

## Efficiencies 2007/08 and Forward Years

### Report of the Treasurer

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

#### 1 Purpose of Report

This report monitors the level of efficiencies achieved to date and sets out the current plans for further efficiency gains in 2008/09 to 2010/11.

#### 2 Recommendations

The Committee is asked to note progress on delivering efficiencies in 2007/08 and the current position.

#### 3 Background

2007/08 is the last year of the Government's first three-year cashable efficiency target for the Fire Service as a whole, of a cumulative 5.67%. This equates to £930,000 for this Authority, and the Appendix shows that we expect to deliver £921,000.

Fire Service Circular 50 removed the requirement to submit mid-year progress returns. The next return required will be the "Backward Looking" Statement for 2007/08, which is due on 8 July 2008. It is expected that this will be based on the Appendix, but an updated version will be presented to this Committee on 22 May 2008.

From 2008/09, and for the period of the Comprehensive Spending Review (CSR07), i.e. to 2010/11, cashable efficiency targets of 1.6% per annum have been set for the Fire Service. The Government sees this as essential, if Fire Authorities "are to continue with modernisation improvements and provide value for money to the taxpayer".



Exact reporting arrangements are to be announced, but would require continued reporting on an individual authority basis, together with a facility and guidance from Communities and Local Government to report collectively on efficiency savings delivered through the Regional Management Board.

This Authority considers that maximising efficiencies is an essential feature of delivering value for money, and this features in its Medium Term Financial Plan. This was emphasised at the last meeting of the Committee, when officers were requested to bring regular monitoring reports to the Committee regarding efficiencies.

The Authority has some reservations about the ability of all authorities to deliver the “average” efficiencies for the Service as a whole. This is because the objective of delivering efficiencies through modernisation will depend on the distance of travel of individual authorities. Such reservations are, however, not inconsistent with the desire to maximise efficiencies.

Finally, efficiencies are defined as cash savings, which do not reduce the level of service. The Authority has addressed the issue of prioritising service reductions during the “what-if” analysis of services, conducted as part of the previous Medium Term Financial Plan. It remains possible, therefore, for this Authority to consider the relative value of services in terms of their effect on performance, and to be in a position to evaluate spending priorities, should the need arise.

## **4 Monitoring Efficiencies**

### **2007/08**

It is expected that the efficiencies set out in the Appendix will be confirmed or marginally exceeded. In addition, there may be further procurement savings to be reported. These are usually quantified following schedules issued by Firebuy, and agreed with Communities and Local Government. It is, therefore, hoped that the disaggregated average is achievable.

### **2008/09**

The current budget includes £100,000 of ongoing efficiencies delivered by reducing the budget through firefighter vacancies, whilst retaining service and turnout performance. It is too early to say whether this can be exceeded because of the issues expected to arise as a result of retirements in 2008/09, but this will feature on the regular monitoring reports.

If 1.6% efficiencies are to be delivered each year, i.e. about £275,000, a further £175,000 would need to be found in 2008/09. To achieve this, and furthermore find an additional £275,000 in both 2009/10 and 2010/11 will require a significant redeployment of resources that can only be achieved through the Integrated Risk Management Planning (IRMP) Working Group.



A further £150,000 of efficiencies each year is built into the current budget projections for 2009/10 and 2010/11.

## 5 Financial Implications

The financial implications are as outlined in the main body of the report.

## 6 Legal Comment

There are no direct legal implications arising from this report.

## 7 Equality Impact Assessment

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 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.

## 8 Appendix

Annual Efficiencies - Table of Ongoing Efficiencies Identified to Date

## 9 Background Papers

There are no background papers associated with 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.

Balanced Score Card		Integrated Risk Management Planning	*
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings	*	Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



**Annual Efficiencies - Table of Ongoing Efficiencies Identified to Date**

Efficiency by Category	2004/05 Actual £000	2005/06 Actual £000	2006/07 Estimate £000	2007/08 Forecast £000	Total £000	Category Total £000
<b>Revised Shift System/ Crewing Arrangements</b>						<b>259</b>
– Aerial Appliances			259		259	
<b>Other IRMP Efficiencies</b>						<b>222</b>
– Extra Large Cabs	90				90	
– Unwanted Fire Alarms	12				12	
– Reissue of Fire Kit				20	20	
– Management of Vacancies				100	100	
<b>Collaboration</b>						<b>9</b>
– Market Drayton Rental				9	9	
<b>Ill-health Retirements</b>						<b>16</b>
– Redeployment				16	16	
<b>Sickness Reductions</b>					-	-
<b>Other Human Resource Savings</b>						<b>82</b>
– Driver Training		9			9	
– Wholetime /Retained Firefighters		6			6	
– Non-uniformed Inspectors			25	17	42	
– Retained Support Officers			25		25	
<b>Better Procurement</b>						<b>140</b>
– Reducing Prices	25	17			42	
– Insurance Accident Review		12			12	
– Insurance Motor Experience		49			49	
– Occupational Health		4			4	
– Firebuy		3			3	



- Hydrant Contract				20	20	
- Recruit Training				10	10	
<b>Corporate</b>						<b>73</b>
- Senior Management Review	40				0	
- Risk Management Posts		33			33	
<b>Other</b>						<b>120</b>
Ground Maintenance		5			5	
Retained (Extreme Weather)		65			65	
Internal Workshop			9		9	
Rating Appeals				38	38	
Insurance of Vehicles				3	3	
	167	203	318	233	921	921
Cumulative	167	370	688	921		
National Target		208	676	930		
Excess/(Shortfall)		162	12	(9)		

