

## Efficiencies 2007/08 and Forward Budgets

### Report of the Treasurer

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

#### 1 Purpose of Report

This report seeks the scrutiny and approval of the Committee to the backward and forward looking Annual Efficiency Statements (AES) for 2007/08. Although no longer required by Government it is good practice to monitor progress.

It also looks at the implications for setting efficiency budgets in 2008/09 to 2010/11.

#### 2 Recommendations

The Committee is recommended to:

- a) Agree to the AESs as set out in paragraph 4; and
- b) Submit the efficiencies set out in paragraph 5 for inclusion in future budget planning.

#### 3 Background

The Authority had a total of £930,000 of on-going savings if it was to meet the national average target of efficiencies by March 2008.

Confirmed efficiencies up to the end of 2006/07 were £688,000 leaving £242,000 to find during 2007/08. The Authority took £85,000 out of its budget for efficiencies during 2007/08 therefore leaving a further £157,000 to be found.

#### 4 2007/08 Efficiencies

Set out below are the efficiencies actually budgeted, together with the latest situation:-



	Efficiencies £ 000		Actioned £ 000		To be actioned £ 000		
<b>Original Plans</b>							
1	Reissue of Fire Kit	20	-	14	-	6	-
2	Market Drayton rental	9	-		-	9	-
3	Ill-health retirements	16	-	16	-	-	-
4	Hydrant Contract savings	20	-	20	-	-	-
5	Recruit Training	10	-	10	-	-	-
6	To be identified - target	10	-	See below	-	-	-
		85	-	60	-	15	-
<b>Further efficiencies identified</b>							
7	Saving in rates after investing in appeals	-	-	38	-	-	-
8	Vehicle insurance through continued low claims	-	-	3	-	-	-
9	Management of turn-out performance with vacancies for firefighters	-	-	100	-	160	-
10	Conversion of Inspector post in Fire Safety from uniformed to non-uniformed	-	-	17	-	-	-
		85	-	218	-	175	-
							(max)

It is proposed to include the “actioned” efficiencies as our statement of backward looking efficiencies and the “to be actioned” in our original plans (£15,000) as our forward looking efficiencies. If all were actioned the Authority would have delivered £921,000 against its target of £930,000. However there is still some work to do on firefighter vacancies. The further saving of £160,000 identified in 2007/08 may be achievable as an efficiency, either in whole or part.

## 5 2008/09 to 2010/11

The Comprehensive Spending Review for the period seemed to identify an annual 3% target for efficiencies, although details of how a target might apply to the Fire Service in particular were not given. Subsequently, it is understood that a target of 1.6% might be set for the Fire Service.



If one assumes a similar base line, then the equivalent figure for 2007/08 estimated expenditure is £17,238,000 i.e. 3% a year would be £517,000. It is difficult to see how an annual target of this level could be achieved whilst still maintaining the current level of service. 1.6% would equate to about £275,000.

The Authority would probably in any case wish to continue its policy of maximising efficiencies and therefore value for money, whether or not this fell short or exceeded any national average target that might be confirmed for the Service.

The current situation for 2008/09 is that efficiencies might be delivered through managing service delivery and staff vacancies, without increasing associated costs such as overtime (see item 9 in paragraph 4). It is therefore proposed that an efficiency of £100,000 be taken forward into 2008/09 and subsequent budgets, pending further investigation.

Finally it has been possible to maintain an estimated £50,000 balance within the Efficiency Reserve, partly by using other underspendings to invest in efficiencies – e.g. undertaking work to reduce the rates bill. Given the present uncertainty on future targets it would be prudent to maintain this balance for pump-priming future efficiencies.

## **6 Financial Implications**

The financial implications are as outlined in the report.

## **7 Legal Comment**

There are no direct legal implications arising from this report.

## **8 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.

## **9 Appendices**

There are no appendices attached to this report.

## **10 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	*

