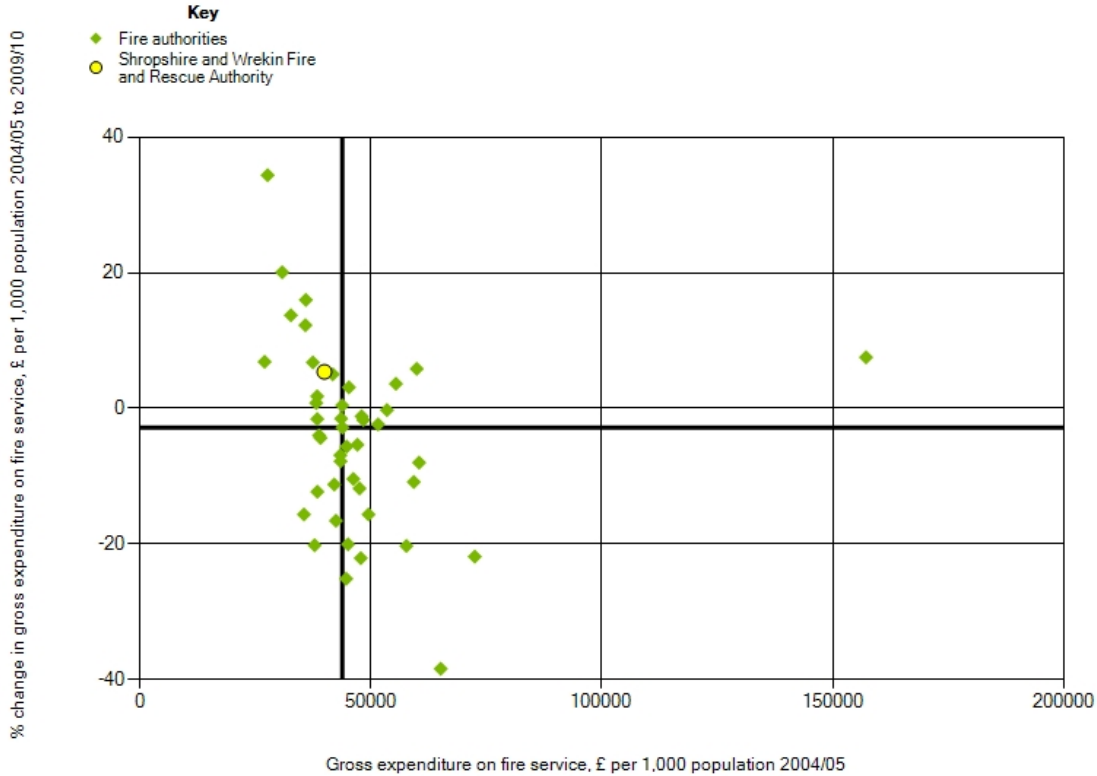
- Area served;
- Sparsity or density of population;
- Concentration of population centres; and
- Risk.

In the case of Cambridgeshire it is more densely populated than Shropshire, whereas Northumberland has a larger area and similar sparsity of population to Shropshire. Officers will, therefore, continue to look at what drives cost.

5 Changes in Gross Expenditure 2004/5 to 2009/10

The chart overleaf compares changes in spending by fire and rescue authorities (FRAs) since 2004/05. There has been some equalisation in spending levels between 2004/05 and 2009/10, with those services spending least in 2004/05 seeing larger increases.

FRA in the upper left-hand quadrant of the chart had below average levels of spending in 2004/05 and have made above average changes in spending between 2004/05 and 2009/10. FRAs in the bottom right-hand quadrant of the chart had above average levels of spending in 2004/05 and have made below average changes in spending between 2004/05 and 2009/10.

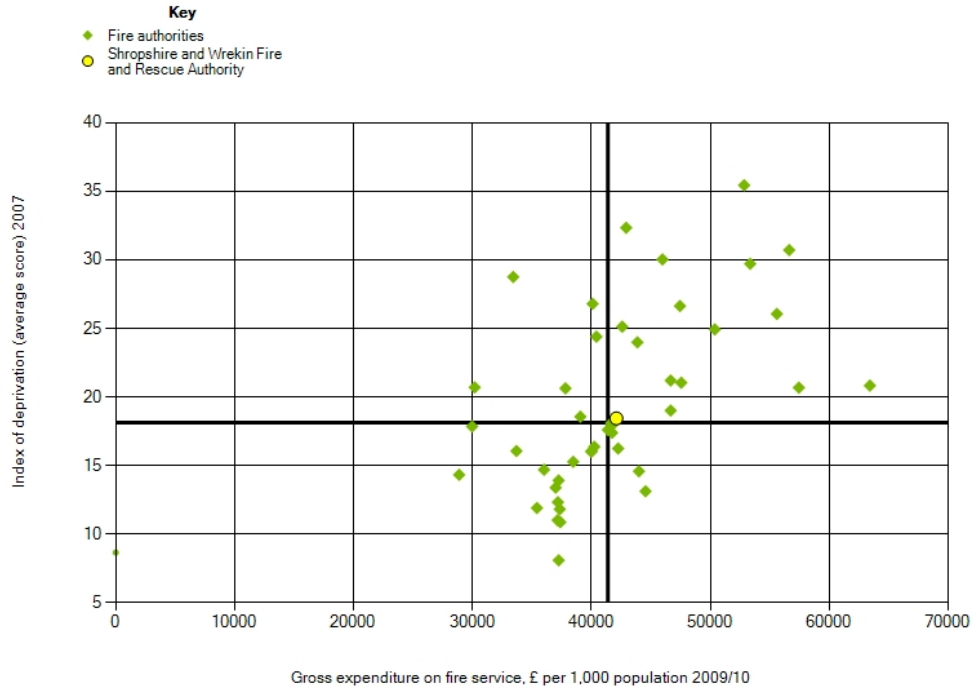


Shropshire has increased gross expenditure over this period by 5.39%. Some of the cost increases are as a result of Government investment in New Dimension equipment and training to deal with large scale/national incidents. These will have greatest bearing on any authorities, which took responsibility for these resources. In Shropshire one of the largest increases in expenditure over this time has been the increased investment in the Retained Duty System service. This investment has seen significant improvements in appliance availability and in the competence of our firefighters.

6 Spending and Deprivation

The chart overleaf shows how spending by individual FRAs varied in 2009/10. There is a variation in the level of spending for FRAs of the same type. These differences reflect, in part, differences in the mechanisms for allocating funding to individual FRAs. Generally, metropolitan fire authorities and combined FRAs, serving more deprived towns and cities, receive more funding, because deprivation is a factor known to be associated with increased risk of fire.

However, whilst those with higher deprivation factors saw the biggest increases over this time, they also saw the biggest reductions in Grant in the recent Comprehensive Spending Revue. Nevertheless Shropshire, which has not significantly increased its spending, was also hardest hit in the Review.



Shropshire sits at the median levels for both index of deprivation and gross expenditure.

It is interesting to note here that the relationship between those authorities, such as our own, which faced the highest level of grant reductions, are not grouped in any way in this chart. This may suggest that the grant reductions may not have been based principally on indices of deprivation, as was suggested.

7 Financial Reserves

Reserves are money that is being held for future spending. FRAs will consider the level of reserves required when setting their annual budgets and reviewing their medium term financial plans. They will take account of local circumstances and their assessment of risk through their Integrated Risk Management Plans.

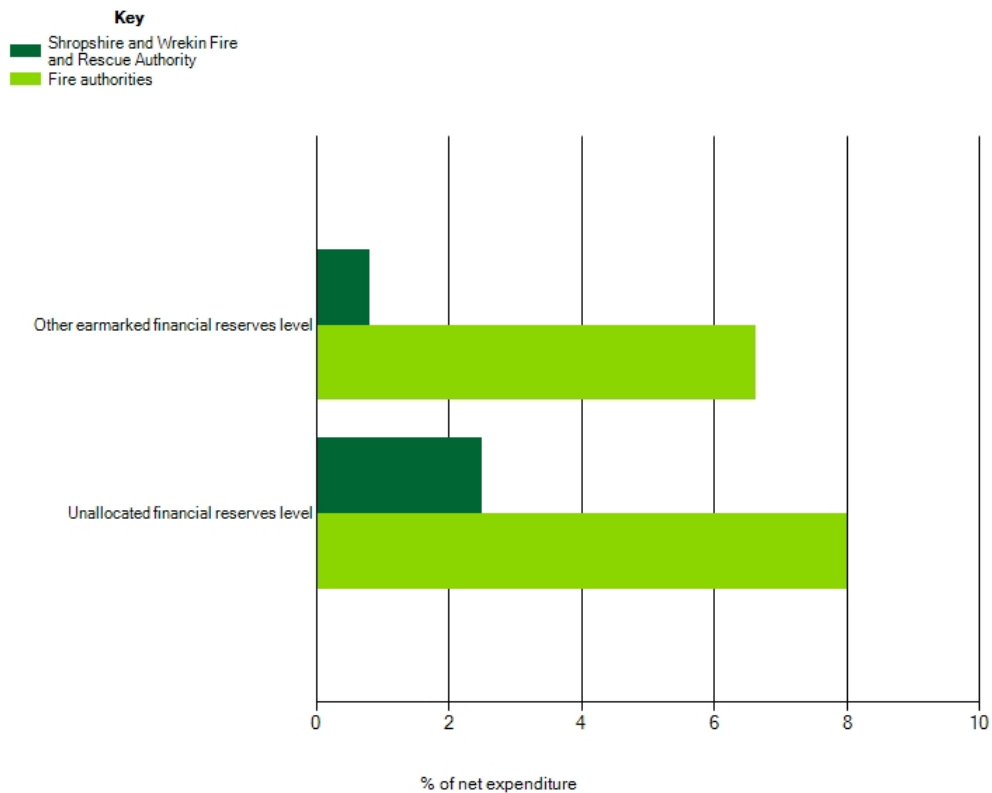
FRAs hold 'unallocated' reserves as a contingency to protect services against the impact of unexpected events or emergencies. They are also held to cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. External factors, such as flooding and the problems experienced by the global financial markets in 2008, have highlighted the importance of maintaining appropriate levels of reserve.

FRA's also hold 'earmarked' reserves for specific, known purposes, such as investment in services or information and communications technology systems.

As a financial 'buffer' the unallocated reserve is an important aspect of ensuring financial resilience. In setting the level of reserves, FRA's will take account of the strategic, operational and financial risks they face. A well-managed authority will ensure that the reserves are not only adequate but also necessary.

Reserves (earmarked and unallocated) as a proportion of total net spend, 2009/10

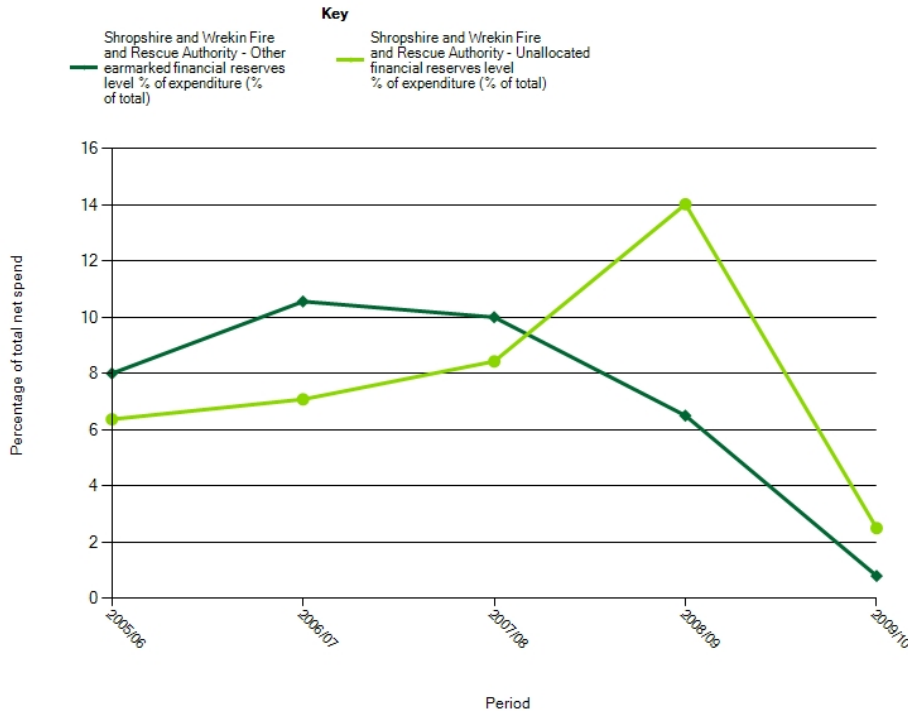
This chart provides some insight into financial position by reviewing the level of reserves this Fire Authority holds compared to other FRA's.



Having checked this data, officers do not believe it to be correct and can confirm that this Fire Authority holds sufficient reserves to secure financial resilience for most of our identified corporate risks.

Reserves (earmarked and unallocated) as a proportion of total net spend, over time

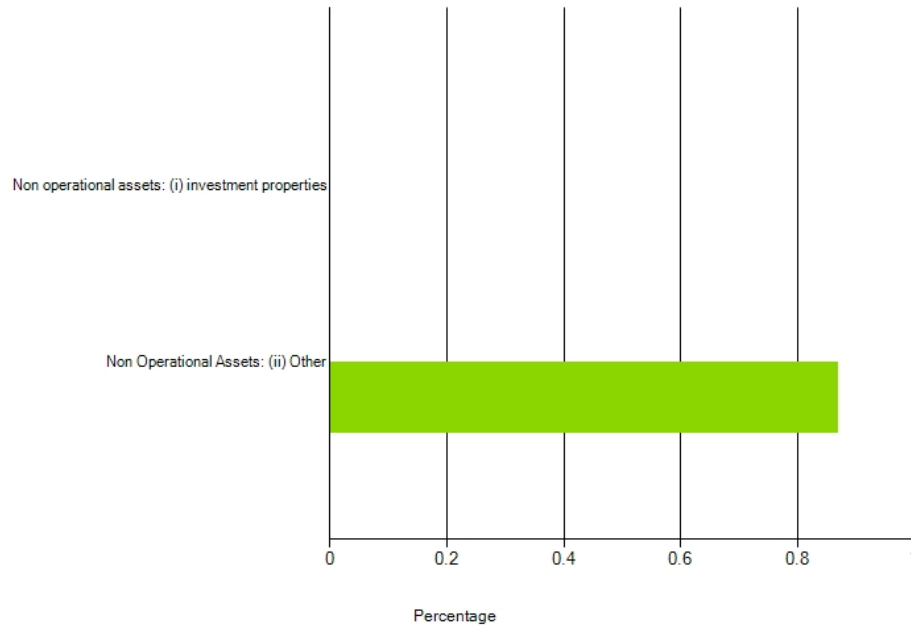
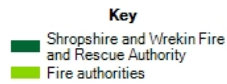
This chart shows whether reserves held are being built up or depleted over time. High levels of unallocated reserves may indicate poor financial management processes. Auditors may review how reserves are set as part of their local value for money work. Earmarked reserves should be used for their intended purpose.



Members will be aware that this Authority has a risk assessed approach to reserve levels and has used reserves for intended purposes over time. However the inaccuracy of the 2009/10 figures gives a false impression of disappearing reserves, which is not the case.

Non-operational assets as a proportion of total spend

The chart on the following page reveals the level of non-operational assets held compared to other FRAs. These are assets, which are not being used in delivering services, with a financial value that could be realised. This Fire Authority has long acknowledged that it is important to evaluate what resources are tied up in non-operational assets to ensure that keeping these represents the best use of resources and expertise. For this reason the Authority no longer holds any large assets unrelated to operational delivery of the service.



8 Making Efficiencies

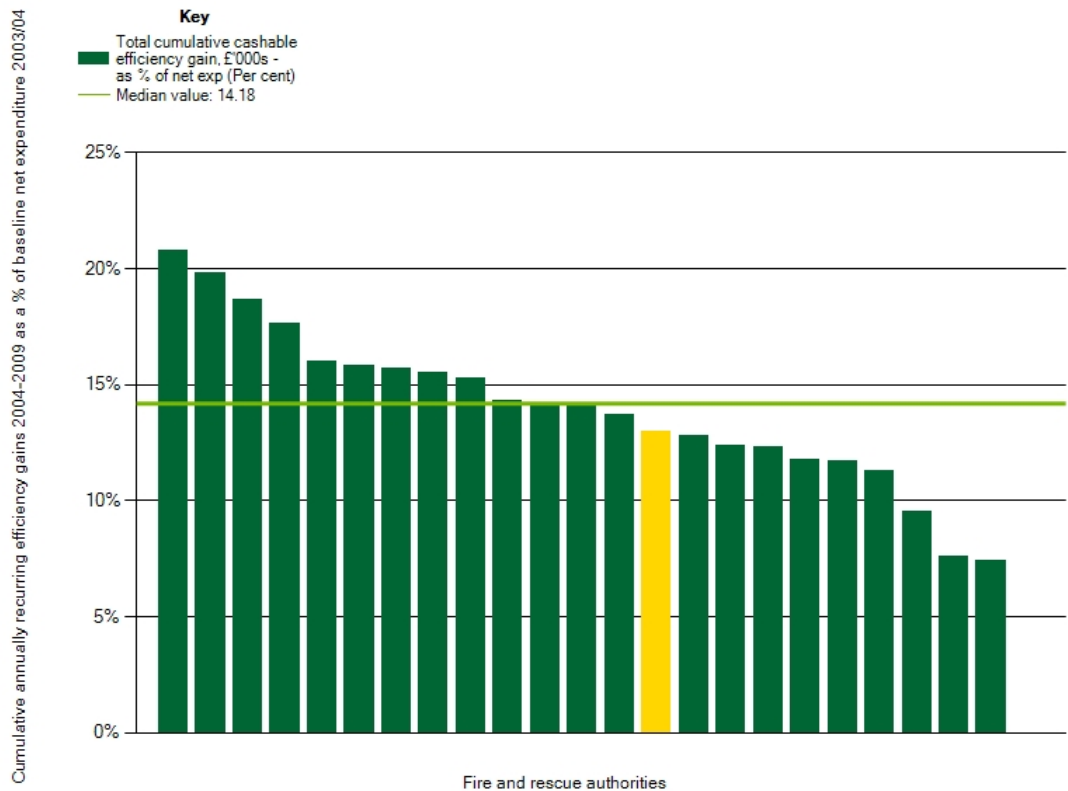
The Audit Commission’s national report ‘Rising to the challenge’ published in 2008, examined the efficiency and effectiveness of fire and rescue authorities and suggested ways in which they could make savings without compromising safety. It challenged fire services to use their workforce and other resources more effectively to improve performance and reduce costs.

The report found that fire and rescue authorities could make efficiency savings worth up to £200 million (10 per cent of fire and rescue authority overall spending), if all achieved similar levels of efficiencies. Savings could be achieved by cutting false alarms and sickness absence, improving procurement and collaboration, changing crewing arrangements and delivering community fire safety in partnership.

FRAs are required to submit annual efficiency statements to report their progress on achieving efficiency gains. The chart on the following page shows cumulative efficiencies reported on the annual efficiency statements from 2004/05 to 2009/10.

This Authority has a good record of achieving efficiencies, whilst maintaining front line services, as can be seen from the chart. In particular, Members will see later in this report that we are one of the Country’s best performers in reducing sickness absence and reducing false alarms.

Cumulative efficiencies from 2004/05 to 2009/10 as a proportion of 2003/04 total net spend



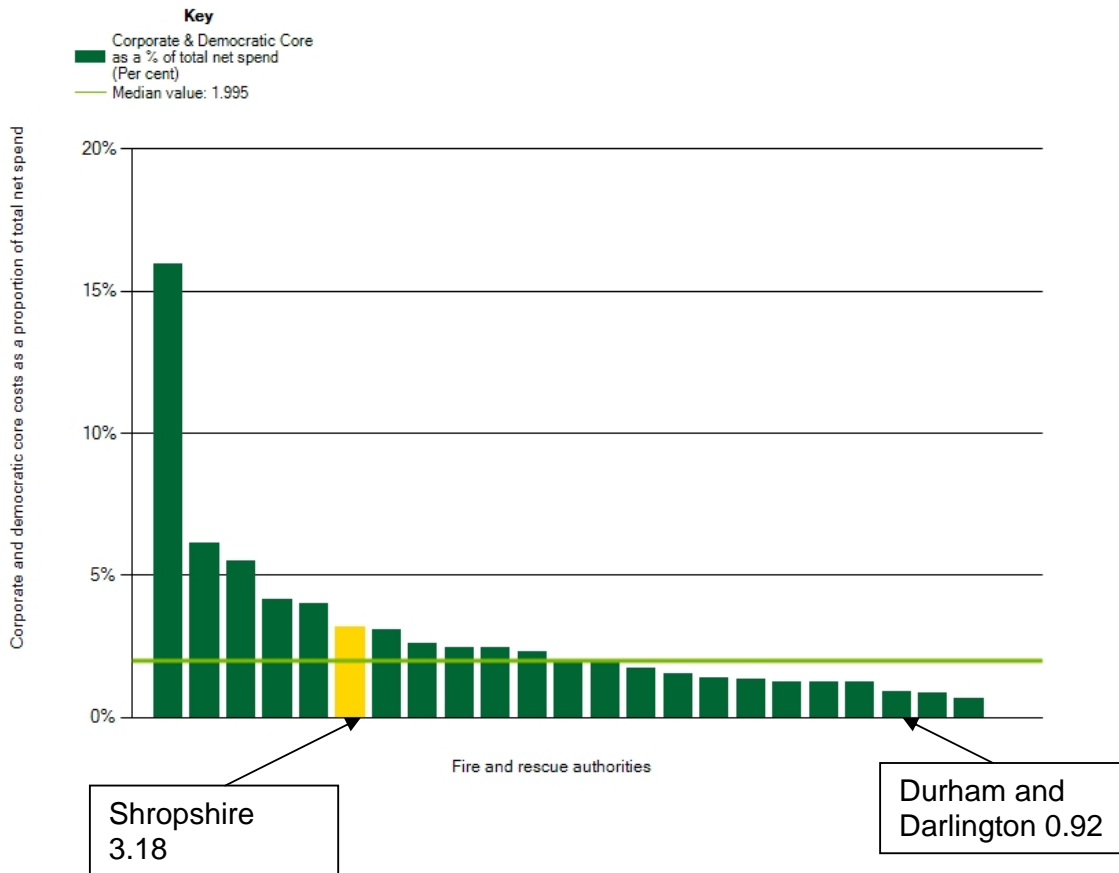
This Fire Authority has made efficiencies of around 13%, whilst the average for all Authorities is 14%. We have not reported all reductions as efficiencies, only those that strictly meet the criteria of making savings in one area of the budget that are spent on improving front line delivery.

Corporate management and democratic costs

Corporate and democratic core costs are the costs of democratic representation and corporate management. They include the cost of the Chief Fire Officer and Member allowances. Such costs are borne centrally and not recharged to services.

For smaller FRAs, such as our own, corporate and democratic core costs will represent a higher proportion of total costs. Although they may not readily yield efficiencies, as they are statutory costs of running an FRA, we should look further at how we can gain maximum efficiency from the running costs of our service. Members will note that we are already looking at outsourcing Treasurer services and have already outsourced many of our corporate management services, such as payroll, legal services, procurement etc.

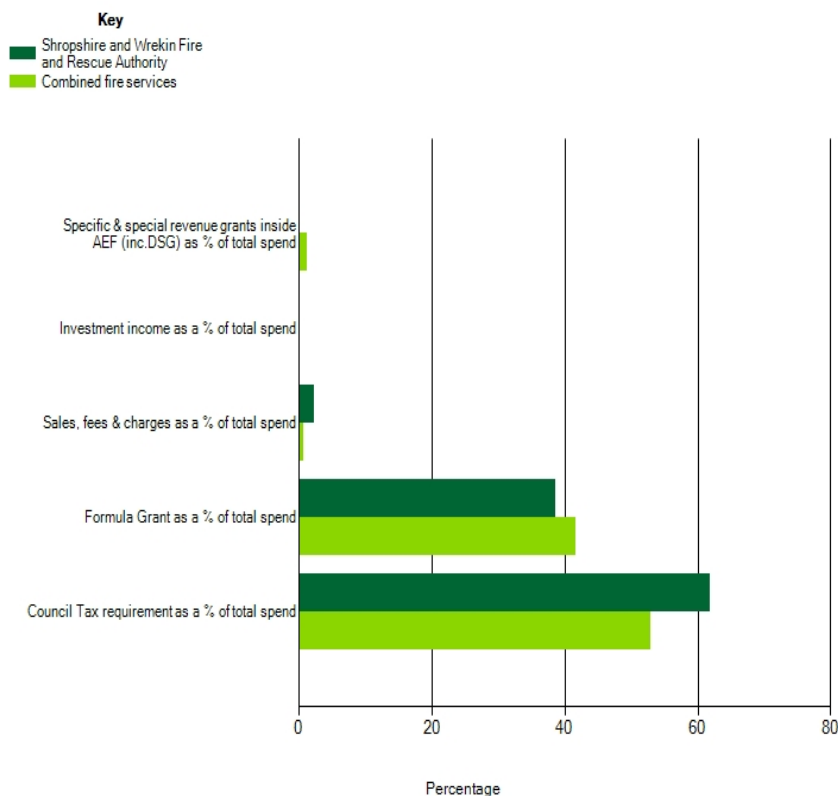
It is worth noting that a similar authority to our own, Durham and Darlington, has very low costs in this area. Officers will seek further information from this authority to look at ways of further improving our position.



Sources of income as a proportion of total spend, 2009/10

The following chart shows the main sources of Authority income compared to the median for the comparator group for 2009/10. It shows the extent of reliance placed by the Authority on different sources of income. This helps to assess the impact of any changes to the income streams on the FRA's finances.

As can be seen in the chart, this Authority raises more income than other combined fire authorities but also has to raise significantly more from local taxes than most. The Authority has not for many years aggressively sought income, so it is surprising to see this Authority performing so well. This may well be a data error.



9 Prevention and Protection Measures

Fires in the home

Nationally, accidental fires in the home have fallen by one fifth in the last decade. In 2009/10, 210 people died in accidental fires in the home in England, compared to 350 a decade ago.

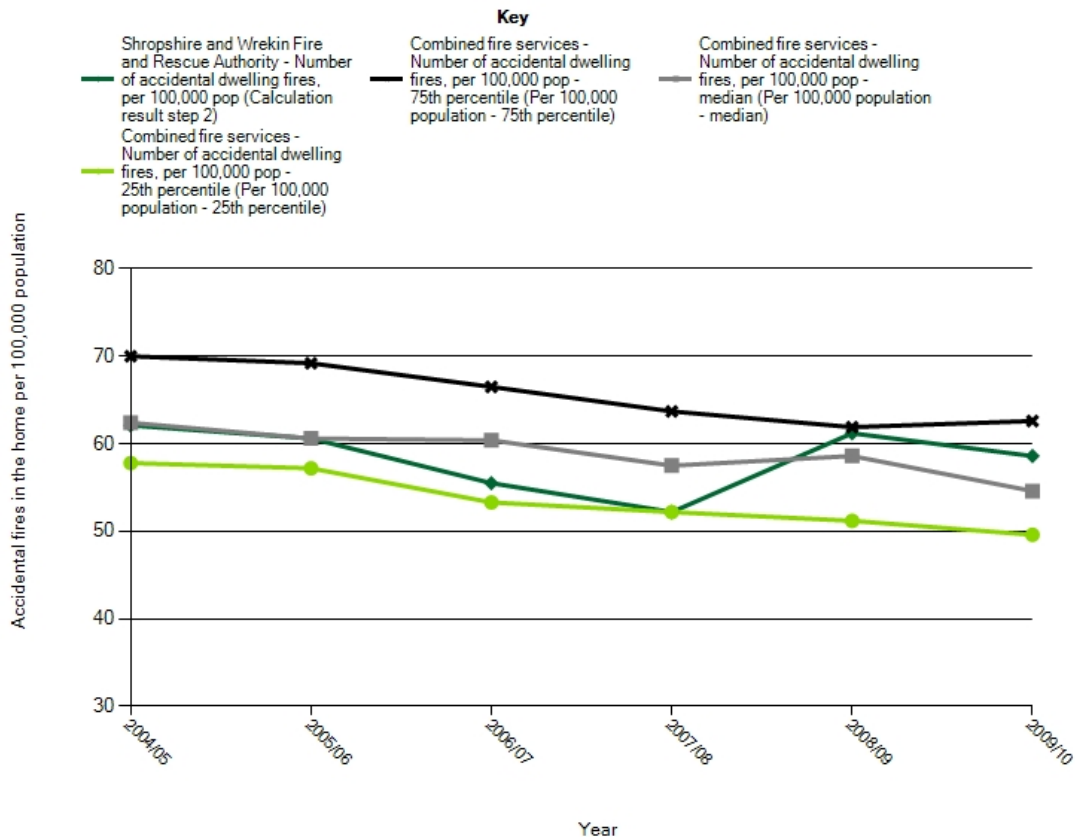
Much resource is directed toward reducing this figure, both in this Authority and around the country, predominantly through home fire safety visits, schools education programmes and legislative fire safety in terms of houses of multiple occupation and residential premises.

To obtain a fuller picture of what the data is saying we need to look at data for accidental fires in the home, changes to numbers of fires and fire spread beyond room of origin as a single piece. These three figures together should go some way to showing how successful we are in ensuring that the public are aware of our:

- Preventative message;
- Smoke alarm fitting campaign; and
- Message about what to do in the event of fire.

Accidental fires in the home, over time

The chart below shows how the number of accidental dwelling fires has changed in this Fire Authority since 2004/05.



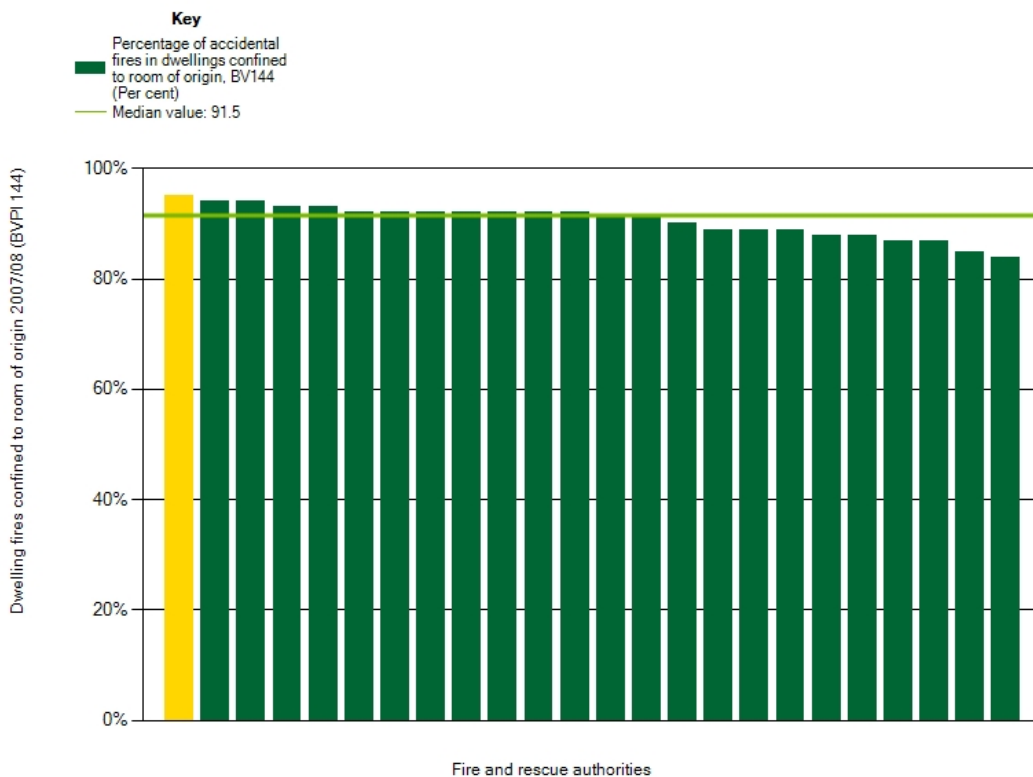
From a significant reduction up to 2007/8 we have seen a slight increase to bring us to showing a slight decrease in overall numbers in the period measured. As we have been carrying out home fire safety visits since 2000, these figures are reassuring.

Dwelling fires confined to room of origin, 2007/08

Fire and rescue authorities can contribute to reducing the number of dwelling fires that spread beyond the room of origin in a number of ways, which include:

- Community education regarding closing of doors on finding a fire (by the sounding of a smoke alarm) and as part of a night time routine;
- Speed and appropriateness of response to fires; and
- Training crews in how to deal with house fires to avoid spread.

In addition, the single biggest factor in this Authority is the large number of accidental house fires, where we are called but take no action. This is predominately down to our education programme and home fire safety visits when we tell people always to call us, if they have a fire, no matter how small.



From these data we can see that, although our total number of accidental house fires may not have fallen as steeply as we first recorded, the increase in home fire safety visits and better media messages has led to an increased number of calls but more and more incidents confined to the room of origin. This is because they are very small fires extinguished by the occupiers or self extinguished prior to our arrival.

Deliberate fires

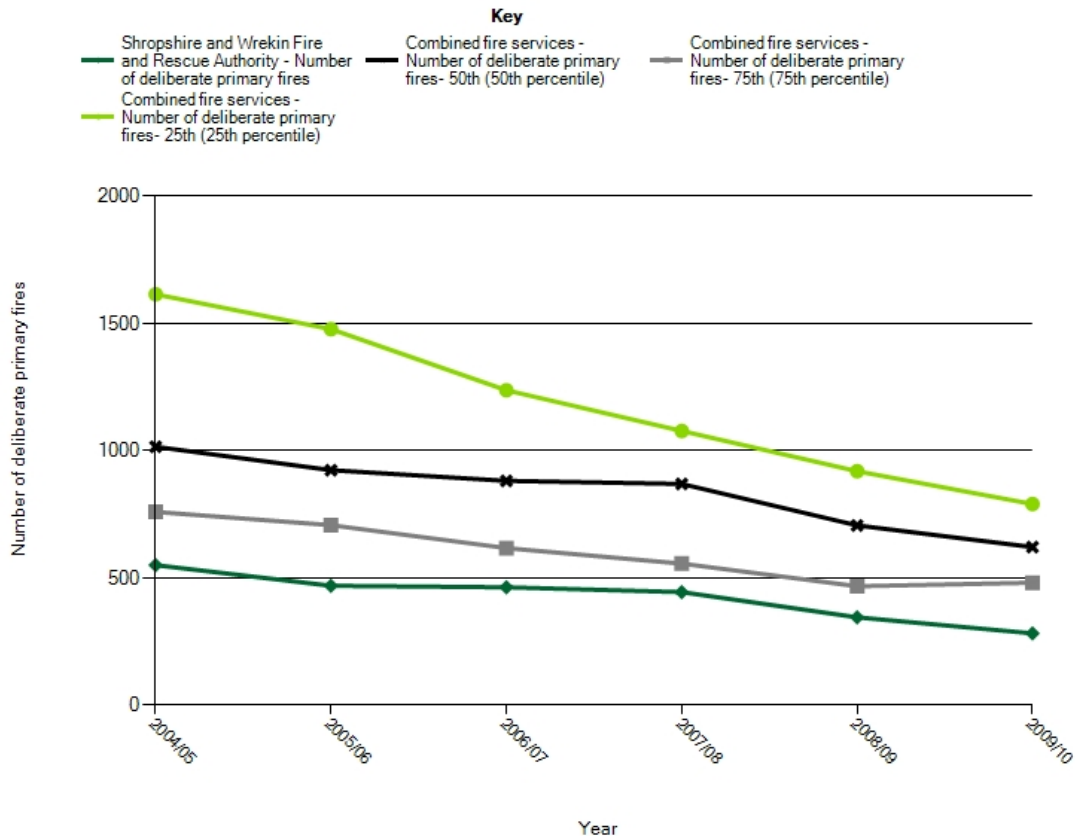
Nationally, the number of deliberate primary fires has fallen every year since 2001 but arson remains one of the major fire threats in England and Wales. Research has estimated that the overall annual cost of arson to the economy in England and Wales is around £2.53 billion. This represents a significant cost to the economy and will directly affect individuals and property, require additional protection for buildings, attract higher insurance premiums, and require resources from fire and rescue authorities and other emergency services. Deliberate fires, involving stolen or abandoned vehicles, and property fires can have a very negative effect on the local environment and community.

In the last decade there have been around 2.4 million deliberate fires in the UK, resulting in 32,000 injuries and 1,250 deaths. In an average week, in England, arson results in around:

- 1,600 deliberately started primary fires;
- 50 injuries;
- 2 deaths; and
- Cost to society of over £45 million.

Deliberate primary fires, over time

Although we have seen significant reductions over the last few years, well above the best performing FRAs, this Authority is now seeing a slight increase. The local reductions can be credited to ongoing work of our teams around the County, close partnership work with the Police and the excellent work of our Fire Crime Reduction Officer.



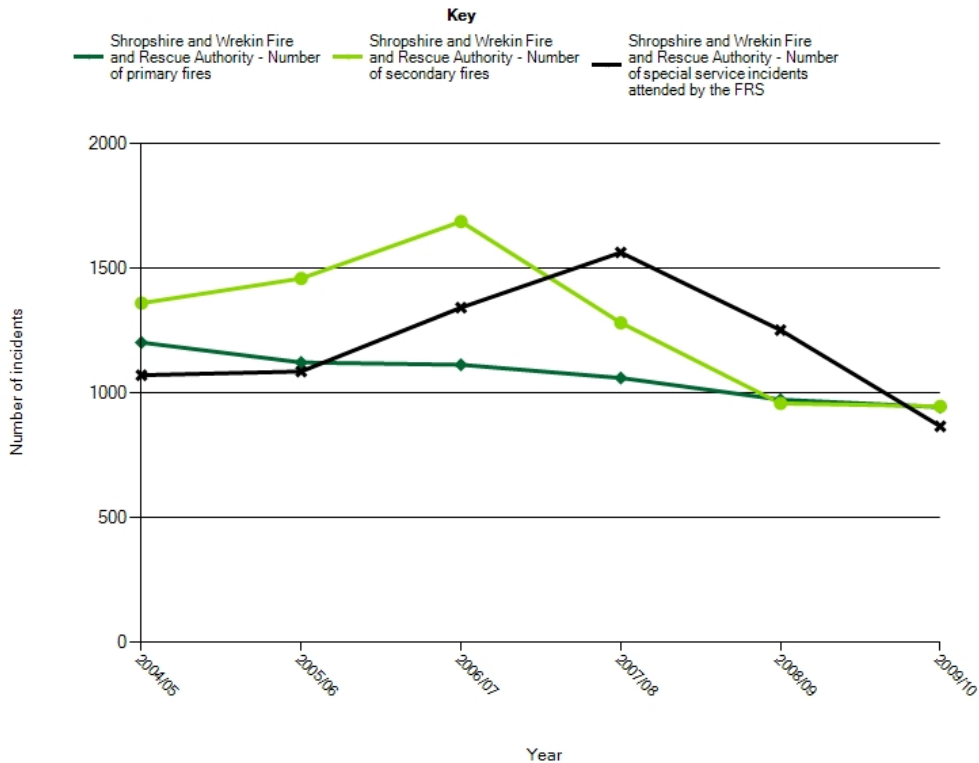
All incidents

The number of fires attended by FRAs has fallen in recent years. Nationally, the three-year average has fallen by 25% in the three years to 2010, compared to 1999-2001. The three-year average for primary fires has fallen by 39% since 1999-2001 and for secondary fires has decreased by 13%.

Fire and rescue authorities do not just deal with fires. Responding to fires now makes up no more than 5 to 10% of activity. The Fire and Rescue Services Act 2004 placed a statutory duty on FRAs to rescue people from road traffic collisions, although in reality this Authority has always required the Service to do so. In 2009/10 FRAs attended almost 142,527 non-fire incidents, a decrease of 1% since 2004/05.

During the flooding in June and July 2007, FRAs carried out over 2,000 rescues, assisted by other services, such as the Police, RNLI, Air Sea Rescue and voluntary organisations. This is despite the fact that FRAs have no statutory duty to carry out such rescues.

As can be seen from the chart below this Authority experienced a significant increase in special service calls in 2007/08, which are all related to the summer and winter flooding experienced in that year. Similarly the increase in secondary fires is predominantly explained by the wildfires during the dry summer of 2006/07. Such variation in demand from year to year is one reason why the Authority decides on the resources it requires based on risk, not just demand, a fact that will become clearer later in this report.



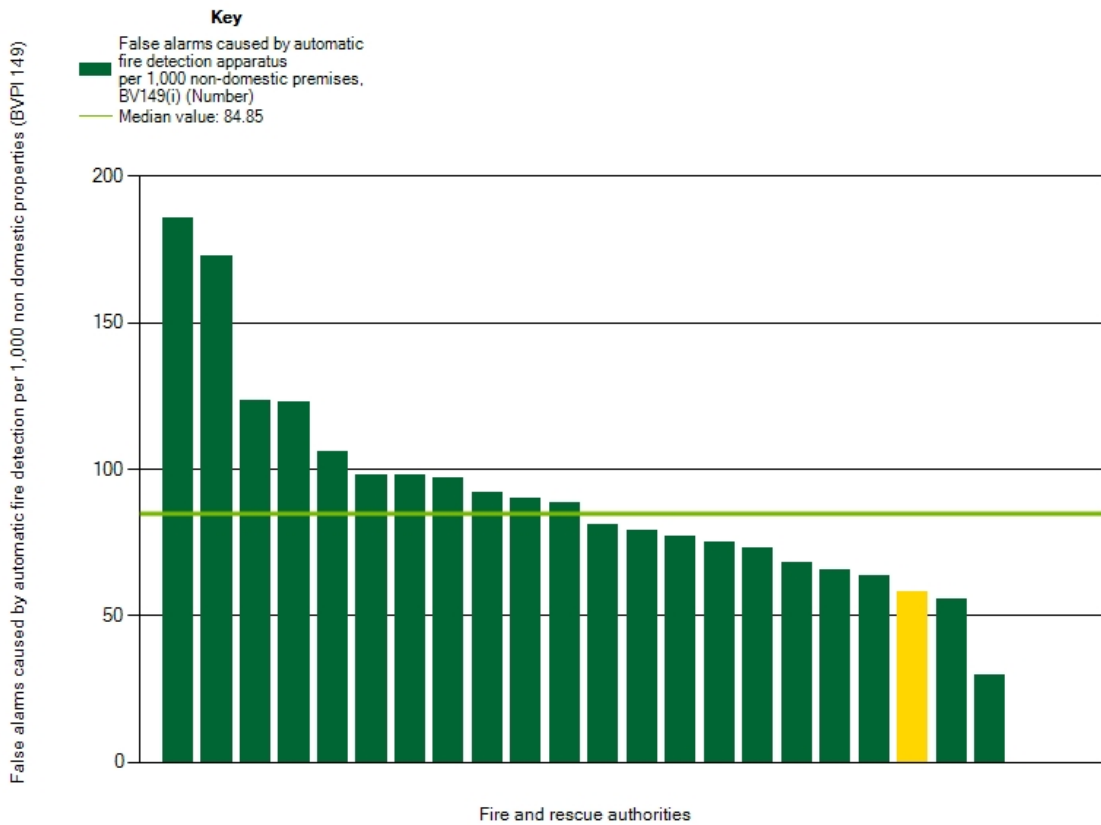
False alarms due to apparatus

Although the number of false alarms has fallen in the last decade, amazingly they still account for over 40% of all mobilisations in England and are the largest single type of incident in most services. The introduction of the Regulatory Reform (Fire Safety) Order 2005 has simplified the regulations governing commercial fire safety and increased the emphasis on fire prevention in all non-domestic premises. One of the provisions of the Order is that a person should be identified for each premises covered by the Order and they should have overall responsibility for the performance of the fire detection and fire alarm systems.

Research commissioned by Communities and Local Government sets out how more risk-based approaches to responding to likely false alarms can yield cost savings of between £12 million and £15 million per year (*Costs and Benefits of Alternative Responses to Automatic Fire Alarms: Fire Research Series 2/2008*, Communities and Local Government, 2008). It is not clear whether this cost saving excludes those Authorities, such as Shropshire and Wrekin, which have already significantly reduced false alarms over time.

The following chart compares the number of false alarms attributed to automatic fire detection apparatus.

False alarms caused by automatic fire detection apparatus, 2007/08



Once again this Authority is one of the best performers in this area. We have invested over many years in reducing unwanted fire calls and the results are excellent. Members will be aware, however, that whereas many services, who do not perform as well as us, can reduce their costs significantly by adopting our methods, we have little room for further reductions.

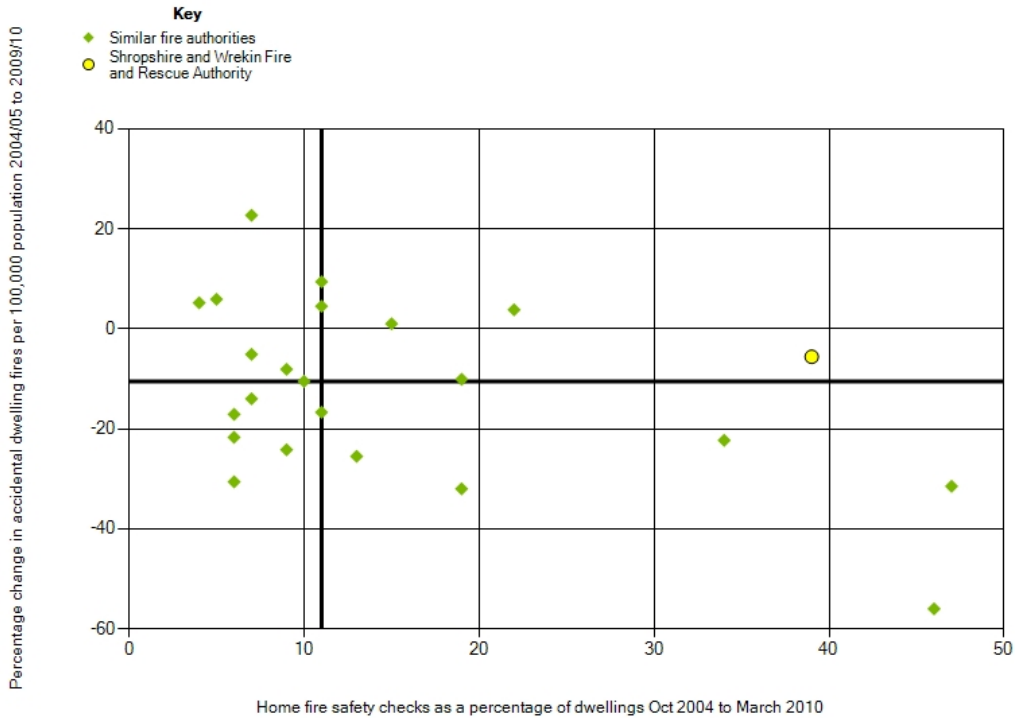
Home Fire Safety Visits and accidental fires in the home

Community fire safety is the range of fire prevention activities undertaken by the FRA, often in partnership with other agencies. This Authority was one of the first to start this process in 1999/2000 and has continued with these home visits to advise people how to reduce the risk of accidents and fire in the home. Visits are made by firefighters (wholtime and retained) and non-operational community safety advocates and voluntary sector partners on our behalf.

These visits often result in the fitting of free smoke detectors. There is a strong link between the numbers of visits and a reduction in the severity of accidental dwelling fires, as can be seen in our results for fires not spreading beyond the room of origin. A key consideration for FRAs is making sure that the most vulnerable people are targeted.

For this reason we are implementing precision prevention work to match reduced income to the risk within our community.

Home Fire Safety Checks and accidental fires in the home, over time



This chart shows that we have carried out visits to about 39% of homes in the 6 year period, one of the best performing FRAs. We have at the same time seen a reduction of 5.6% in accidental fires in the home. However, it is argued whether this is a correct correlation. Certainly, we should see some reduction in the number of fires but also in their severity, as indicated by fire spread. Taking these two statistics together we are certainly one of the best performers in the country.

Smoke alarms and deaths in accidental fires in the home, over time

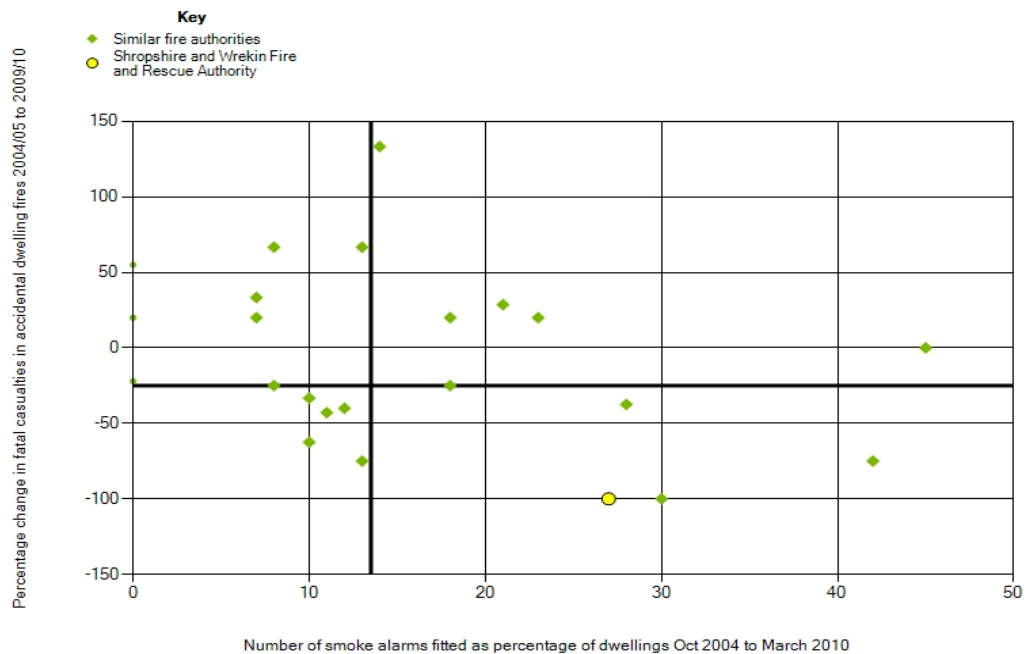
Domestic smoke detectors are now recognised by all as an important factor in reducing the number of domestic fire deaths. 3.7 million detectors have been fitted by FRAs since 2004. Legislation was introduced in 1992, requiring all new-build properties to be fitted with smoke detectors that are wired into the mains supply of the property. Houses of Multiple Occupation are also required to have them installed.

Percentage change in fatal casualties in accidental dwelling fires can be misleading particularly in individual FRAs due to the small numbers involved.

From 1988 we have seen a steep increase in the percentage of households owning smoke alarms (8% in 1988). More recently, a survey for the Home Office in 1997 indicated that ownership was 79%, and the 1999 Attitude and Behaviour Monitor recently put that figure at 81%. Follow-up research is being carried out among the non-owners from this survey.

The apparently high level of smoke alarm ownership compared to 1988 disguises the fact that many of these alarms may not be working, a fact recognised by this Service in our fire alarm checking campaigns. In 1998 Home Office statistics show that in 28% of fires, where an alarm was present, the alarm failed to operate. More than half these failures are because of missing or flat batteries. Sadly, in three of our last four fire deaths, although a smoke alarm was fitted, it did not operate, because the batteries were either flat or had been removed.

Research indicates that ownership seems to be lowest among older people (55+), the group found to be most at risk from injury by fire. Our current strategy, therefore, targets in particular the older people in our area.

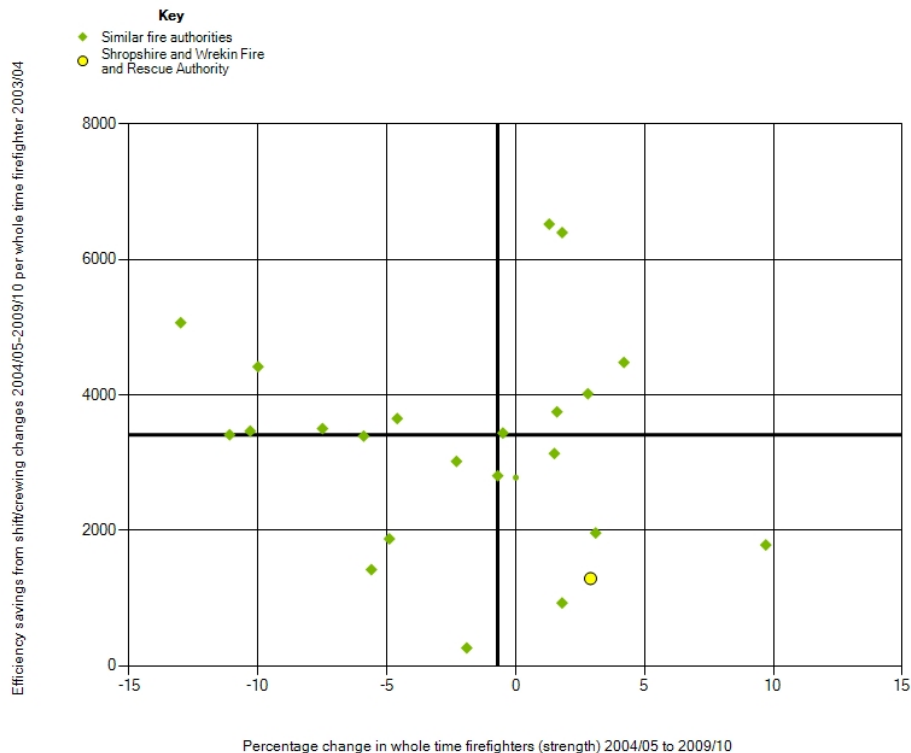


We need to apply some caution with these figures, as, with such low numbers of fire deaths (historically none to four per year), we can see huge variations in percentage reductions or increases. So, for example, we are seen as having a 100% reduction in deaths, whereas this year we are experiencing a 400% increase! That is why we are now looking at fire deaths and injuries together, as the logic tells us that a fire injury may well be a fire death 'near miss'.

10 Efficiency Savings Resulting from Changes in Shift and Crewing Patterns

Cashable efficiency savings from revising shift/crewing patterns need to be considered in relation to overall savings FRAs are making. Overall, between 2004/05 and 2009/10, FRAs collectively made £110 million savings from changing crewing and shift arrangements. This statistic needs to be taken with some caution, as we are aware that some Authorities claimed large efficiencies from, for example, increased use of training assets through earlier shift start times. These 'efficiencies', therefore, could not be turned into cashable cuts in budgets.

The Audit Commission states that FRAs in the bottom right quadrant may have more potential for efficiencies from changing crewing patterns but the chart should not be looked at in isolation of the other charts in the profile. With so few wholetime fire appliances and with an attendance time of 15 minutes on 85% of occasions officers believe that in Shropshire, there is little room for major efficiencies with changing crewing systems. Current plans to change crewing systems for the aerial ladder platform and rescue tender will release significant savings, as will the changing of the crewing of Tweedale and Telford, although we could not categorize these as 'efficiencies'.



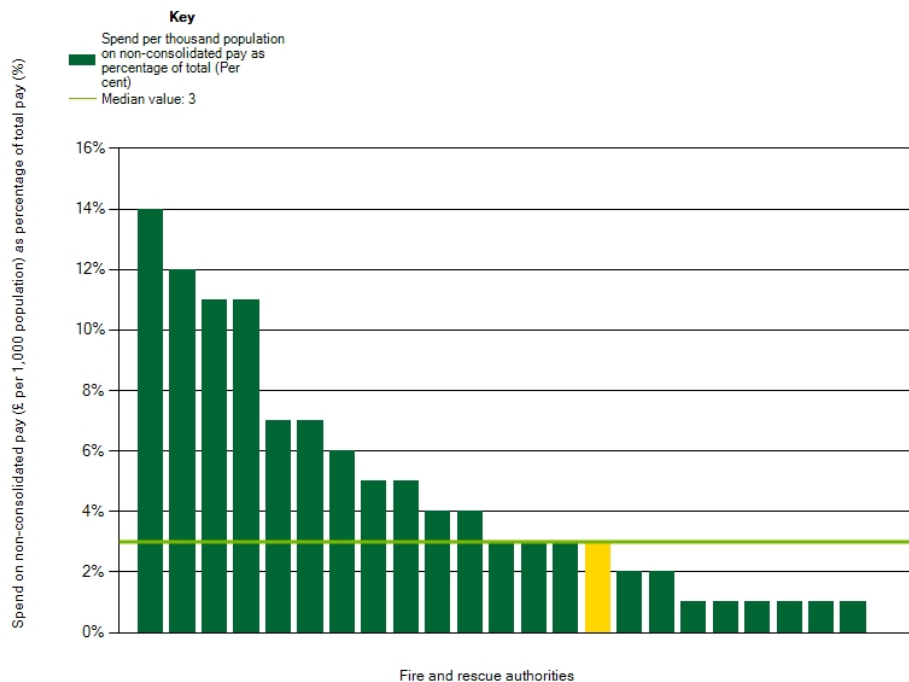
The chart above uses the total number of wholetime firefighters against changes in shift / crewing to gauge efficiency. Officers will look further at any other crewing changes that can be made to release additional cash savings through the Public Value process in 2012.

Spend on non-consolidated pay as a percentage of total pay, 2009/10

Fire and rescue authorities will always need the flexibility of standby cover and overtime. It can be a cost-effective alternative to employing more firefighters. However, spend on overtime payments needs to be managed through better workforce management, reducing sickness absence, a more flexible redeployment of resources and more local staff training tailored to need and availability, as has occurred in this Authority.

The chart shows wide variations in FRAs' spend on non-consolidated pay, ranging from 1 to 14% of total pay. Non-consolidated pay includes bonuses, allowances and overtime payments, bounty payments, compensation for injury, extra duty allowances, payments for performing duties of a higher rank etc., where these are non-consolidated. Consolidated pay is pensionable pay.

This Authority has one of the best records for operational staff sickness and ensures that overtime is managed to keep costs down, whilst maintaining a very lean ridership factor. We also do not pay bonuses to senior managers, as is the case in some authorities.



Operational workforce numbers

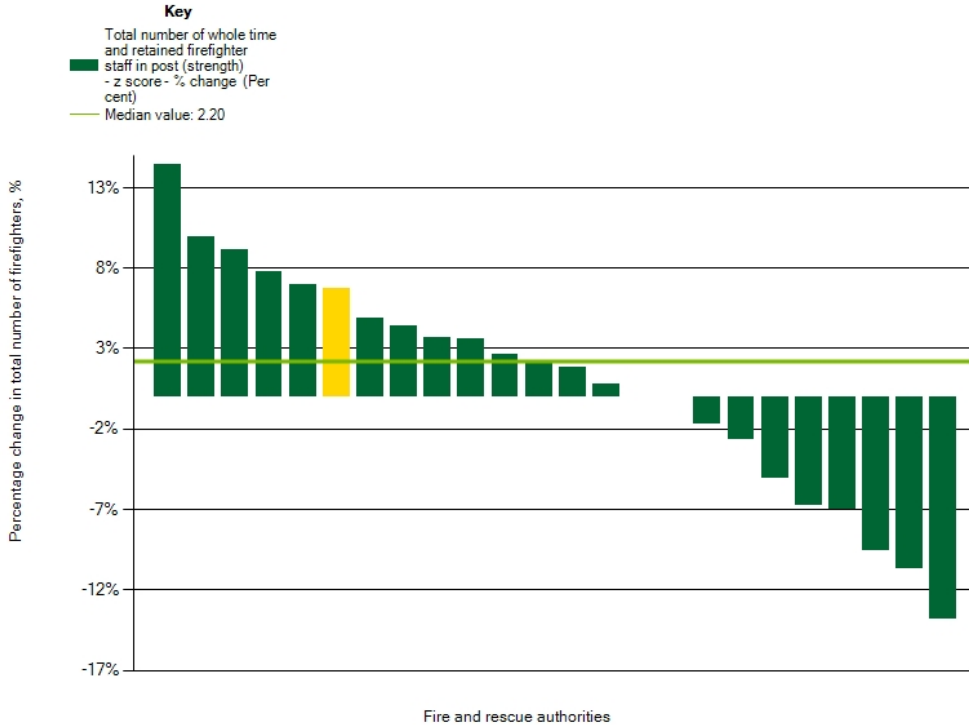
Nationally, FRAs employ around 52,000 staff, comprising 30,000 wholetime firefighters, 12,000 firefighters in the retained duty system (RDS), 1,500 control room staff and 8,500 fire service staff.

The chart shows the total strength of firefighter workforce over time. The total number of firefighters has reduced by 2% since 2004/05 and the mix of wholetime firefighters and firefighters in the RDS has changed. In 2004/05 retained firefighters made up 25% of those in post, compared to 29% in 2009/10.

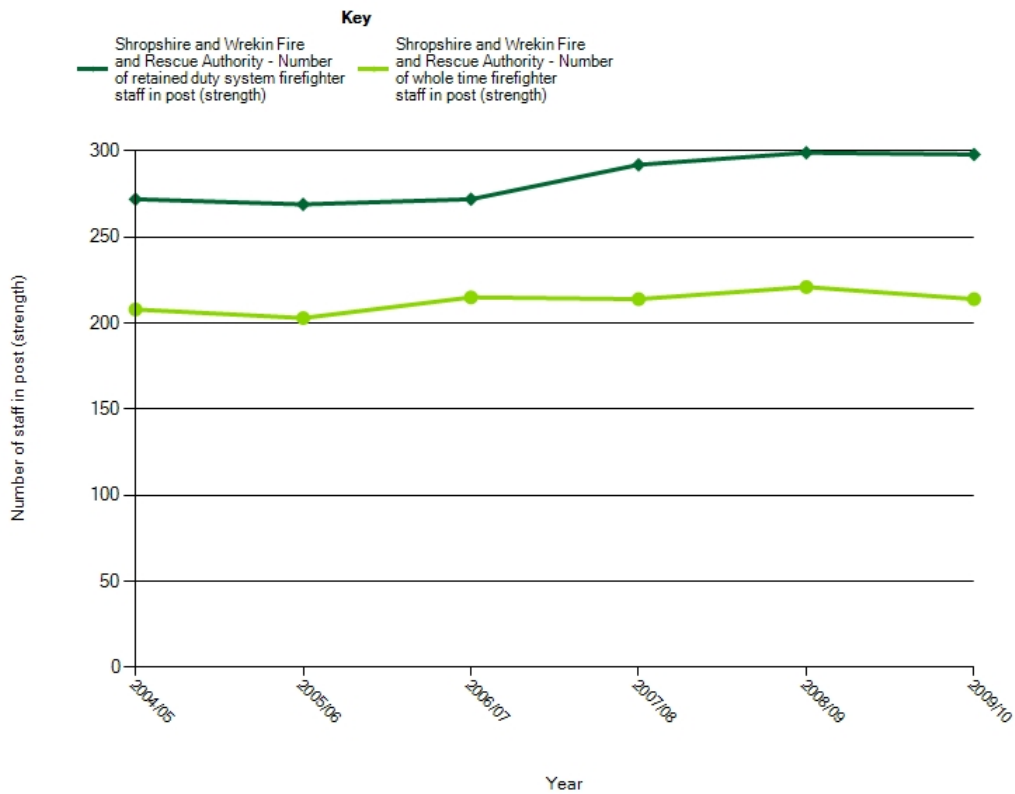
This in some way explains the efficiencies gained from changing crewing arrangements in all but 2 authorities (West Midlands and London).

Change in total number of firefighters

The chart below shows the percentage change in total firefighter numbers between 2004/05 to 2009/10. Overall change in firefighter strength by individual fire services ranged from a 14% increase to a 21% decrease. This shows this Fire Service increasing numbers by 6.7%, although the chart following shows how this breaks down into wholetime and RDS staff numbers.



Number of wholetime and retained firefighters, over time

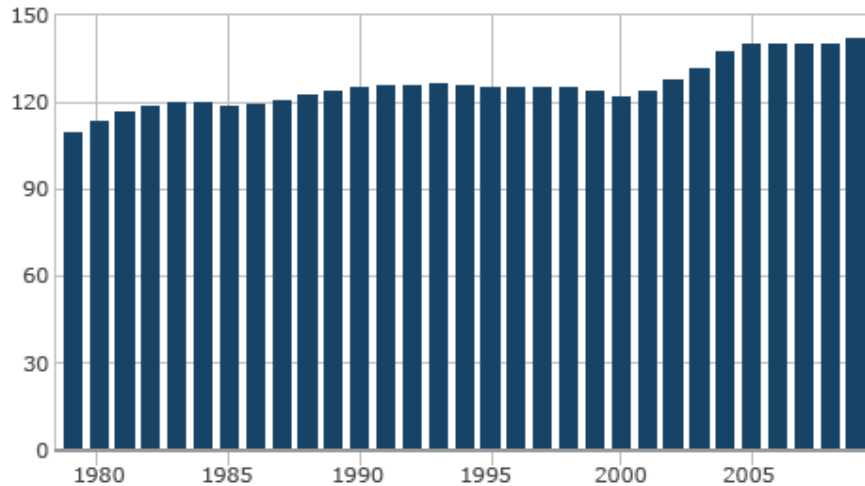


As can be seen, the trend follows our successful policy of increasing RDS employment and ensuring that our RDS appliances are now available on 98% of the time across the whole County, making Shropshire Fire and Rescue Service one of the best performers in England. It also shows that the number of wholetime firefighters has generally remained static over this period.

With cuts to Government Grant of 25% nationally or, in our case, a possible reduction of 28%, it is interesting to see how the Police Service (with grant reductions of 20%) has grown over the years. Members of fire authorities may well join Police Authorities in being concerned about the impact of these reductions on the Fire and Rescue Service's ability to maintain frontline services.

Police officer strength, England and Wales 1979-2009

Thousands



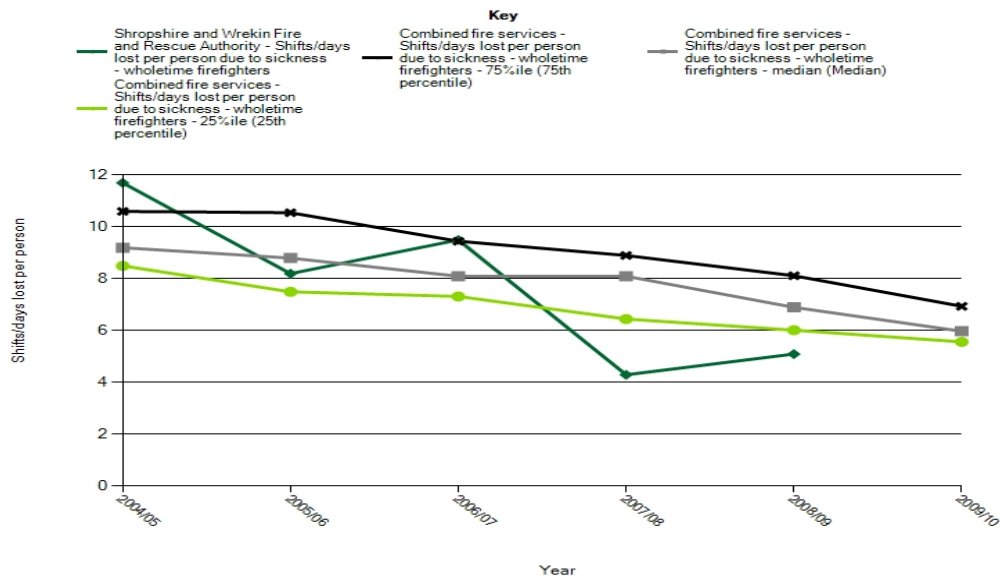
Source: Home Office Statistical Bulletin

Sickness absence

Between 2004/05 and 2009/10, the reduction in sickness absence accounted for just £1 million of FRA cumulative recurring cashable efficiency gains (1% of overall savings).

The chart below shows the change in the number of shifts and days lost to sickness among wholetime firefighters. There has been a steady decline in the number of shifts and days lost year on year, with a national average of 6.4 shifts or days lost by wholetime firefighters in 2009/10.

As stated earlier, this Authority is one of the best performers in this area (5.1 days) due in part to a motivated workforce and effective sickness absence management.



Station and appliance utilisation

Nationally and locally the total number of incidents is falling; yet the number of stations and overall FTE workforce strength has not reduced. Making best use of resources requires having the right number and type of stations, appliances, and people in the right places, to deal effectively with identified risks. However, there is also a minimum level of cover to be provided that is not only related to the gross number of incidents but to the risk potential in any given area.

An RDS station, which deals only with, say, one incident per week and costs perhaps £80,000 per year, may still be required to provide a minimum level of incident cover in that area (as is the case of Clun). This is very different from a wholtime fire appliance, attending perhaps only 600 calls per annum at a cost of about £1 million per year.

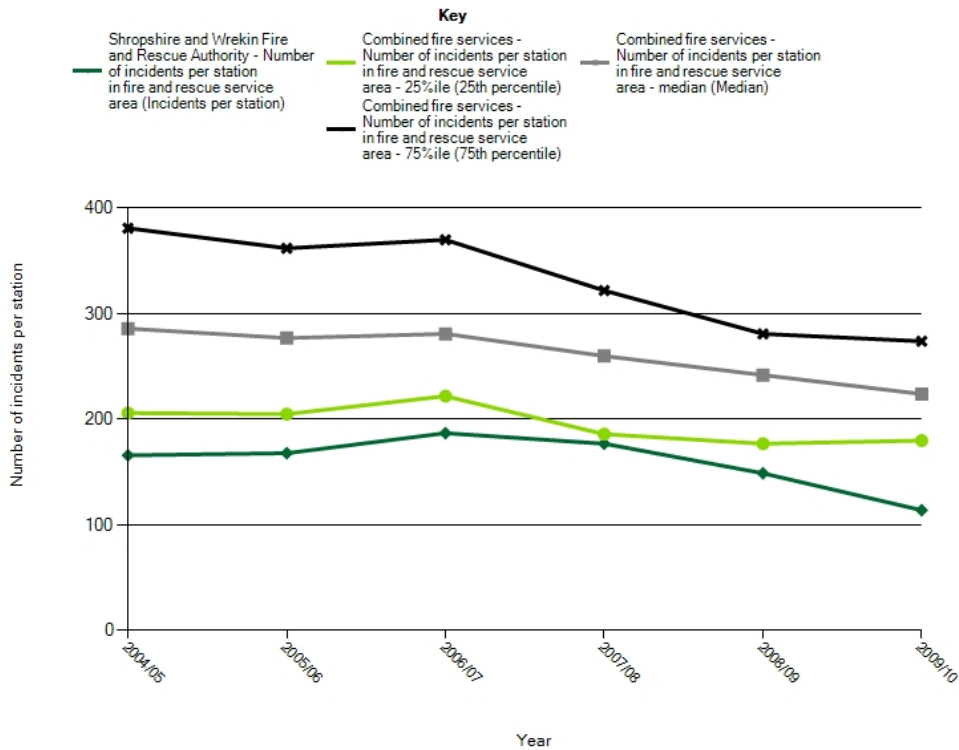
The comparison may be the lifeboats provided on a ship, one requires a minimum number, even if they are not frequently used. The balance is to get the correct number of lifeboats!

There is significant variation in the average number of incidents attended by each station, and by each appliance, in different FRAs but the Audit Commission does not report on cost per incident, which would show significant variation between wholtime and RDS fire engines.

Incidents per station

The chart over shows the number of incidents attended by each station each year between 2004/05 and 2009/10. Attendance rates in 2009/10 varied from 84 to 262 per station in large county fire and rescue authorities; and from 366 to 631 per station in metropolitan fire and rescue authorities. To obtain a fuller picture of this information we believe that the Audit Commission would need to look also at average attendance times. For example, our least used appliance at Clun, if removed, would increase attendance times from an average of 15 minutes to over 25 and up to 40 minutes in some areas of the turnout area. The public is likely to see this as unacceptable.

Equally, just counting incidents does not take into account the variation in demand across the country. We have seen that most of the calls in many authorities are to false alarms, so, until all authorities are equal in managing unwanted fire signals, the comparators here may not be that valuable.

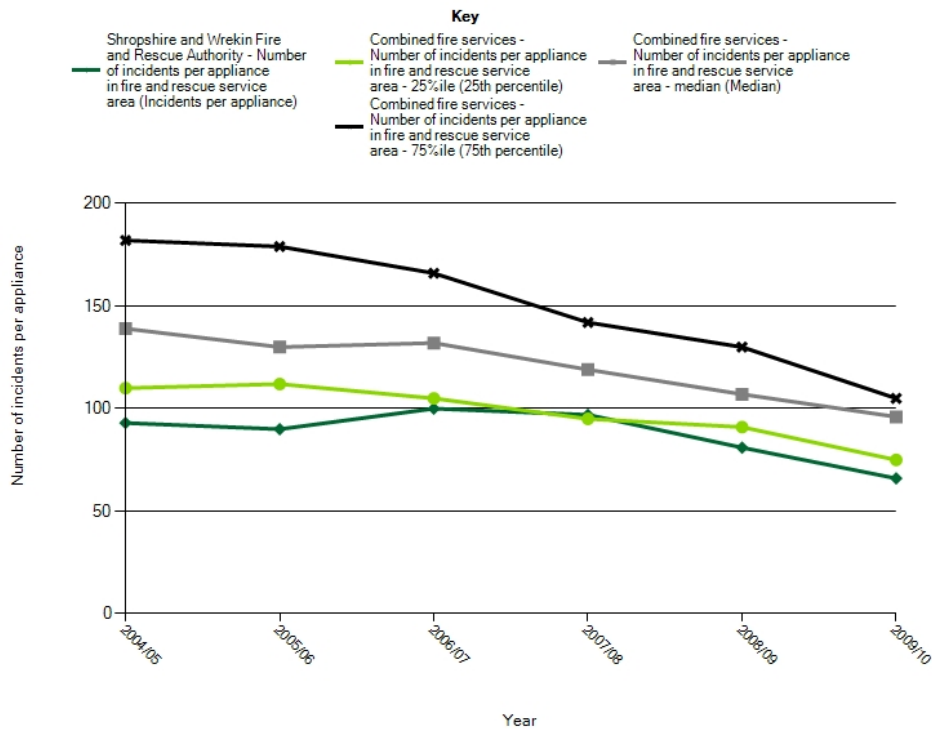


So, although this Authority is below the 25th percentile, Members will want to consider the impact of local service delivery, if we were to close stations, because of low relative usage. At 114 incidents per station, we are, however, above the lowest average of 84.

Incidents per appliance

The chart over shows the relationship between incidents per appliance. The number of incidents attended per appliance varied in 2009/10 from 181 to 262 in Metropolitan fire and rescue authorities; and from 37 to 122 in County fire and rescue authorities.

Similarly, for number of calls per station our average of 66 calls per appliance is above the lowest of 37.



11 Procurement

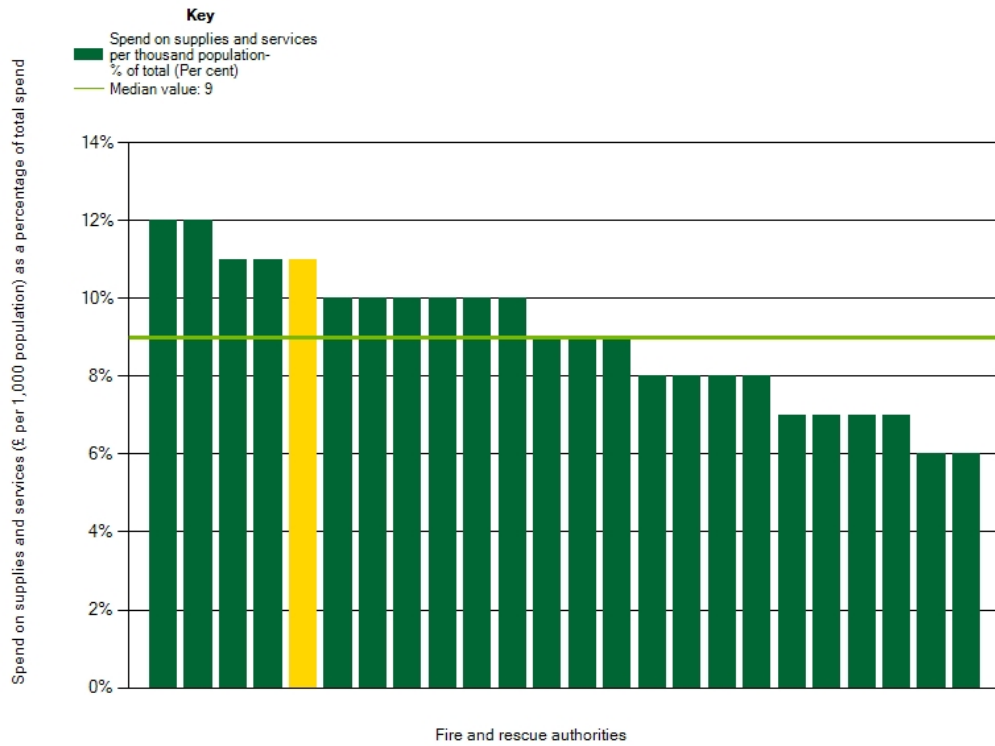
Fire and rescue authorities spent £162 million (seven per cent) of revenue in 2010 on supplies and services. This includes operational and equipment costs, catering, the maintenance of hydrants, laundry, boot repairs, printing, stationery, advertising, subsistence allowances and other establishment costs. It excludes all employee costs.

Spend on supplies and services as a percentage of total spend, 2009/10

Nationally FRAs spend from 3 to 12% on supplies and services as a percentage of total spend. The chart overleaf shows how FRAs' spend on supplies and services varies significantly, nearly half of FRAs spent more than 7% on supplies and services in 2009/10.

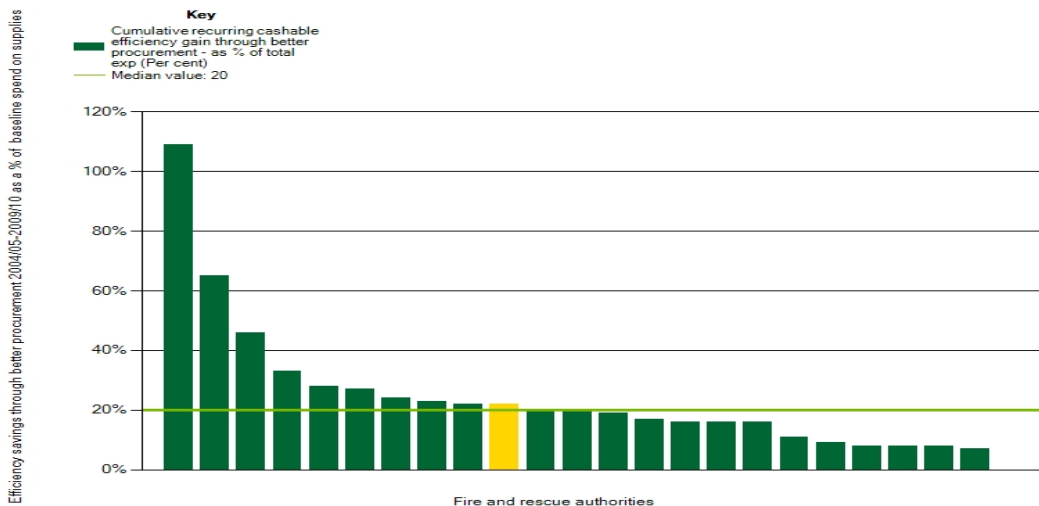
In 2009/10 this Authority spent a large amount on one-off capital items in advance of the significant reduction in budgets. We have also spent money on the new headquarters and fire station building in Shrewsbury.

It will be essential for officers to analyse our supplies and services costs going forward, once these one-off items have been removed. It is also worth noting that the spend is as a percentage of per 1,000 population, which is not, perhaps, the best comparator to use.



Fire service efficiency savings through better procurement

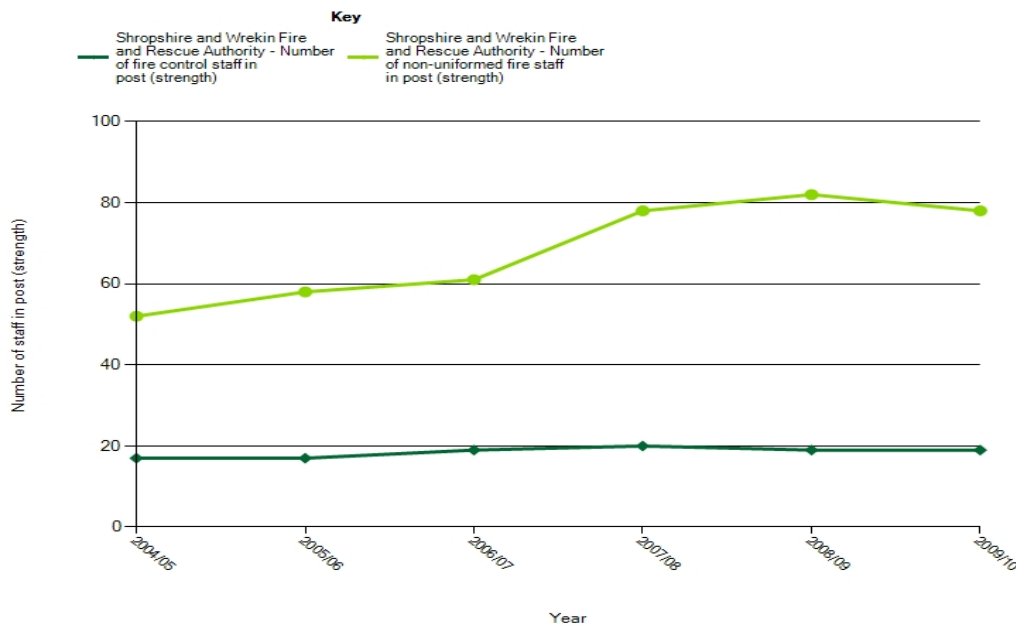
Efficiency savings in procurement can make an important contribution to reducing costs in fire and rescue authorities without compromising community safety. The chart below shows the cumulative recurring efficiency gains for the selected FRA through better procurement as a percentage of total spend on supplies and services for the period 2004/05 to 2009/10. The chart also demonstrates that this Authority has managed the large spend, referred to on the previous page, efficiently.



12 Non-Operational Workforce

The chart below shows the number of non-operational workforce posts from 2004/05. In total in 2009/10, fire and rescue authorities employed over 10,000 fire control and non-uniformed staff, 26% more than in 2004/05. This is in contrast to an increase of 3% in the number of wholetime and RDS firefighters. This chart does not, however, distinguish between part-time staff, those on job share schemes, term-time working or colleagues employed on fixed-term contracts.

However, as non-operational staff are cheaper to employ than operational staff, this use of resources might demonstrate better value for money for the tax payer.



13 Summary

Generally the charts provided by the Audit Commission show that this Authority is performing well against both the peer group and all Authorities. In particular, Members will see that we perform particularly well in preventing incidents, such as arson, reducing fire deaths and preventing fire spread and the damage caused. In addition, we perform very well in managing employee costs and in making efficiencies over time.

Areas where officers will carry out further analysis will be in corporate costs and in identifying if further savings can be made through shift / crewing changes.

14 Financial Implications

There are no direct financial implications arising from this report.

15 Legal Comment

There are no legal implications arising from this report.

16 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Human Resources 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

17 Background Papers

There are no background papers associated with this report.

The full Audit Commission analysis tool can be found at:

<http://vfm.audit-commission.gov.uk/RenderReport.aspx?Gkey=282VqlaaVSLhf8izWEP0TODL6gywy9mlA6o%2bD1QFon2tve0r3eeIWw%3d%3d>