

meeting	NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE & RESCUE AUTHORITY
	FINANCE AND RESOURCES COMMITTEE
date	13 July 2007

REPORT OF THE CHIEF FIRE OFFICER

ANNUAL EFFICIENCY GAINS 2006/07

1. PURPOSE OF REPORT

To report to Members the final position in respect of reported 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 ODPM (now CLG) placed a requirement upon Fire and Rescue Authorities (FRA's) to report their efficiency gains through Annual Efficiency Statements.
- 2.2. FRS Circular 8/2005 "Efficiency and the English FRA's" set a target for FRA's 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. We have set ourselves a target 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 Backward Look Annual Efficiency Statement for 2006/07 was sent to CLG on 5 July 2007.
- 3.2. Appendix A shows the efficiency gains achieved in 2006/07 as well as the accumulated gains from 2004/05 and 2005/06
 - 3.2.1. Our total planned cashable gain for 2006/07, as reported in April 2006, was £1.331m. The total of expected cashable gains reported now is £0.965m. This is a reduction of £366k.
 - 3.2.2. The deferral of the start date for Shift Change impacted upon the transfer of posts arising from the Best Value review of Road Traffic Collisions. The resulting 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 2 projects has reduced the expected cashable gain for 2006/07 by £282k

3.2.3. The deployment of one crew from Central Fire Station on Community Safety activities was incorrectly classified as a cashable efficiency gain, when there is no cashable saving. Although it is a non cashable gain, it will not count against the Authority's 3 year target and the expected cashable gain for the year has therefore reduced by £235k.

3.2.4. Five further efficiency gains have been added to the monitoring statement: the conversions of posts from uniformed to non uniformed personnel; the procurement of smoke alarms, the procurement of portable radios, the procurement of fire appliances and the procurement of photocopying services. The additional gains relating to these four items total £155k.

3.3. Cumulative efficiency gains for the periods 2004/05, 2005/06 and 2006/07 are therefore £2.067m. This sum exceeds the cumulative target set for those periods by £0.457m.

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 2007/08 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

There are no equality implications arising from this report.

8. RECOMMENDATIONS

That Members are requested to note the contents of this report.

9. BACKGROUND PAPERS FOR INSPECTION

None.

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Summary for Annual Efficiency Statement 2006/07 Backward Look

	Year	Firebuy	Capital	Revenue	Annual Cashable Efficiency Gain 2006/07 £000s	Cumulative Cashable Efficiency Gain (including recurring gains from 2004/05 & 2005/06) £000s	Annual Non-Cashable Efficiency Gain 2006/07 £000s	Cumulative Non-cashable Efficiency Gain £000s
<u>Revised shift systems / Crewing arrangements (IRMP)</u>								
Reduction in Flexi Duty Officers	2006/07			Revenue	26	26		
Demand Led Resourcing	2006/07			Revenue			96	96
Ridership Reduction (ALP)	2004/05			Revenue		296		
Ridership Reduction (ALP)	2005/06			Revenue		725		
Ridership Reduction (ALP)	2006/07			Revenue	745	745		
Total					771	1,792	96	96
<u>Other IRMP savings</u>								
Reduction in AFA Mobilisation	2004/05			Revenue		26		49
Reduction in AFA Mobilisation	2005/06			Revenue		34		36
Reduction in AFA Mobilisation	2006/07			Revenue	36	36	65	65
Total					36	96	65	150
<u>Other</u>								
Treasury Management	2005/06			Revenue		1		
Treasury Management	2006/07			Revenue	3	3		
Total					3	4	0	0

	Year	Firebuy	Capital	Revenue	Annual Cashable Efficiency Gain 2006/07	Cumulative Cashable Efficiency Gain (including recurring gains from 2004/05 & 2005/06)	Annual Non-Cashable Efficiency Gain 2006/07	Cumulative Non-cashable Efficiency Gain
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Other HR savings

Reduction in sickness absence	2005/06			Revenue				20
Conversion of Posts	2005/06			Revenue		11		
Conversion of Posts	2006/07			Revenue	88	88		
Total					88	99	0	20

Better Procurement

Smoke Alarms (Firebuy)	2005/06	Firebuy		Revenue		9		
Smoke Alarms (Firebuy)	2006/07	Firebuy		Revenue	24	24		
Photocopying Contract	2006/07			Revenue	5	5		
Portable Radios	2006/07	Firebuy		Revenue	6	6		
Pumping Appliances	2006/07	Firebuy		Revenue	32	32		
Total					67	76	0	0
Grand Total					965	2067	161	266
Cumulative to 2005/06						1102		105