



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

REPORT ON ANNUAL EFFICIENCY STATEMENTS TO FEBRUARY 2008

Report of the Chief Fire Officer

Agenda Item No:

Date: 4 April 2008

Purpose of Report:

To report on progress towards achieving the cashable efficiency gains included in the 2007/08 Forward Look Annual Efficiency Statement.

CONTACT OFFICER

Name : Neil Timms
Head of Finance and Resources

Tel : 0115 967 0880

Email : neil.timms@notts-fire.gov.uk

Media Enquiries Contact : Elisabeth Reeson
(0115) 967 5889 elisabeth.reeson@notts-fire.gov.uk

1. BACKGROUND

- 1.1. 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 (ODPM) (now Communities and Local Government) placed a requirement upon Fire and Rescue Authorities (FRAs) to report their efficiency gains through Annual Efficiency Statements.
- 1.2. Fire and Rescue Service 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 three years 2005/06, 2006/07 and 2007/08. The Service has set a target of £2.216m of cashable efficiency savings over the three years, with interim cumulative targets of £0.496m for 2005/06 and £1.610m for 2006/07.

2. REPORT

- 2.1 Performance against this target as at 29 February 2008 is attached as Appendix B to this report. Total forecasted cashable gain for 2007/08 was £1.533m. A greater proportion of the post transfers arising from the Best Value Review of Road Traffic Collisions have taken place in 2007/08 than was originally planned. As a result of this a greater proportion of the cashable savings will be realised in this financial year. In December it was reported that the estimated cashable savings for 2007/08 had been revised from £98k to £148k. The majority of post transfers arising from the Best Value Review of Road Traffic Collisions have taken place in mid-October, with one further post being transferred in December. Four additional post transfers are currently pending, subject to the agreement of a new crewing policy. As it is not yet known whether these remaining transfers will take place before the end of the financial year, the estimated cashable savings have been revised once more to exclude the effect of these transfers. The estimated saving for 2007/08 now stands at £136k.
- 2.2 The 2007/08 Forward Look Efficiency Statement included an estimated £414k of cashable savings relating to the deployment of crews at Central Fire Station on community safety activities. This estimate was based on the deployment of 20 firefighters and 4 crew managers. The Community Safety Team has averaged 21 posts throughout the year rather than 24 (the number currently stands at 19.5), so the estimated cashable savings have been revised and reduced to £348k. There had been plans to transfer in a number of new recruits to the Team in order to maintain the number of posts, but this did not occur. Four extra posts are due to be transferred into the Community Safety Team in April 2008.
- 2.3 Four further efficiency gains have been identified which were not included in the Forward Look Annual Efficiency Statement. The first of these has arisen from a saving of £99k on the purchase of motor insurance. The second has

resulted from guidance issued by Communities and Local Government which states that Authorities can claim an efficiency saving of £24 for every transaction made using procurement cards. This saving recognises the reduction in the level of resources required to process low value, one-off transactions using procurement cards compared to established procurement processes. Initially the saving for the year was estimated at £9k but this has subsequently been revised and is now £7.7k, based on current levels of usage. The final two efficiency gains are procurement savings of around £6.8k relating to the purchase of medical oxygen cylinders and first aid equipment.

- 2.4 Current savings total £3.538m and are already exceeding the three year cumulative target of £2.216m by £1.176m. This is very encouraging and the Service ensures that savings continue to be generated in order to meet the expectations that have arisen from the 2007 Comprehensive Spending Review (CSR07). Whilst no mandatory efficiency target has been set by central government for individual Fire and Rescue Authorities, the CSR07 guidance makes it clear that public services are expected to generate net cashable efficiency savings of 3% per annum for the next three years. A new value for money performance indicator will be introduced from 2008/09 onwards enabling central government to monitor the level of savings being achieved by individual organisations, and Annual Efficiency Statements will continue to be submitted to the CLG. The Service will set a local efficiency target in order to effectively manage performance in this area.
- 2.5 The final efficiency savings total for 2007/08 will be reported in the Backward Look Efficiency Statement which is due to be submitted to CLG in July 2008.

3. FINANCIAL IMPLICATIONS

The majority of the resources released have been diverted to other areas of the organisation. The budgeting process for 2008/09 has identified any areas where permanent efficiency savings can be reflected in reductions to the base budget.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

5. EQUALITY IMPACT ASSESSMENT

The initial equality impact assessment is attached at Appendix A. There are no equality issues arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications specifically arising from this report however a failure to achieve efficiency targets would certainly result in a poor CPA rating and possibly interventions from the CLG if the situation was considered exceptionally poor. .

8. RECOMMENDATIONS

That Members note the content of this report.

9. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

Frank Swann
CHIEF FIRE OFFICER

INITIAL EQUALITY IMPACT ASSESSMENT

Appendix A

Section	Manager	Date of Assessment	New or Existing
Finance	Sue Cornish	13/03/2008	New
Name of Report to be assessed		REPORT ON ANNUAL EFFICIENCY STATEMENTS TO FEBRUARY 2008	
1. Briefly describe the aims, objectives and purpose of the report.		To inform Members of progress towards achieving expected efficiency gains for 2007/08 reported to CLG earlier in the year, and of progress towards achieving the three year efficiency gains target.	
2. Who is intended to benefit from this report and what are the outcomes?		Members of Finance and Resources Committee will be better informed.	
3. Who are the main stakeholders in relation to the report?		Members of Finance and Resources Committee.	
4. Who implements and who is responsible for the report?		Senior Accountant, Performance and Value for Money.	

5. Please identify the differential impact in the terms of the six strands below. Please tick yes if you have identified any differential impacts. Please state evidence of negative or positive impacts below.

<i>STRAND</i>	Y	N	<i>NEGATIVE IMPACT</i>	<i>POSITIVE IMPACT</i>
Race		N		
Gender		N		
Disability		N		
Religion or Belief		N		
Sexuality		N		
Age		N		

6. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group?	Y	N	7. Should the policy/service proceed to a full impact assessment?	Y	N
					N

I am satisfied that this policy has been successfully impact assessed. I understand the impact assessment of this policy is a statutory obligation and that, as owners of this policy, we take responsibility for the completion and quality of this process.

Signed (completing person)...Sue Cornish.....

Date ...13/03/2008..

Efficiency Savings for 2007/08 (Forward Look Statement)		Cashable £	Non Cashable £	Notes	Cashable Gains for 2007/08 as at 29/02/2008 £
Revised Shift Systems	Reduction in Flexi Duty Officers BVPI 143	54,306		Whole year	49,781
Revised Shift Systems	Demand Led Resourcing - Deployment of Crew at Central FS on Community Safety Activities	414,459		Forward look estimate was based on 24 members of staff. CS team is actually comprised of fewer members of staff so the estimate cashable saving has been revised to £348k	319,398
Revised Shift Systems	Reduction in Ridership after Aerial Ladder Appliance Changes	765,225		Whole year	701,456
Revised Shift Systems	RTC Best Value Review - Transfer of Posts (4 tranches)	98,031		Majority of posts transferred mid-October, one post transferred mid-December. Remaining posts to be transferred 2008/09. Estimated cashable saving for 2007/08 is now £136k	111,084
Other IRMP Savings	Reduction of Mobilisations to False AFA Calls (BVPI 149)	41,990	78,665	Whole year	38,491
Other	Treasury Management increase in interest earned	3,462		Whole year	3,174
HR Other	Conversions of Posts	112,939		Whole year	103,527
Better Procurement	Purchase of Smoke Alarms under Firebuy agreement	28,500		Whole year	19,105
Better Procurement	Photocopying Contract	13,600		Whole year	12,467
		<u>1,532,512</u>	<u>78,665</u>		<u>1,358,482</u>
Efficiency Savings for 2007/08 (Additions)					
Better Procurement	Purchase of Motor Insurance	99,017			99,017
Better Procurement	Use of Purchase Cards	7,700			7,224
Better Procurement	Purchase of First Aid Kits	2,778			2,547
Better Procurement	Purchase of Medical Oxygen Cylinders	4,018			3,683
Total		<u>1,646,025</u>			<u>1,470,953</u>

Impact on total efficiency target				
	Target £	Cumulative Forecast for 2007/08	Actual as at 29/02/08 £	
2005/06	496,000	1,102,000		1,102,000
2006/07	1,114,000	965,000		965,000
2007/08 (actual to date)	606,000	1,646,025		1,470,953
Total	<u>2,216,000</u>	<u>3,713,025</u>		<u>3,537,953</u>