



SHROPSHIRE AND WREKIN  
FIRE AUTHORITY  
STRATEGY AND RESOURCES COMMITTEE

MEDIUM TERM FINANCIAL PLAN

25 MAY 2006

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# Comprehensive Performance Assessment 2005

- Capacity: Resources and Value for Money
- Score 2
- No medium-term financial strategy in place to formalise financial planning

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# MTFP CONTENTS

- Introduction and Service Priorities
- National Context
- Overview of Revenue
- Value for Money Strategy
- Overview of Capital Investment Plan
- Treasury Strategy
- Budget Risk Assessment
- Benchmarking and Best Practice
- Prudential Indicators

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# Service Priorities



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# Aims and Objectives

- **STRATEGIC AIM 1**
- Reduce the risk to life and material loss from fires, road traffic collisions and other emergencies in the community
- **STRATEGIC AIM 2**
- Protect life, property and the environment from fire and other emergencies
- **STRATEGIC AIM 3**
- Secure the highest level of safety and welfare for all staff and Authority members by providing effective supervision, training, equipment and systems of work
- **STRATEGIC AIM 4**
- Provide a service that demonstrates quality and Best Value in service provision
- **STRATEGIC AIM 5**
- Provide a service committed to the highest levels of equality and fairness

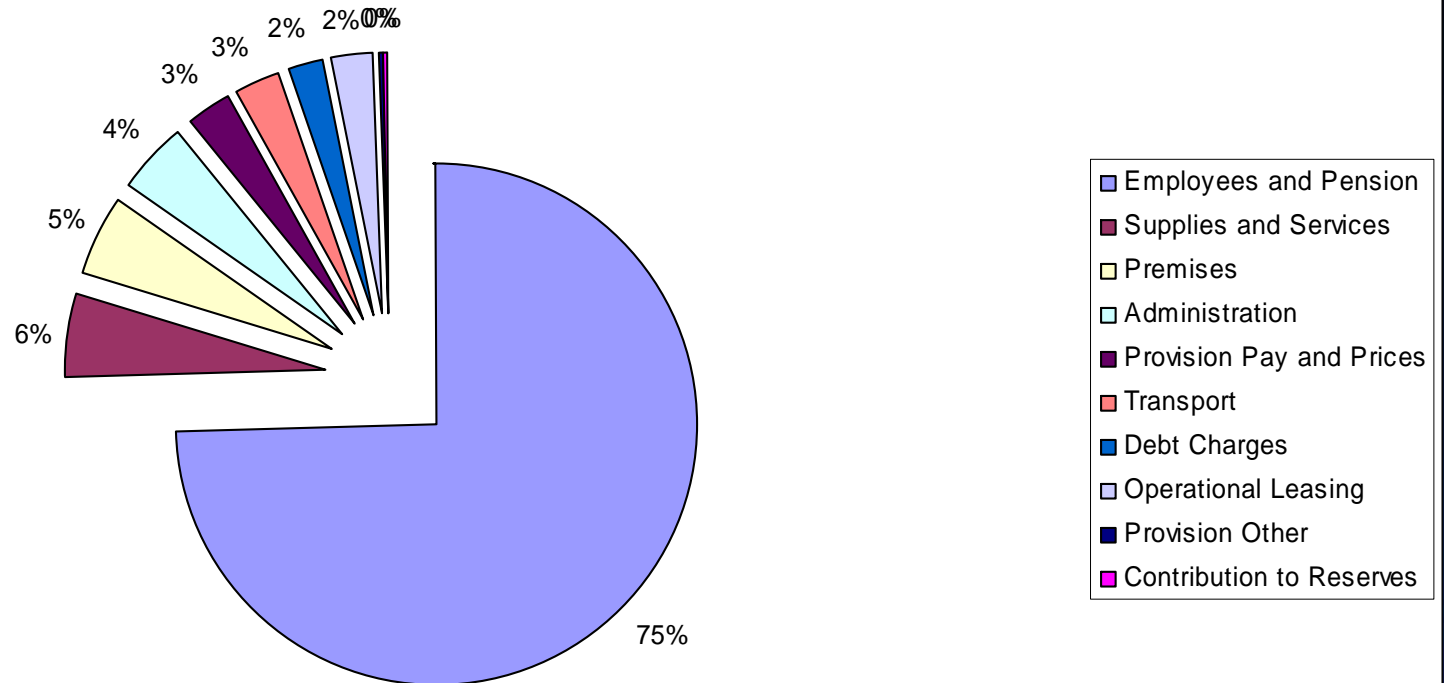
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# Budget Breakdown

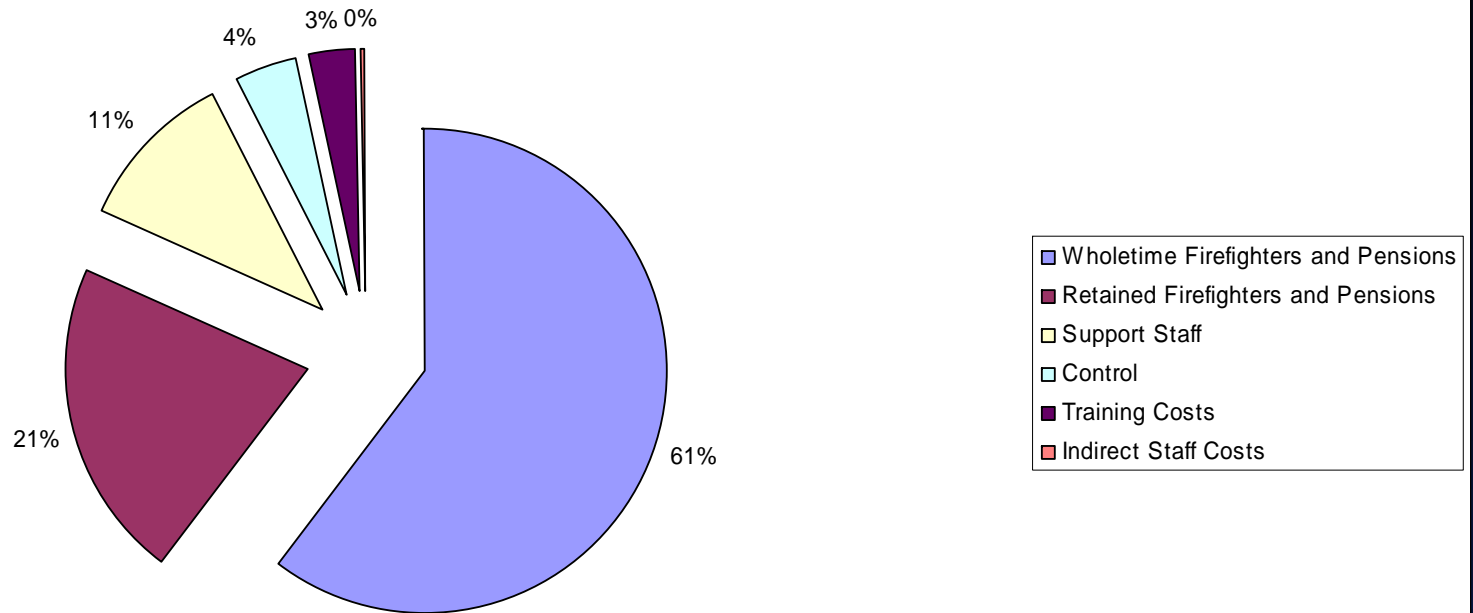
Shropshire and Wrekin Fire Authority Budget Breakdown 2006/07





# Employee Detail

Shropshire and Wrekin Fire Authority Breakdown of Employee Costs 2006/07



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# Priorities and Improvement

Ref	Description of PI	Source	Audit Lower Threshold	Audit Upper Threshold	SWFA Outcome	SWFA Position
F1	Primary fires per 10,000 population	BVPI 142 (ii)	15.2	7.5	7.7 (following deprivation adjustment)	Mid Table
F2	Accidental dwelling fires per 10,000 dwellings	BVPI 142 (iii)	10.0	5.2	5.9 (following deprivation adjustment)	Mid Table
F3	Deaths arising from accidental dwelling fires per 100,000 population	BVPI 143 (i)	0.625	0.5	0.49	<b>Upper Table</b>
F4	Injuries arising from accidental dwelling fires per 100,000 population	BVPI 143 (ii)	10.9	6.3	3.8	<b>Upper Table</b>
F5	Percentage of accidental dwelling fires contained to room of origin	BVPI 144	89.8%	91.3%	91.7%	<b>Upper Table</b>
F6	False alarms caused by automatic fire detection attended per 1,000 non-domestic properties	BVPI 149	150.9	112.2	83.6	<b>Upper Table</b>
F7	Number of deliberate primary fires (including vehicles) per 10,000 population	BVPI 206 (i) and (ii)	No change from 2004/05 to 2005/06	5% reduction from 2001/02 to 2005/06	45% reduction from 2001/02 to 2005/06	<b>Upper Table</b>
F8	Number of non-fire related incidents attended per 10,000 population	Non BVPI	30.2	23.1	22.95	<b>Upper Table</b>





# The Costs of Further Improvement

- Improving Smoke Alarm Ownership
- Ensuring all Fire Appliances are Available
- Ensuring Fire Appliances are Located to Match Risk

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# National Context



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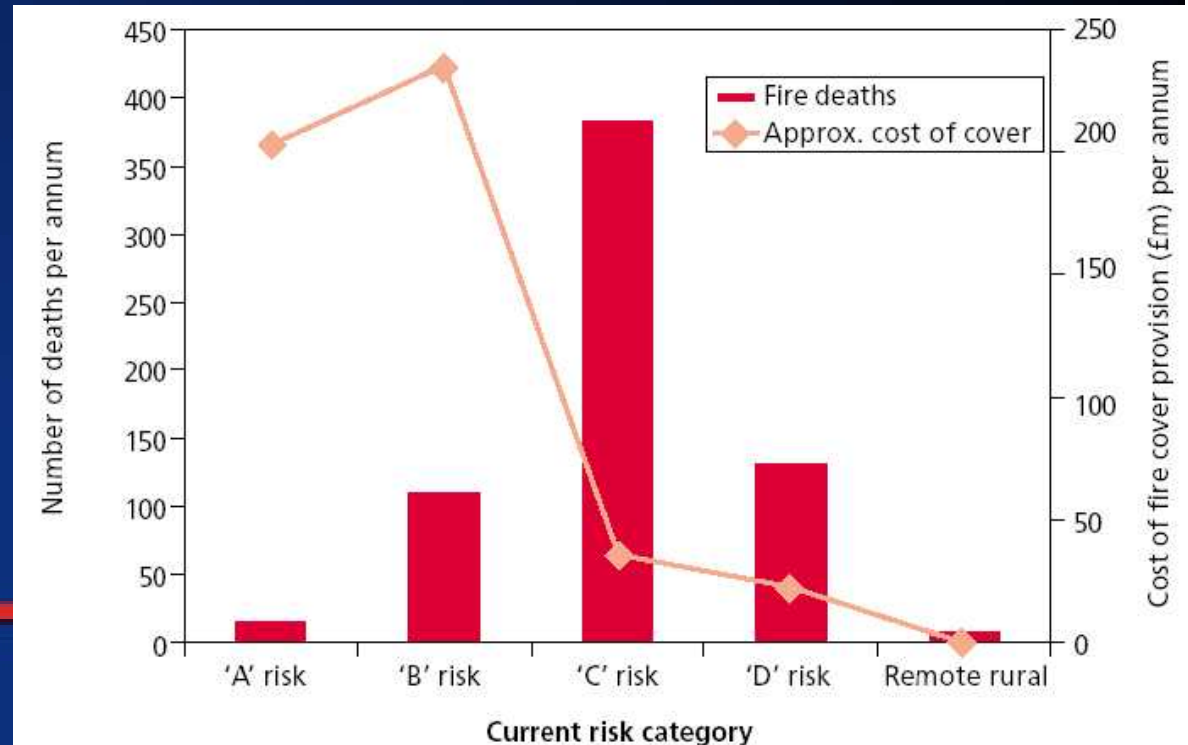
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# Background

- The Bain Review (2002)
- Our Fire and Rescue Service (White Paper 2003)
- Fire and Rescue Service Act 2004
- Fire and Rescue National Framework 2004/05
- Fire and Rescue National Framework 2005/06

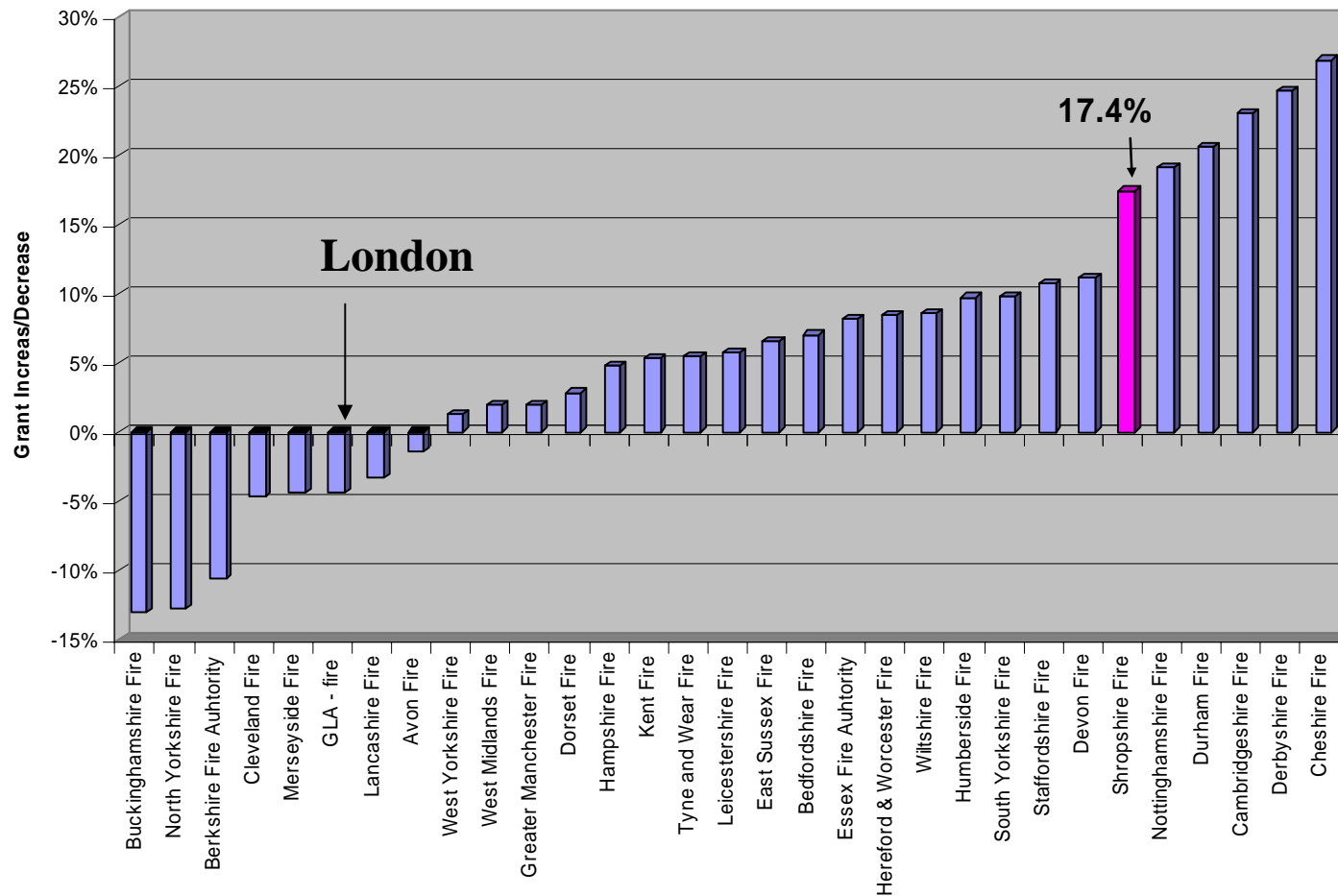


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# Local Government Finance Settlement 2006-07 and 2007-08

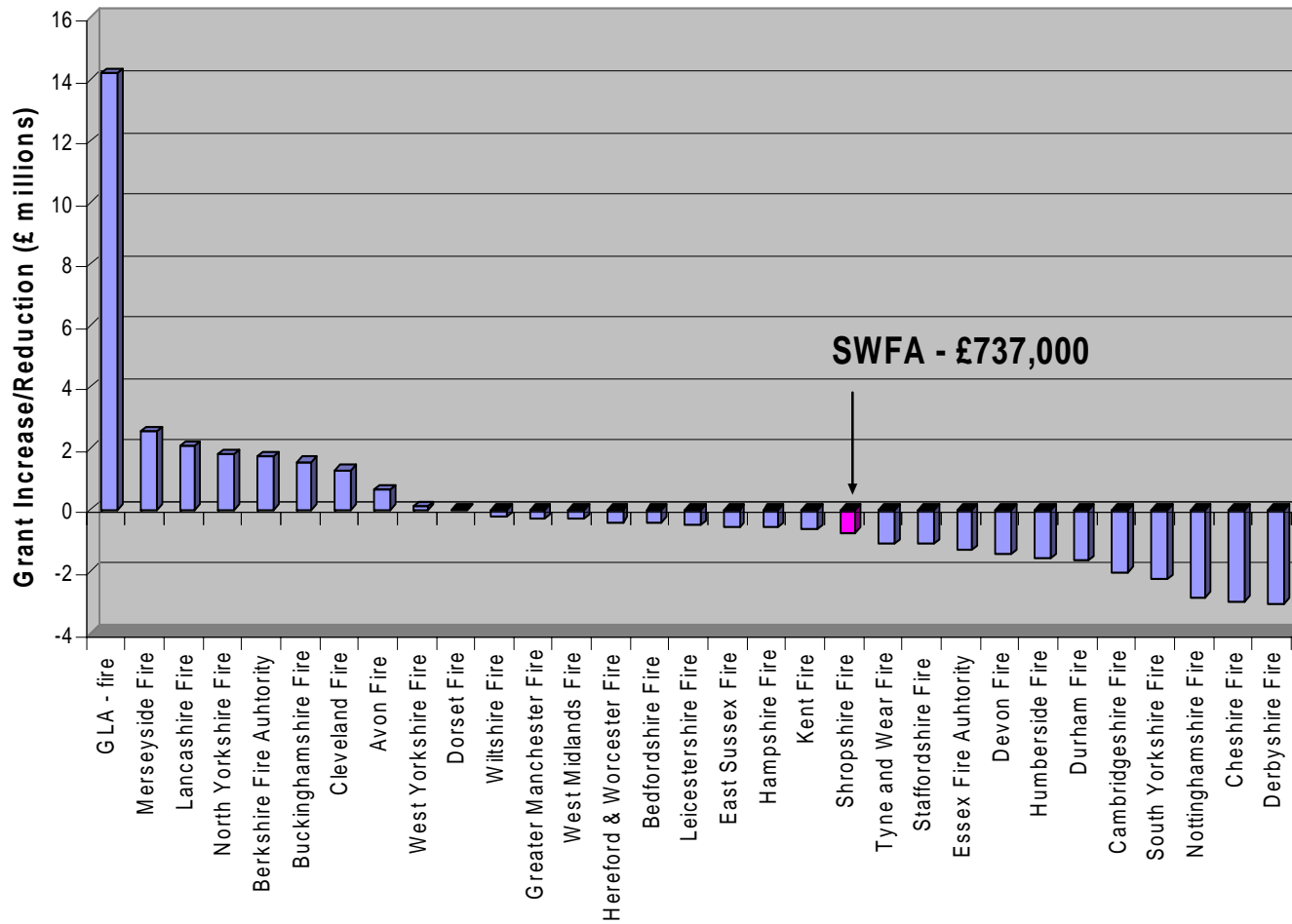
Percentage Grant Changes for English FRAs 2006/07





# Financial Impact of Flooring

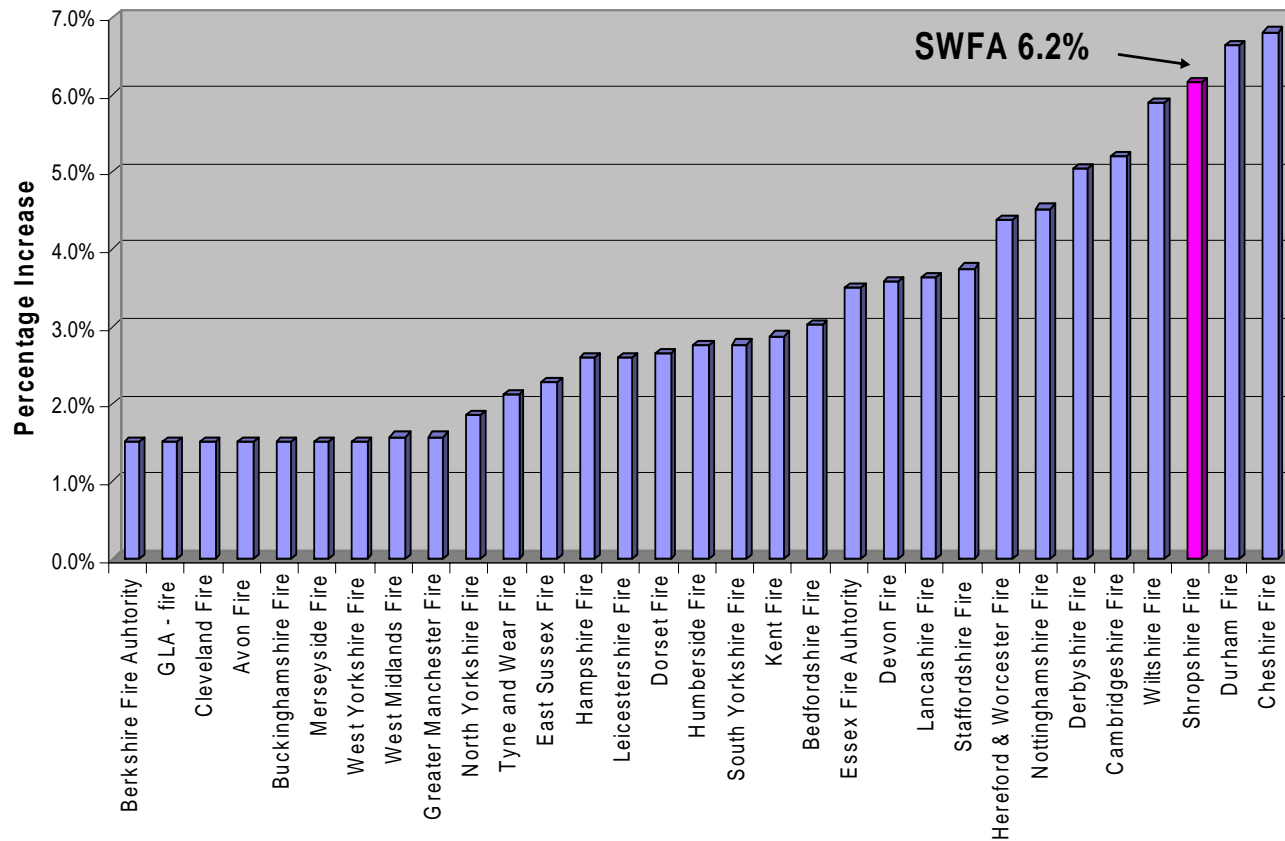
Financial Impact of Flooring 2006-07





# % Grant Increase After Flooring

Percentage Grant Increase after Flooring 2006/07



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# Final Grant

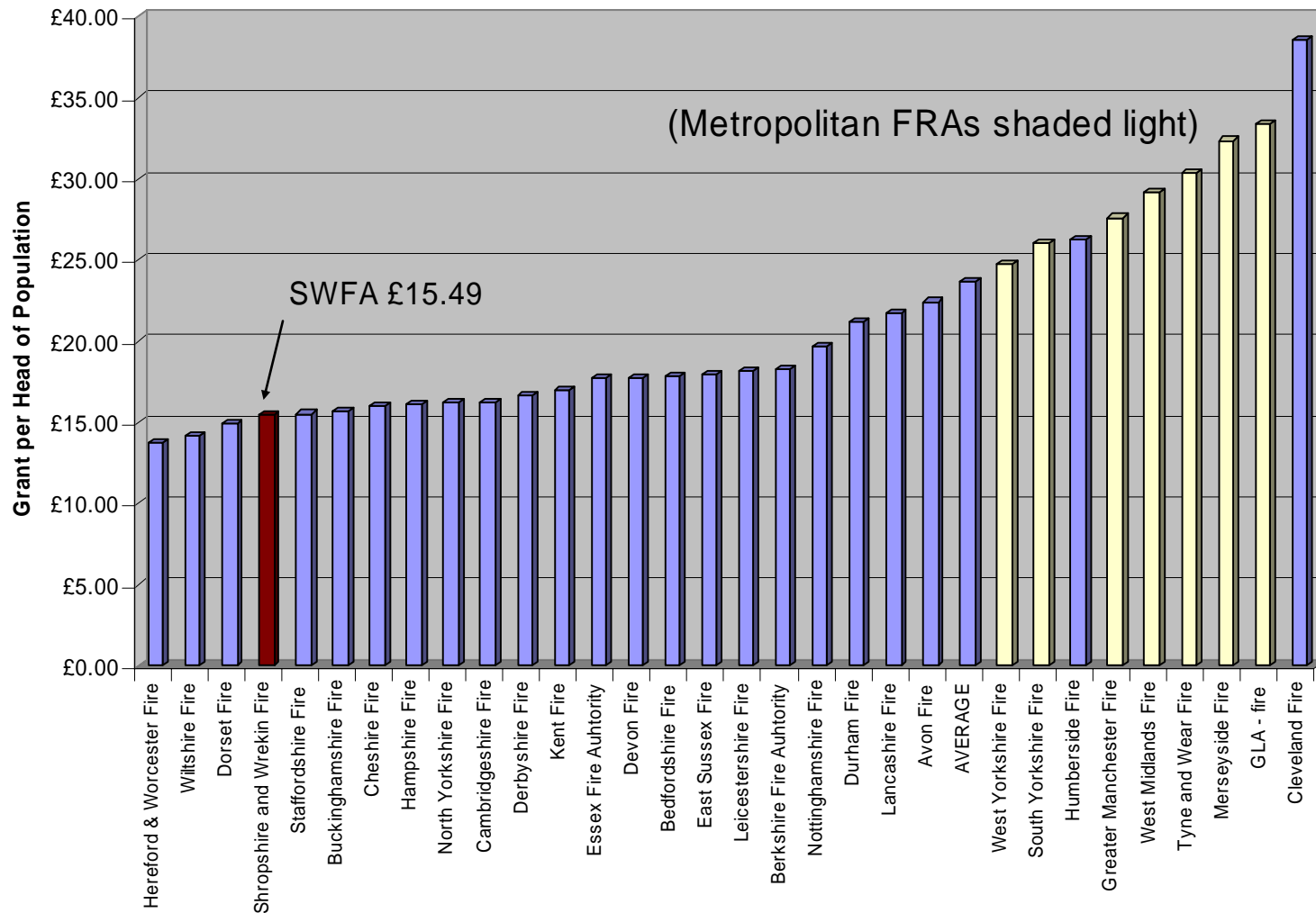
	<b>Grant</b>	<b>% change over 2005/06</b>
Grant 2005/06 (adjusted to take account of changes to pension financing)	£6,522,000	
Grant 2006/07	£7,692,000	17.4
Grant after flooring	£6,956,000	6.2
Grant after previous years adjustments	£6,786,000	3.6

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# Grant Per Head of Population

Grant per head of Population for CFAs and Metropolitan FRAs 2006/07

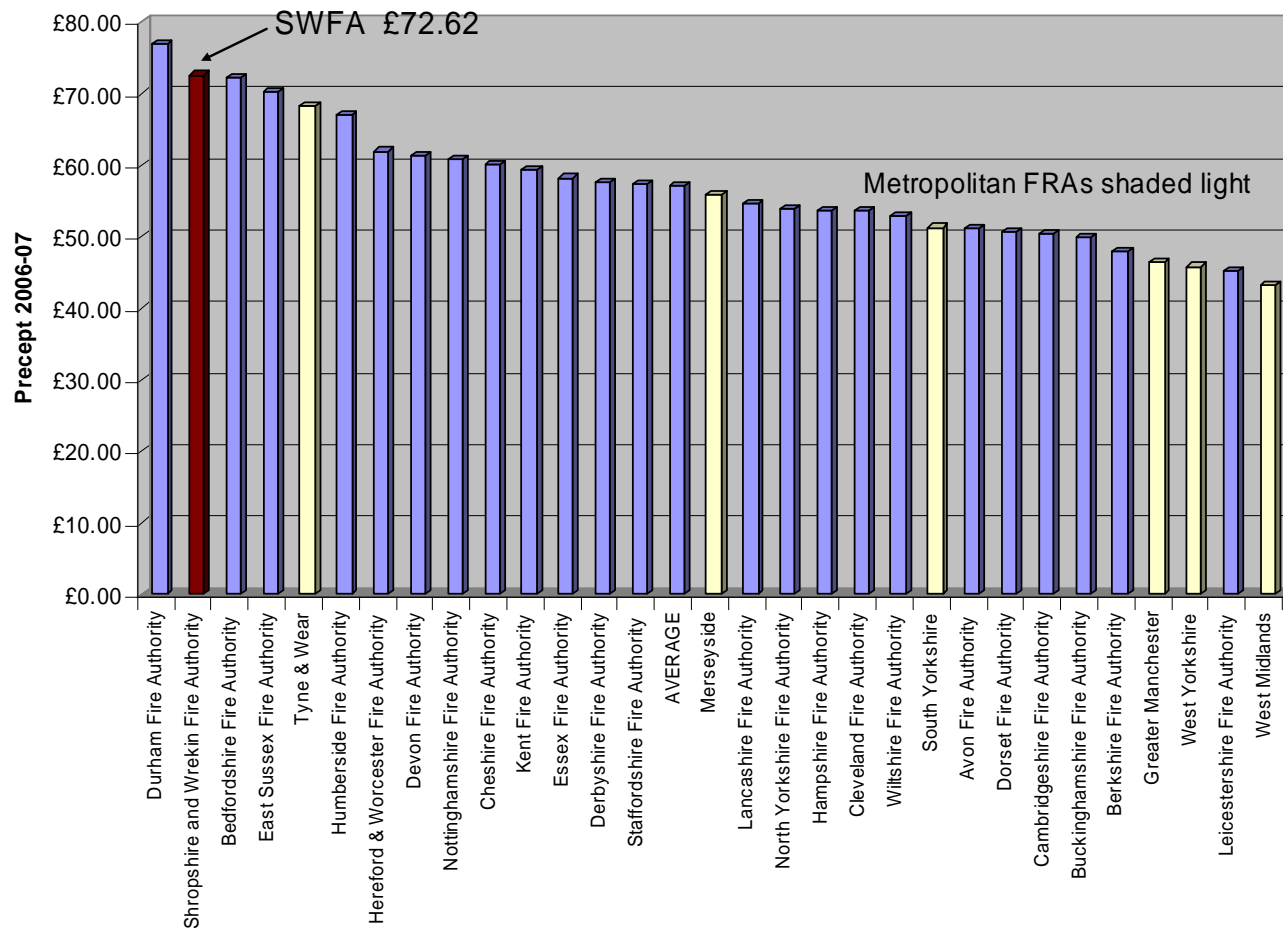






# Precept 2006-07

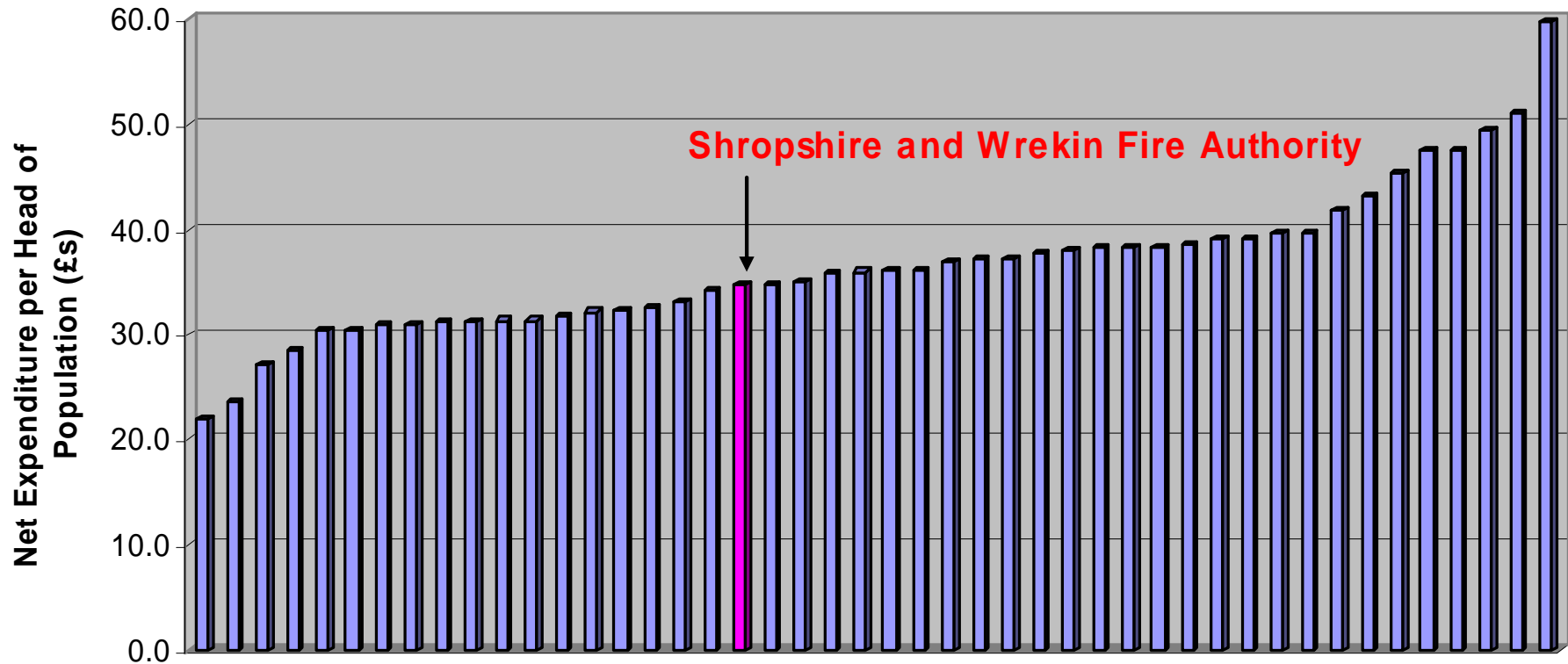
Precept 2006-07





# Cost Per Head of Population

Net expenditure per head (£) 2004/05





# Overview of Revenue



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# SWFA Response to Grant Settlement

- General Support for Changes
- But!
- Sparsity Element (lack off)
- Floors
- Previous Years Adjustments

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# Effect on Precept

- Could have been a reduction
- IRMP Efficiencies £259,000
- Retained Review Investment  
£824,000

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# Proposals for Consultation

2006/07 Precept Options				2007/08 Precept Increases				
2006/07 Increase in Precept	Total Precept £	Annual Cash Increase £	Net Surplus/ (Shortfall) for 2006/07 £	5% Surplus/ (Shortfall) £	4.5% Surplus/ (Shortfall) £	4% Surplus/ (Shortfall) £	3.5% Surplus/ (Shortfall) £	3% Surplus/ (Shortfall) £
5%	72.95	3.47	(33,000)	162,000	104,000	48,000	(9,000)	(66,000)
4.5%	72.61	3.13	(86,000)	106,000	49,000	(8,000)	(64,000)	(121,000)
4%	72.26	2.78	(141,000)	48,000	(8,000)	(65,000)	(121,000)	(177,000)
3.5%	71.91	2.43	(195,000)	(9,000)	(65,000)	(121,000)	(178,000)	(234,000)
3%	71.56	2.08	(249,000)	(66,000)	(122,000)	(178,000)	(234,000)	(290,000)

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# Consultation Results

“Budget increase is satisfactory and justified”

“Vastly improved retained service”

“Excellent Value for Money”

“Percentages deemed well chosen”

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# Expenditure Growth

## Analysis of Expenditure Growth 2006/07 to 2007/08

	2006/07 £000	2007/08 £000	2008/09 £000
i. 2005/06 Budget Requirement	17,948	17,948	17,948
ii. Less reserves set aside in 2005/06	329-	329-	329-
iii. Changes to Firefighters' Pension arrangements	322-	167-	18
iv. Other committed changes	186-	219-	269-
	17,111	17,233	17,368
v. Pay and Price Increases	400	900	1,400
vi. Cashable efficiencies	336-	336-	336-
vii. Retained Review, IRMP, etc.	923	1,018	1,116
viii. Capital Programme	96	245	427
ix. Reserves and Provisions - Transitional Payment Reserve offset by addition to Capital Reserve	68-	100-	-
x. Grant amending orders	170	-	-
	18,296	18,960	19,975







# Budget Management

	Staff Budgets	Other Budgets	Total Budget 2006-07	Capital
<b>Executive</b>	563,486	1,850,139	2,413,625	
<b>Community Safety</b>	10,664,125	35,460	10,699,585	
<b>Human Resources and Development</b>	903,471	867,246	1,770,717	50,000
<b>Performance Improvement</b>	684,541	666,487	1,351,028	185,000
<b>Resources</b>	377,912	1,683,407	2,061,319	1,380,000
<b>Grand Total</b>	<b>13,193,535</b>	<b>5,102,739</b>	<b>18,296,274</b>	<b>1,615,000</b>

<b>Revenue Budget 2006/07</b>			<b>18,296,274</b>	
<b>Capital Programme 2006/07</b>				<b>1,615,000</b>



# Risks and Reserves

Provision or Reserve	Balance 1 April 2006 £000	Expenditure 2006/07 £000	Income 2006/07 £000	Balance at 1 April 2007 £000
<b>Provisions</b>				
Transitional Funding	201	100-	-	101
Equipment Replacement	100	15-	15	100
<b>Reserves</b>				
Retained Service	-	-	-	-
Efficiency	100	50-	-	50
Pensions Liabilities	400	50-	-	350
Bad Weather	250	-	-	250
Capital Reserve	550	340-	72	282
<b>General Balance</b>	<b>791</b>	<b>-</b>	<b>-</b>	<b>791</b>



# Value For Money Strategy

(Not Yet Completed)



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# Overview of Capital Investment Plan



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# Proposed Capital Investment

	2006/07	2007/08	2008/09
	£000	£000	£000
Performance Improvement	185	50	310
Human Resources & Development	50	30	30
Resources	1,380	1,295	2,015
Service Delivery		150	
	<hr/> 1,615	<hr/> 1,525	<hr/> 2,355



# Significant Investments

- Premises. Maintenance and relocation to improve service
- Vehicles. To meet fleet replacement policies
- Prevention. Investment in service developments
- Training. Maintaining and improving facilities

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# Treasury Strategy



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- Long Term Borrowing
- Short Term Investments
- Prudential Indicators
- Strategy Proposals
- Short Term Investment
- Treasury Management Practice
- Governance Arrangements
- Performance Measurement

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# Budget Risk Assessment



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# Risk Headings

- Demand/Demography
- Funding
- Departmental
- Costs and Prices
- New Legislation

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# Benchmarking and Best Practice



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# CIPFA

## Minutes of the Meeting of Performance Management Committee 30 March 2006

### Paper 12: 2005/06 Expenditure Statistics

- *Members request that the Fire Authority assures itself that any potential opportunities for service improvement are followed up, through the Strategy and Resources Committee.*

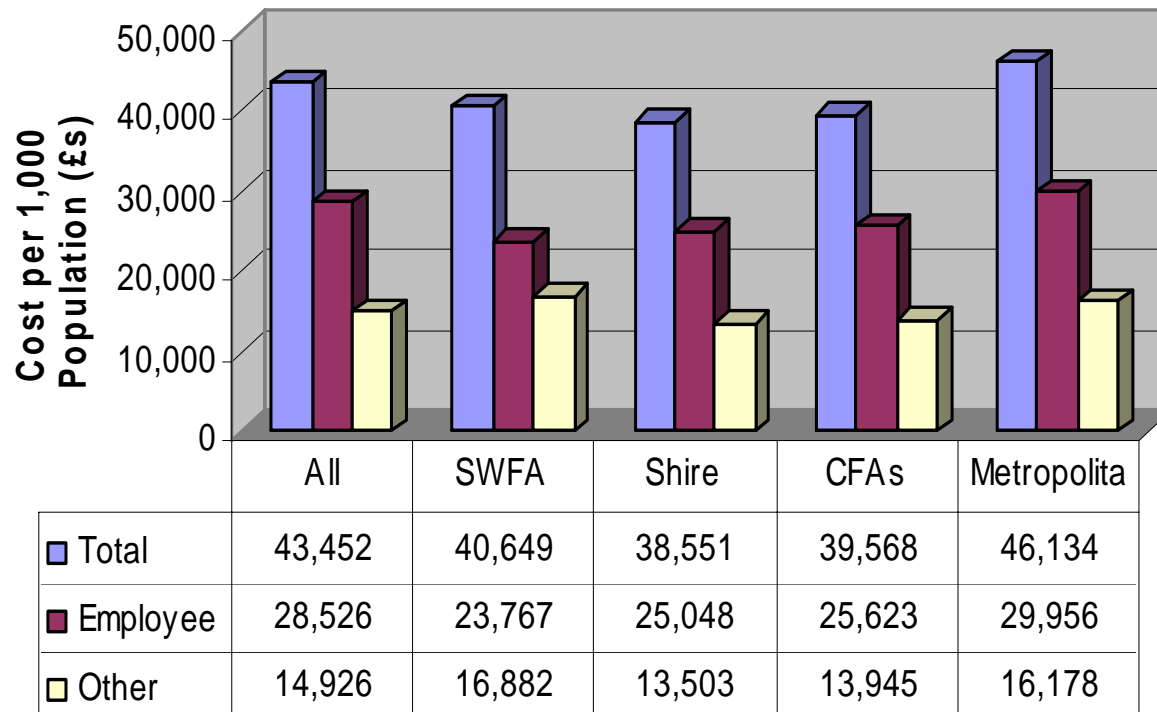
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# Employee Low/ Other High

## Breakdown of Costs

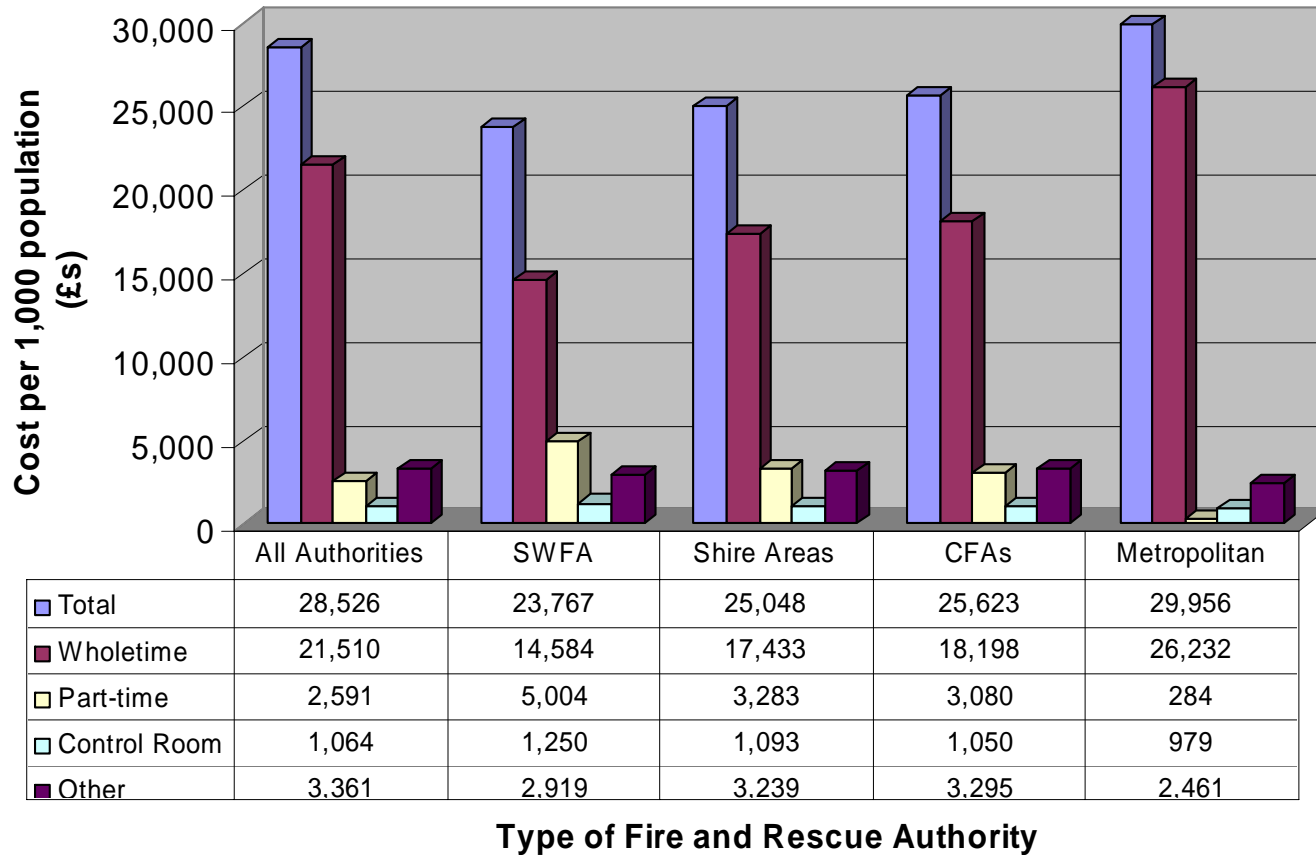


Type of Fire and Rescue Authority



# Wholetime Low/ Retained High

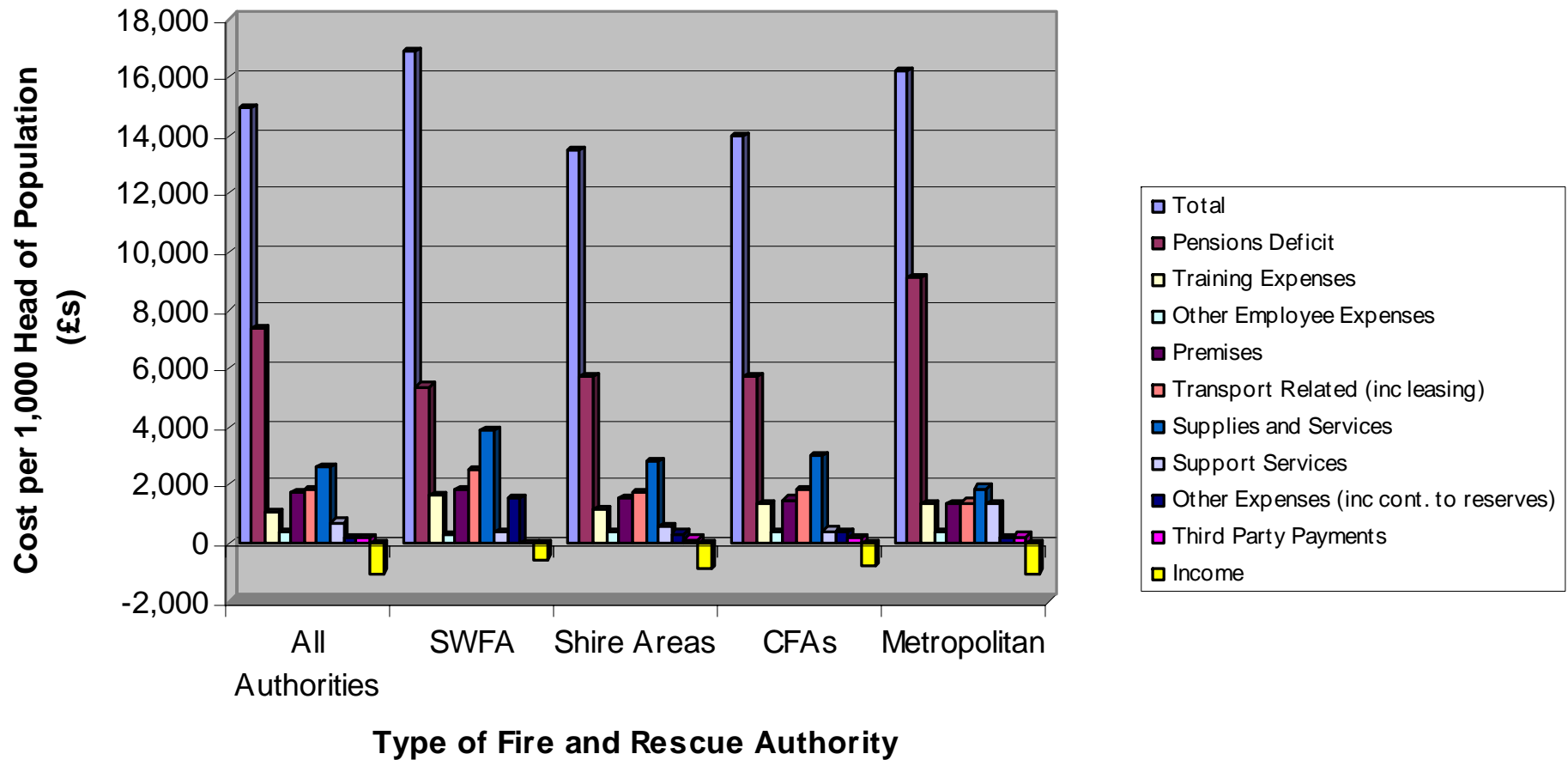
## Breakdown of Employee Costs





# Training, Transport, Services and Other Expenses all High

## Breakdown of Non-employee Costs





# Comparative Costs

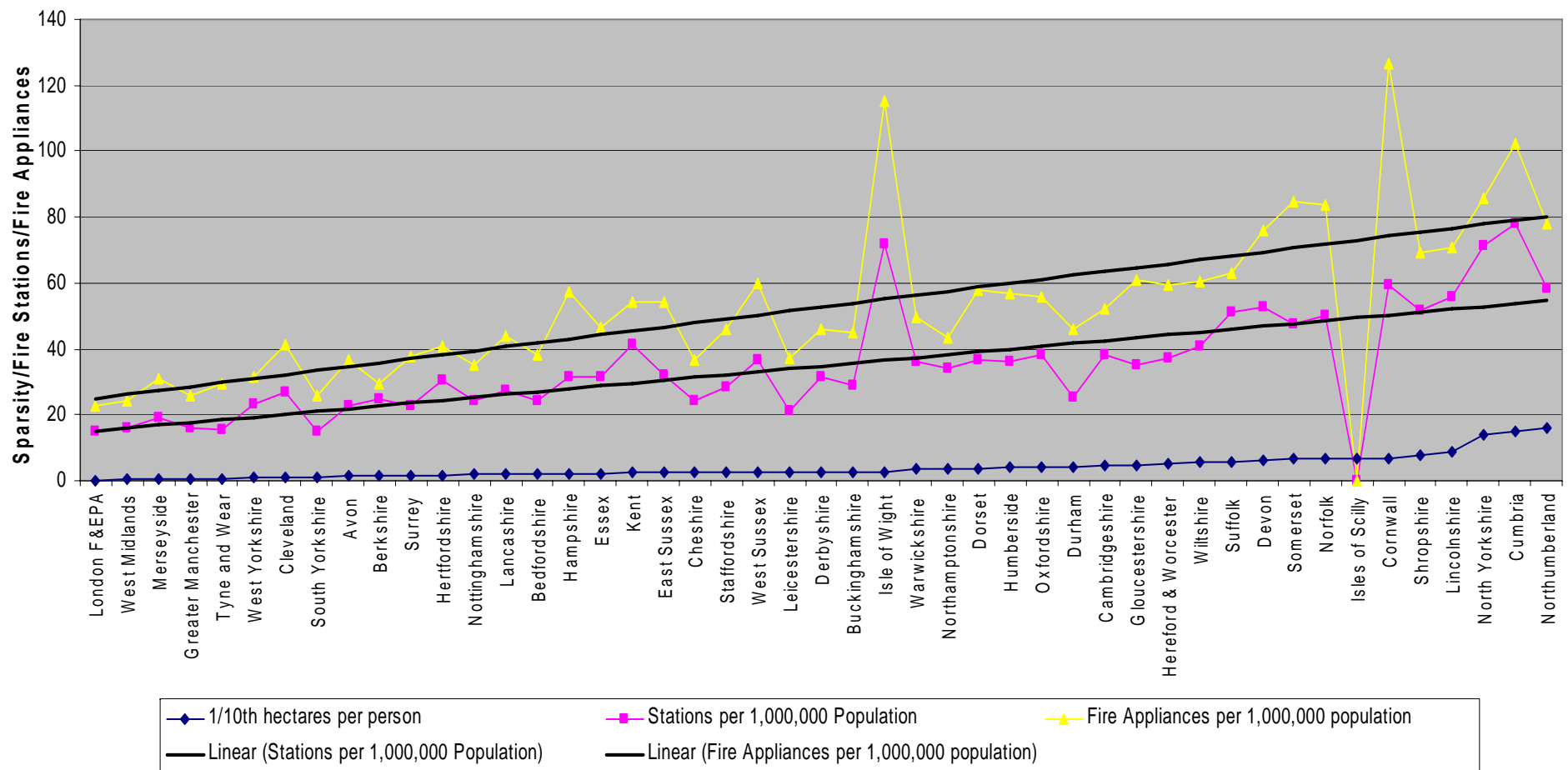
	Cost per '000 Pop. SWFA £	Cost per '000 Pop. All Authorities £	Cost per '000 Pop. CFA's £	Cash equivalent of the difference All Authorities £000	Cash equivalent of the difference CFAs £000
Employees					
Wholetime	14,584	21,510	18,198	3,096	1,615
Part-time	5,004	2,591	3,080	(1,079)	(860)
Control Room	1,260	1,064	1,050	(88)	(94)
Other Staff	2,919	3,361	3,295	198	168
Total	<b>23,767</b>	<b>28,526</b>	<b>25,623</b>	<b>2,127</b>	<b>829</b>
Pensions Deficit	5,376	7,350	5,748	882	166
Training Expenses	1,678	1,038	1,340	(286)	(151)
Other Employee Costs	273	368	365	42	41
Premises	1,812	1,759	1,503	(24)	(138)
Transport	2,512	1,805	1,861	(316)	(291)
Supplies & Services	3,852	2,577	2,971	(570)	(394)
Support Services	349	722	430	167	36
Other	1,577	183	391	(623)	(530)
Third Party payments	-	159	156	71	70
Income	(548)	(1,035)	(820)	(218)	(122)
<b>Total</b>	<b>40,649</b>	<b>43,452</b>	<b>39,568</b>	<b>1,252</b>	<b>(484)</b>





# Sparsity and Costs

Relationship Between Sparsity, Fire Stations and Fire Appliances





# Best Practice



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# New Shift Patterns for Wholetime Firefighters

- Case studies from:
- Greater Manchester
- Cheshire
- Northumberland
- West Yorkshire

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# Benchmarking

FRA	Population	pop divided 1000	Sub Officer & below	Sub O & below per 1000 population	League Table Position
Shropshire	447,000	447	190	0.43	17
Northumberland	308,400	308	167	0.54	32
<b>Average all FRAs (47)</b>	49,855,555	49,856	27,670	0.56	<b>N/A</b>
Cheshire	986,100	986	575	0.58	36
West Yorkshire	2,095,862	2,096	1,488	0.71	40
Greater Manchester	2,530,956	2,531	1,842	0.73	42



# Other Considerations

- IRMP Action Plan 2004/05 Reduced attendances at Automatic Fire Alarms providing increased productivity (e.g. increased Community Fire Safety).
- IRMP Action Plan 2005/06 Improved use of wholetime staff not required to crew appliances (daytime). Crews required to undertake CFS in rural communities.
- IRMP Action Plan 2006/07 Reduced establishment at wholetime fire stations by 8 firefighters (4.75% of establishment). Reduction in aerial appliance cover.
- IRMP Action Plan 2007/08 Proposal for maintenance of exact establishment requirements at nights. Improved productivity in rural CFS.

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# Flexible Duty Systems for Senior Officers

FRA	Population	pop divided 1000	Station Officer & above	Stn O & above per 1000 population	League Table Position
Cheshire	986,100	986	40	0.041	2
Shropshire	447,000	447	26	0.058	9
<b>Average all FRAs (47)</b>	49,855,555	49,856	4,146	0.83	<b>N/A</b>
Isle of Wight	139,000	139	15	0.108	43
Merseyside	1,364,000	1,364	181	0.133	45

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# Retained

- **New Shift Patterns for Retained Firefighters**
- Case studies from:
  - Devon
  - Surrey
- Retained Review
- ODPM comments “if every FRS had been as proactive as Shropshire post-retained review we'd all be much further along in trying to establish workable solutions to the long-standing problems.”

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# Retained

- **Introduction of Dual Wholetime/ Retained Contracts for Existing Personnel**
- Case studies from:
  - Kent
  - Surrey
  - Bedfordshire
- Shropshire has 22 Wholetime Retained Ffs
- 13% of those available
- 9 extra in 2005

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# Reducing Resources at Night

FRA	Population	pop / 1000	Sub Officer & below	Sub O & below per 1000 population	League Table Position
Shropshire	447,000	447	190	0.43	17
<b>Average all FRAs (47)</b>	49,855,555	49,856	27,670	0.56	<b>N/A</b>
West Midlands (Days)	2,578,000	2,578	1,735	0.67	39
West Midlands (Nights)	2,578,000	2,578	1,672	0.65	39

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# Creating a Strategic Reserve

- West Midlands
- 15 Wholetime Appliances
- Cost £12 million

- Shropshire
- 23 Retained Appliances
- Cost £2.5 million

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# Recommendation

- CIPFA Benchmarking and consideration of Best Practice should be highlighted in MTFP, but more detailed analysis should be excluded from Plan and reported separately to CFA and Strategy and Resources

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# Any Questions?



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