



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

EFFICIENCY SAVINGS

Report of the Chief Fire Officer

Date: 09 January 2009

Purpose of Report:

To report the progress of the forecasted efficiency savings outlined in the 2008/09 Forward Look Annual Efficiency Statement.

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1. BACKGROUND

- 1.1 The Comprehensive Spending Review 2007 (CSR07) has introduced new efficiency savings targets for fire and rescue authorities (FRAs). Fire and Rescue Service Circular 58/2007 "CSR07 Funding for the Fire and Rescue Service" set a national three year target of £110m for the period 2008/09-2010/11. This target is equivalent to 1.6% per annum against a 2007/08 baseline.
- 1.2 Central Government has not set mandatory efficiency targets for individual fire and rescue authorities, but all authorities are expected to demonstrate that they are continuing to make efficiency savings in order to improve services and provide value for money. FRAs will continue to report efficiency savings to CLG through the submission of Annual Efficiency Statements.
- 1.3 During the previous spending review period 2005/06 – 2007/08, Nottinghamshire and City of Nottingham Fire and Rescue Authority exceeded its local efficiency savings target by more than £1m. Consequently the Authority has less scope to achieve savings during the CSR07 review period. An efficiency target of £447k for 2008/09 was agreed at the October meeting of the Finance and Resources Committee. This target is equivalent to 1% of the 2007/08 baseline.

2. REPORT

PROGRESS OF FORECASTED EFFICIENCY SAVINGS FOR 2008/09

- 2.1 Appendix A shows the efficiency savings achieved as at the end of November 2008, together with a revised forecast of the savings that will be achieved by the end of the financial year 2008/09.
- 2.2 The 2008/09 Forward Look Efficiency Statement submitted in July identified net cashable savings of approximately £208k. This forecast has been revised to reflect delays in the implementation of two of the activities included in the statement, and an increase in the savings generated by dual employment contracts. The delayed activities relate to the restructure of the administration function at Headquarters and the change in policy for the remuneration of Firesetter workers. The savings arising from the administration restructure have been reduced by approximately £2000 due to a delay of one month. The implementation of the new policy for the remuneration of Firesetter workers is expected to be delayed by at least four months, but as this activity is only expected to deliver minor savings the effect of this will not be significant. The dual employment of existing wholetime firefighters as retained firefighters generates cashable efficiency savings due to the fact that they do not require the same training as civilian retained recruits. The number of personnel employed on dual contracts during 2008/09 has exceeded the initial forecast, with 16 employed to date compared with an original forecast of 10. As a result the estimated savings for 2008/09 have increased. The revised forecast for the activities included in the Forward Look Statement is now £220k

- 2.3 Further savings totalling £214k have been identified since the Forward Look Statement was submitted. £194k of these savings relate to post transfers arising from the Best Value Review of Road Traffic Collisions. A proportion of the cashable savings resulting from these post transfers was reported in the 2007/08 Backward Look Statement as the first twelve months of implementation spanned two financial years. The savings claimed in 2008/09 are those relating to the period from 1 April 2008 to the anniversary of the date on which the posts were first transferred. Additional procurement savings totalling approximately £6,800 have been delivered by the ICT Department, £3,300 of which relate to participation in a communications contract negotiated by Firebuy. Further savings totalling £13k have arisen from the restructure of the administration function at Headquarters.
- 2.4 The forecasted savings total for 2008/09 now stands at £434k, against a target of £447k. Work is ongoing to identify additional potential savings, and progress on this will be reported in the next monitoring report. Managers are monitoring the progress of the activities already included in the forecast and any likely variations will be reported at the earliest opportunity.

3. FINANCIAL IMPLICATIONS

The financial implications are contained in the body of the report.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

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

5. EQUALITY IMPACT ASSESSMENT

An equality impact assessment is not required for this report.

6. CRIME AND DISORDER IMPLICATIONS

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

7. LEGAL IMPLICATIONS

There are no direct legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

9. RECOMMENDATIONS

That Members note the contents of the report.

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

None.

Frank Swann
CHIEF FIRE OFFICER

Nottinghamshire Fire & Rescue Service

Efficiency Savings for 2008/09 (Submitted in Forward Look Statement)

<u>Category</u>	<u>Description</u>	<u>Cashable Savings Forecast from Forward Look Annual Efficiency Statement 2008/09</u> £	<u>Revised Cashable Savings Forecast for 2008/09</u> £	<u>Cashable Gains for 2008/9 as at 30/11/2008</u> £
Revised shift systems/crewing arrangements	Dual Employment Contracts	29,600	45,000	29,708
Revised shift systems/crewing arrangements	Reduction in number of pumping appliances following replacement of Dunkirk and Beeston stations by Highfields station	41,800	41,800	0
Other HR savings	Restructure of Senior Management Team	73,200	73,200	36,228
Other HR savings	HQ administration restructure	11,300	9,400	1,880
Other HR savings	Change of policy regarding remuneration of Firesetters workers	1,200	400	0
Other HR savings	Deletion of supernumary post following replacement of Dunkirk and Beeston stations by Highfields station	5,400	5,400	0
Better procurement	Bulk purchasing discount for fire appliances (guaranteed from 2008/09 - 2010/11)	5,700	5,700	0
Better procurement	Firebuy procurement savings relating to PPE and vehicles	37,000	37,000	26,000
Other	Change of policy regarding provision of meals at SDC	2,600	2,600	433
		<u>207,800</u>	<u>220,500</u>	<u>64,542</u>
Efficiency Savings for 2008/09 (New Additions)				
Revised shift systems/crewing arrangements	Further savings arising from RTC best value review		194,000	194,000
Other HR savings	HQ administration restructure		12,918	0
Better procurement	New BT telephone contract (Firebuy)		3,333	1,667
Better procurement	Re-negotiated 3 year IT maintenance contract		3,498	1,399
Total			<u>434,249</u>	<u>261,607</u>

Impact on total efficiency target			
	Target £	Current Forecast for 2008/09 £	Actual as at 30/11/08 £
2008/09	447,000	434,249	261,607
2009/10	To be confirmed	n/a	n/a
2010/11	To be confirmed	n/a	n/a
Total	<u>447,000</u>	<u>434,249</u>	<u>261,607</u>