

report

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY	
	FINANCE AND RESOURCES COMMITTEE	
date	13 April 2007	agenda item number

REPORT OF THE CHIEF FIRE OFFICER

MONITORING OF EFFICIENCY GAINS

1. PURPOSE OF REPORT

To report to Members the current position in respect of planned efficiency gains for 2006/07.

2. BACKGROUND

- 2.1. The Gershon report on public sector efficiency was published in 2004 and identified areas of potential efficiency gains in both central and local government. Following this, the Office of the Deputy Prime Minister, now Communities & Local Government (CLG) placed a requirement upon Fire and Rescue Authorities (FRAs) to report their efficiency gains through Annual Efficiency Statements.
- 2.2. FRS Circular 8/2005 "Efficiency and the English FRAs" set a target for FRAs to achieve £105 million gross cashable efficiency savings by 2007/08. This figure represents approximately 5% of estimated 2004/05 net expenditure. The target is to be achieved over the 3 years 2005/06, 2006/07 and 2007/08. A target has been set of £2.216m of cashable efficiency savings over the 3 years, with interim cumulative targets of £0.496m for 2005/06 and £1.610m for 2006/07.
- 2.3. Cashable efficiencies release cash whilst maintaining outputs. The resources released can either be cash savings or can be diverted to other services. Thus there is a direct financial saving or benefit, with money released that can be recycled within the FRA to deliver better results. Only cashable gains count towards the target
- 2.4. Non cashable gains occur when productive time has been freed but not yet redeployed to productive use in cashable form.

3. REPORT

- 3.1. The Mid-Year Annual Efficiency Statement Update was sent to CLG on 17 November 2006. This report updates the position shown in the Mid-Year Statement.
- 3.2. Appendix A is a monitoring report which shows efficiency gains achieved to date and planned for 2006/07, ie: it compares the total now expected to be achieved with the total reported in the 2006/07 Forward Look statement submitted in April 2006 and adds any new gains not identified at the time of preparing the Forward Look statement.
 - 3.2.1. The total planned cashable gain for 2006/07, as reported in April 2006, was £1.331m. The total of expected cashable gains reported now is £1.039m. This is a reduction of £292k.
 - 3.2.2. The deferral of the start date for Shift Change has impacted on two of the gains, firstly the deployment of Central Fire Station crew to community safety activities and

secondly, the transfer of posts arising from the Best Value Review of Road Traffic Collisions. The Central Fire Station initiative started in January 2007. The Specialist Rescue initiative will not now start until April 2007 so will fall within next year's efficiency gains. In addition, the project to review and implement Special Service Charges has not yet begun – an implementation date of 1 October 2006 was assumed but this has been deferred until 2007/08. The impact of delays in these three projects has reduced the expected cashable gain for 2006/07 by £422k

3.2.3. Five further efficiency gains have been added to the monitoring statement: driving examiner training; the conversion of posts from uniformed to non uniformed personnel; the procurement of smoke alarms, the procurement of driving instructor training and the procurement of photocopying services. The additional gains relating to these four items total £130k.

3.3. Cumulative efficiency gains for the periods 2005/06 and 2006/07 are estimated to be £2.141m. This sum will exceed the cumulative target set for the periods 2005/06 and 2006/07 by £0.531m.

4. PERSONNEL IMPLICATIONS

There are no personnel implications arising from this report.

5. FINANCIAL IMPLICATIONS

There are no budgetary implications arising from this report. The anticipated increase in Special Service Charge income has not been built into the 2006/07 budget so the delay will have no effect on the budgetary position. The efficiency implications are set out in the body of the report.

6. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

7. EQUALITY IMPACT ASSESSMENT

An initial assessment has revealed there are no issues impacting on equality arising from this report.

8. RECOMMENDATIONS

That Members note the contents of this report.

9. BACKGROUND PAPERS FOR INSPECTION

None.

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Appendix A

Efficiency Savings for 2006/07 (included on original Forward Look Statement)		<u>Cashable</u>	<u>Non</u>	Notes	<u>Projected</u> <u>Cashable</u> <u>Gains for</u> <u>2006/07 as at</u> <u>March 2007</u>
		£	£		£
Revised Shift Systems	Reduction in Flexi Duty Officers BVPI 143	26,417		Start date of 1/10/06	26,417
Revised Shift Systems	Demand Led Resourcing - Deployment of Crew at Central FS on Community Safety Activities	235,216		Start date now 4/1/07	96,112
Revised Shift Systems	Reduction in Ridership after Aerial Ladder Appliance Changes	744,490		Whole year	744,490
Revised Shift Systems	RTC Best Value Review - Transfer of Posts (2 tranches)	179,839		Assumed start date of 1/4/07	0
		<u>59,946</u>		Assumed start date of 1/4/07	0
Other IRMP Savings	Reduction of Mobilisations to False AFA Calls (BVPI 149)	40,852	76,533	Whole year	40,852
Other	Special Service Calls	42,619		Start date not known	0
Other	Treasury Management increase in interest earned	1,561		Whole year	1,561
		<u>1,330,942</u>	<u>76,533</u>		<u>909,432</u>

**Efficiency
Savings for
2006/07
(Additions)**

Other	Driving Examiner Training	4,500
HR Other	Conversions of Posts	87,670
Better Procurement	Purchase of Smoke Alarms under Firebuy agreement	25,062
Better Procurement	Approved Driving Instructor Training	7,476
Better Procurement	Photocopying Contract	5,317
Total		<u><u>1,039,457</u></u>