

REPORT OF THE TREASURER

ANNUAL EFFICIENCY STATEMENTS 2006/07

1 Purpose of Report

This report seeks the scrutiny and approval of the Committee to the formal submission of the backward and forward looking Annual Efficiency Statements (AES's) for 2006/07, as delegated by the Fire Authority.

2 Recommendations

The Committee is recommended to agree to submit the AES's attached as appendices to this report.

3 Background

The Government has set a target of savings nationally for the Service, through efficiencies of 5.67%, by 2007/08, on the 2004/05 base expenditure (as measured by Form R06 line 290 column 4). If this is calculated for this Authority in isolation, this totals £930,000.

The total efficiencies achieved by 31 March 2006 are £370,000. Original plans for 2006/07 totalled £308,000, i.e. a further £252,000 would be required in 2007/08 to achieve our national disaggregated target of £930,000.



4 Current Position

The policy of the Fire Authority is to maximise efficiencies as it strives to achieve best value. As a result, some further efficiencies, above the original £308,000 planned for 2006/07, have been identified as follows:

	Efficiencies	Actioned	To be
	£ 000	£ 000	Actioned
			£ 000
Original plans			
1. Aerial appliance crewing arrangements	259	259	
2. Fire Safety Inspectors Conversion to non-uniformed posts	25	25	
3. Procurement	10		10
4. Plant and Equipment	14		14
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	308	284	24
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New Efficiencies			
5. Human Resources savings from staffing Retained Support Officers	25	25	
6. Use of Firebuy for capital purchases	10		10
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	35	25	10
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TOTAL	343	309	34

The AES's, therefore, include £309,000 for backward looking efficiencies in 2006/07 and £34,000 for forward looking efficiencies.

The total notional balance to be found in 2007/08 would, therefore, reduce from £252,000 to £217,000 to reflect the further new efficiency gains of £35,000.

5 Financial Implications

The financial implications are as set out in the report.

6 Legal Comment

There are no legal implications arising from this report.

7 Appendices

Appendix A Backward Looking Efficiency Statement

Appendix B Forward Looking Efficiency Statement



8 Background Papers

There are no background papers relating to this report.

Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balance Score Card		Integrated Risk Management Planning	*
Business Continuity Planning		Legal	
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Equality and Diversity		Retained	
Efficiency Savings	*	Risk and Insurance	
Environmental		Staff	
Financial	*	Strategic Planning	*
Fire Control/Fire Link		West Midlands Regional Management Board	

For further information about this report please contact Keith Dixon, Treasurer, 01743 260202.



FIRE & RESCUE AUTHORITY NAME: SHROPSHIRE AND WREKIN FIRE AUTHORITY

Efficiency gains achieved in the first six months of the financial year 2006/7

Category	Quality cross-check (QCC) met (see note 1)	One off or recurring?	Capital	Revenue	All figures £'000			Cumulative Non-Cashable Efficiency Gain	
					Annual Cashable Efficiency Gain (see note 2)	Cumulative Cashable Efficiency Gain (see note 3)	Annual Non-cashable Efficiency Gain		
Revised shift systems / Crewing arrangements (IRMP)	✓	Recurring		✓	259-	259-			
		One off				102-	-	12-	
Other IRMP savings		Recurring							
		One off							
Collaboration		Recurring							
		One off							
Reduced ill-health retirements		Recurring							
		One off							
Sickness reduction		Recurring							
		One off							
Other HR savings	✓	Recurring		✓	50-	65-			
		One off							
Better procurement (see note 4)	✓	Recurring		✓		110-	-	5-	
		One off							
Corporate services	✓	Recurring		✓		73-			
		One off							
Other	✓	Recurring				70-			
		One off							
TOTAL					-	309-	679-	-	17-

Notes

1. Quality checks are described overleaf.
2. Actual efficiency gains achieved in the first six months of the financial year
3. All savings achieved in 2006/07, plus recurring savings from previous years 2004-05 and 2005-06
4. Includes £3,000 Firebuy gains

Supporting Narrative

The method of achievement of the efficiency gains is described overleaf.

To be signed by:

Chair of the CFA	Chief Fire & Rescue Officer	Chief Financial Officer
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Quality Cross Checks

1 Revised shift system / Crewing Arrangements (IRMP – Integrated Risk management Planning)

The efficiency has been achieved by reducing the crewing of aerial appliances. The quality cross check is to ensure that the attendance times achieved by aerial appliances over the previous twelve months is maintained. Performance will be monitored annually, but is currently on track.

2 Other Human Resources Savings

- i Efficiencies achieved from the conversion of uniformed fire safety inspector posts, to non-uniformed will continue to be monitored by an audit of the number and quality of inspections against expected levels from previous experience. Customer responses are also being taken into account.
- ii Efficiencies achieved from the reallocation of duties in determining Retained Support Officer posts are being monitored against the objective established by the Retained Service Review, particularly maintaining and improving appliance availability.

Method of Achievement

1 Revised shift system / Crewing Arrangements (IRMP)

A review of the two permanently crewed aerial appliances in Shropshire identified this as an over provision of resources. As part of the IRMP Action Plan, and following consultation, it was decided that:

- a) At least one appliance was needed to ensure operational requirements (particularly firefighter safety) could be met;
- b) Mobilisations totalled about 47 per annum and actual usage 26 per annum;
- c) A reserve appliance was, however, needed, as one would be off duty for four to six weeks a year due to servicing or repairs. In future this might be covered by a regional reserve; and
- d) In the meantime it was decided to maintain both appliances ready for use, (including training) but staff only one appliance at any time. This will result in a reduction through retirements of eight posts and a saving of £259,000.

2. Other Human Resources Savings

- i Following a re-evaluation of posts, two Sub Officer Posts have been converted to non-uniformed Fire Safety Inspecting Officers, resulting in a saving of £25,000.
- ii The Authority adopted a Retained Service Review Plan, which identified the appointment of eight Retained Service Support Officers. It was decided that by reviewing the job descriptions, and reallocating responsibilities, that these posts could be filled at firefighter rather than leading firefighter grades, thereby saving an aggregate of £25,000.

FIRE & RESCUE AUTHORITY NAME: SHROPSHIRE AND WREKIN FIRE AUTHORITY

Efficiency gains planned for the second half of the financial year 2006-07

All figures £'000								
Category	Quality cross-check (QCC) met (see note 1)	One off or recurring?	Capital	Revenue	Annual Cashable Efficiency Gain (see note 2)	Cumulative Cashable Efficiency Gain (including recurring gains from 2004-05 and 2005-06) (see note 3)	Annual Non-cashable Efficiency Gain	Cumulative Non-Cashable Efficiency Gain
Revised shift systems / Crewing arrangements (IRMP)	✓	Recurring				259-		
		One off				102-	-	12-
Other IRMP savings		Recurring						
		One off						
Collaboration		Recurring						
		One off						
Reduced ill-health retirements		Recurring						
		One off						
Sickness reduction		Recurring						
		One off						
Other HR savings	✓	Recurring				65-		
		One off						
Better procurement (see note 4)	✓	Recurring		✓	20-	130-	-	5-
		One off						
Corporate services	✓	Recurring				73-		
		One off						
Other	✓	Recurring		✓	14-	84-		
		One off						
TOTAL					34-	713-	-	17-

Notes

1. Quality Checks are described overleaf.
2. Total new gains planned for the second half of the financial year 2006/7.
3. All savings to be achieved in 2006/07, plus recurring savings from previous years 2004-05, 2005-06 and those realised in the first six months of 2006/7.
4. Contains £13,000 Firebuy gains

Supporting Narrative

The detail of the strategy for securing efficiency gains, the key actions that will be taken during 2006-07 and the efficiency savings that are expected to result from them are set out overleaf.

To be signed by:

Chair of the CFA	Chief Fire & Rescue Officer	Chief Financial Officer
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Quality Cross Checks

1 Procurement

- i The target of £10,000 looks to be achievable, depending on future price changes.

Savings have been quantified and tested through the scheme of delegation of budgets to officers responsible for service delivery. They are managing to deliver the service without price inflation. As a further independent check, however, the Fire Authority is mindful that it has a corporate procurement strategy in place, and internal audit checks to ensure that contracts have been awarded in accordance with standing orders aligned with procurement best practice.

- ii Firebuy gains of £10,000 are expected, although the purchases have not yet been made. Internal checks will ensure, however, that contracts are placed in accordance with Standing Orders aligned with procurement best practice.

2 Other

The efficiencies to be secured through the operation of the workshop will be managed by the Client Officer (Fleet Manager) through the Service Level Agreement to the same standards and requirements as for an external contractor.

Method of Achievement

1 Procurement

- i A target of at least £10,000 has been set aside from the 2.5% price contingency for 2006/07. Although the benchmark is now 2.44%, it is expected that the saving will be achieved.

- ii Firebuy
It is intended to purchase a new rescue tender and hydraulic rescue equipment through Firebuy contracts, which will result in the agreed gains of £10,000.

2 Other

A review of funding major parts required for repairs and of using the internal workshop for some additional work has enabled a budget reduction of £14,500. Its delivery is currently being monitored.