



**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

**Agenda Item No:**

**Date:** 27 March 2009

**Purpose of Report:**

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

## **CONTACT OFFICER**

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## **1. BACKGROUND**

- 1.1 The Comprehensive Spending Review 2007 (CSR07) has outlined the efficiency savings targets for Fire and Rescue Authorities (FRAs). FRS 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 Communities and Local Government (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 slightly in excess of 1% of the 2007/08 baseline.

## **2. REPORT**

### **PROGRESS OF FORECASTED EFFICIENCY SAVINGS FOR 2008/09**

- 2.1 The 2008/09 Forward Look Efficiency Statement submitted in July identified net cashable savings of approximately £208k. The activities and projects included in this initial forecast have been monitored throughout the year, and the savings arising have been revised where necessary. Appendix A shows the revised efficiency savings forecast as at 31 January 2009.
- 2.2 Due to a delay in the delivery of the new fire appliances, the revised estimated savings for 2008/09 now exclude the efficiencies relating to the purchase of these vehicles. These forecasted savings will now be slipped forward and reflected in the Forward Look Statement for 2009/10.
- 2.3 The change in policy for the remuneration of Firesetter workers has also been delayed, and at present it is difficult to assess whether cashable savings will be achieved. This saving will therefore be excluded from the forecast until the situation can be assessed with reasonable certainty.
- 2.4 It is estimated that the restructure of the administration function at headquarters will generate savings of approximately £9k by the end of the financial year. This figure is £2k lower than the original estimate included in

the Forward Look Statement. However, the restructure is expected to generate further savings of between £34k and £40k in 2009/10, contributing at least £43k in total towards the cumulative efficiency savings figure.

- 2.5 The savings generated by the employment of operational staff on dual whole-time/retained contracts have exceeded the original estimate by £61k, with savings of £91k expected by the end of the financial year. The dual whole-time/retained contract system generates cashable savings because it maximises the use of the existing operational skills base, and reduces the training and development costs associated with appointing new recruits. The initial estimate was based on the appointment of 10 staff on dual contracts; 15 have been appointed to date.
- 2.6 Further savings have been identified since the submission of the Forward Look Statement in July 2008. These additional savings are currently estimated to be in the region of £200k. £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.
- 2.7 The forecasted savings total for 2008/09 now stands at £448k, which exceeds the target by £1k. Work is ongoing to identify additional potential savings, and progress will be reported in the final monitoring report for 2008/09. This report will be delivered in July 2009, and will set out the efficiency gains achieved during the year. This report will correspond with the Backward Look Statement which is due to be submitted to CLG around the same time.

### **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 human resources or learning and development implications arising directly from this report.

### **5. EQUALITY IMPACT ASSESSMENT**

There are no equality implications arising directly from this report.

**6. CRIME AND DISORDER IMPLICATIONS**

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

**7. LEGAL IMPLICATIONS**

There are no 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**

APPENDIX A

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>Variance: (under)/over achieved</u>
Revised shift systems/crewing arrangements	Dual Employment Contracts	£29,600	£91,065	£61,465
Revised shift systems/crewing arrangements	Reduction in number of pumping appliances following replacement of Dunkirk and Beeston stations by Highfields station	£41,800	£41,060	£740
Other HR savings	Restructure of Senior Management Team	£73,200	£72,531	£669
Other HR savings	HQ administration restructure	£11,300	£8,924	£2,376
Other HR savings	Change of policy regarding remuneration of Firesetters workers	£1,200	£0	£1,200
Other HR savings	Deletion of supernumary post following replacement of Dunkirk and Beeston stations by Highfields station	£5,400	£5,119	£281
Better procurement	Bulk purchasing discount for fire appliances (guaranteed from 2008/09 - 2010/11)	£5,700	£0	£5,700
Better procurement	Firebuy procurement savings relating to PPE and vehicles	£37,000	£26,000	£11,000
Other	Change of policy regarding provision of meals at SDC	£2,600	£2,600	£0
		<u>£207,800</u>	<u>£247,299</u>	<u>£39,499</u>

Efficiency Savings for 2008/09 (New Additions)

Revised shift systems/crewing arrangements	Further savings arising from RTC best value review		£194,000	n/a
Better procurement	New BT telephone contract (Firebuy)		£3,333	n/a
Better procurement	Re-negotiated 3 year IT maintenance contract		£3,498	n/a
New Savings Total			<u>£200,831</u>	
Grand Total			<u>£448,130</u>	

Impact on total efficiency target				
	Target	Current Forecast for 2008/09	Variance	
2008/09	£447,000	£448,130	£1,130	
2009/10	To be confirmed	n/a	n/a	
2010/11	To be confirmed	n/a	n/a	
Total	<u>£447,000</u>	<u>£448,130</u>	<u>£1,130</u>	