

REPORT OF THE TREASURER

ANNUAL EFFICIENCY STATEMENT

1 Purpose of Report

This report updates Members on progress so far against the Fire Authority's policy on seeking efficiencies, and recommends a forward looking statement for 2006/07 as required by the Government.

2 Recommendations

The Committee is asked to

- a) Note the position on efficiency planning; and
- b) Agree the Annual Efficiency Statement (AES) attached at the Appendix to this report.

3 Background

The Fire Authority has already noted the national targets for the Fire Service, 5% by 2007/08, and adopted a policy of looking for a local disaggregated target of about £890,000. To date cashable savings of £711,000 have been identified and the money removed and reallocated within the budget.

The Fire Authority has also acknowledged that simple disaggregation of the target does not imply that such a level should or could be achieved. Conversely, if it were possible to find more efficiencies, this would be done.

The Fire Authority has, therefore, established a policy of looking to maximise efficiencies in order to achieve best value and give opportunities to invest any savings in priority service objectives. This has been exposed in the medium term financial plan as being the intention to fund future developments from efficiencies.

4 Annual Efficiency Statement

Authorities must submit their forward looking AES in April of the year in question. This should outline the strategy for securing efficiency gains, the key actions that will



be taken during the next year, and the efficiency gains that are expected to result. Further guidance is promised, but subject to any amendments, which might then prove necessary, Members are asked to agree the attached AES.

5 Legal Comment

There are no legal implications arising from this report.

6 Financial Implications

There are no financial implications arising directly from this report other than those discussed within the report.

7 Equality and Diversity Implications

There are no equality or diversity implications arising from this report.

8 Appendix

Annual Efficiency Statement

9 Background Papers

There are no background papers associated with this report.

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202 or Joanne Coadey, Principal Accountant, on 01743 260215.



ANNUAL EFFICIENCY STATEMENT - FIRE AND RESCUE AUTHORITIES - Efficiency Savings Planned in 2006-07

Summary

	Quality Cross - Check (QCC) Met?	One off or recurring?	Annual Cashable Efficiency Gain (£k)	Capital or Revenue?	Cumulative Cashable Efficiency Gain (£k) (including recurring gains from 2004-05)	Annual Non-cashable Efficiency Gain (£k)	Cumulative Non-Cashable Efficiency Gain (£k)
Safety Management	Yes		-	Revenue	30	-	-
Procurement	Yes	Recurring	10	Revenue	54	-	-
Risk Based Cover	-	Recurring	259	-	361	-	12
Corporate Services	-	Recurring	25	-	98	-	-
Property	Yes	-	-	Revenue	10	-	-
Plant and Equipment	Yes	Recurring	14.5	Revenue	78	-	-
Retained Service	Yes	-	-	Revenue	80	-	-
Total			308.5		711		

Narrative

Attached is a very brief outline of the strategy for securing efficiency gains, the key actions that will be taken during 2005-06, and the efficiency savings that are expected to result from them, including how any estimates have been calculated and progress with implementation to date.

To be signed by the Chair of the FRA:

Signature:	Date:
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and Chief Fire Officer:

Signature:	Date:
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and Chief Financial Officer

Signature:	Date:
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Shropshire and Wrekin Fire Authority

Efficiency Savings Achieved in the Current Financial Year 2005/06

Summary

Category	One-Off or Recurring	Annual Cashable Efficiency Gain	Cumulative Cashable Efficiency Gain	Annual Non Cashable Efficiency Gain	Cumulative Non Cashable Efficiency Gain
		£000	£000	£000	£000
Reductions Now Planned					
Procurement	Recurring	10	10		
Risk Based Cover	Recurring	259	259		
Plant and Equipment	Recurring	14.5	14.5		
Corporate Services	Recurring	25	25		
		308.5	308.5		

The basic strategy for efficiencies has been to review thoroughly the entire base budget for 2006/07 and to remove from the 2006/07 budget those savings that could be made without reducing the level of service provided. Also removed were those savings achieved, because of previous strategies and procedures, or because management action might deliver results. Finally, close monitoring of the budget with devolved budget holders is undertaken each month to discover whether any further efficiencies are revealed during the year. A longer-term driver for efficiencies has been to set a policy whereby service developments must be funded from efficiencies.

Budget Reductions Now Planned

i. Procurement

A target of £10,000 is set to be achieved from the 2.5% prices contingency established for 2006/07. At present this looks to be achievable.

ii. Risk Based Cover

A review of the two permanently crewed aerial appliances in Shropshire identified this as an over provision of resources. As part of the Integrated Risk Management 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 4 to 6 weeks a year due to servicing or repairs. In future this might be covered by a regional reserve;
- 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 8 posts and a saving of £259,000.

iii. Plant and Equipment

A review of funding major parts required for repairs and of using the internal workshop for some additional work has resulted in budget reductions of £14,500.

iv. Corporate Services

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.