



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

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

VALUE FOR MONEY

Report of the Chief Fire Officer

Agenda Item No:

Date: 5 April 2013

Purpose of Report:

The purpose of this report is to outline the proposed programme for achieving and demonstrating Value for Money in 2013/14, and to report progress against the Value for Money Programme for 2012/13.

CONTACT OFFICER

Name : Neil Timms
Strategic Director of Finance and Resources

Tel : 0115 967 0880

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

Media Enquiries Contact : Matt Sismey
(0115) 967 0880 matt.sismey@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Value for money (VFM) is obtained when an optimum balance is achieved between the “3Es”:

Economy is the price paid for what goes into providing a service, for example the cost of labour or materials.

Efficiency is a measure of productivity, or how much you get out in relation to what you put in.

Effectiveness is a measure of the impact achieved. This measure may be qualitative or quantitative. Outcomes should be equitable across communities, so effectiveness measures should include aspects of equity.

- 1.2 As a publicly funded organisation the Fire and Rescue Authority has a duty to achieve value for money. As the funding reductions set out in the Government’s 2010 spending review are now taking effect, our ability to use resources as efficiently and effectively as possible is becoming more important than ever.
- 1.3 The Value for Money Programme is presented annually to the Finance and Resources Committee. This programme outlines how the Service intends to achieve value for money during the forthcoming year.

2. REPORT

Progress Against the 2012/13 Value for Money Programme

- 2.1 A report was presented to the Finance & Resources Committee in March 2012 which set out the programme of work for 2012/13.
- 2.2 The Knowledge Transfer Partnership (KTP) laid the foundation for incorporating more meaningful evaluations into the Service’s risk reduction activities. An evaluation toolkit was developed and workshops were held during 2012/13 to train staff in the use of evaluation methods. As a result the evaluation process is now more embedded and the approach to evaluation and monitoring is much more consistent. Performance meetings are held quarterly, and these act as a driver for the planning, implementation, monitoring and evaluation of the targeted intervention work carried out by the risk reduction teams. Each group produces a targeted intervention programme, the outcomes of which are monitored and evaluated to assess effectiveness. This helps to ensure that expenditure on risk reduction initiatives is targeted at areas that are likely to benefit the most, thereby achieving better value for money. The KTP also focused upon developing more detailed risk profiles to drive risk reduction interventions. This led to data sharing taking place with Nottingham City Homes, thus enabling the

Service to gain a greater understanding of the risk trends surrounding accidental dwelling fires. There are plans for more detailed data collection to take place in the future regarding risks and dwelling fires through replicating this information sharing process with other social housing organisations.

- 2.3 The Procurement Department is now using a new e-procurement system called Intend. This system records a full audit trail of completed tenders and enables the department to demonstrate that the correct processes have been followed in order to obtain value for money when awarding contracts. Procurement savings are being achieved by various means, including changing suppliers, re-negotiating with existing suppliers, sourcing substitute products, and changing internal processes to reduce the amount of resources being consumed. It is estimated that over £80k has been saved during 2012/13 on a wide variety of items including waste collection services, gym equipment servicing, equipment repairs, janitorial supplies and furniture. The Procurement Team continue to review the online catalogue and contracts that are currently in place, as well as helping staff in other departments to source suitable suppliers.
- 2.4 The Agresso finance and procurement system was developed in order to produce new automated reports for the 2011/12 year end closedown. This improved several areas of the closedown process, freeing up staff to spend more time on validation and quality assurance work and resulting in lower overtime costs compared with the previous year.
- 2.5 The organisational restructure is now complete, although some of the newly created posts are still vacant. The restructure was designed to ensure that the Service could meet its functional objectives and community needs whilst delivering the financial savings required in order to balance the budget. Taking into account the outcomes of the Fire Cover Review, the restructure sought to redistribute resources in line with community need. It resulted in a net decrease of 56.5 posts and delivered savings in excess of £900k. Some recommendations of the Fire Cover Review have yet to be implemented, but these will take place during 2013/14.
- 2.6 The project to implement a new HR system is now well underway and it is expected to be completed in 2014/15. The implementation of this new system will significantly improve current processes across all HR functions through electronic processing (workflows) and will allow connections to be built with other systems which rely upon employee information – for instance, the new mobilising system, rostering and payroll. The HR system will act as a single point of data entry which will improve the accuracy of data and the quality of reporting. The system is likely to have integrated modules for the administration of training, health and safety, recruitment and establishment management which will replace existing databases and streamline the sharing of information across departments. The electronic storing of documents should ultimately replace the need to retain manual records and improve audit capability. Employees and managers will have access to a self-service portal which will allow them to access and update records,

authorise leave, and access real time reporting via a suite of pre-defined reports. This will improve efficiency across the Service.

- 2.7 Work on the TriService control system is ongoing and is expected to be completed around the beginning of 2014/2015. The benefits of the new system will include:
- 2.7.1 Eliminating the need for a secondary control room at Central Fire Station, therefore saving the costs of the equipment and maintenance;
 - 2.7.2 Delivering economies of scale which reduce both the initial capital outlay and the ongoing revenue costs of maintenance etc.;
 - 2.7.3 Standardisation across the control functions of Nottinghamshire, Derbyshire and Leicestershire which will enable the three services to support each other and collaborate on activities such as the development of procedures and policies and the provision of training;
 - 2.7.4 ICT infrastructure which links the three Services and could open up the possibility of further collaboration in the future. It could also be a step towards joining the Public Services Network, which is a Government programme to unify the provision of network infrastructure across the UK public sector, and could lead to opportunities for exploring the possibility of sharing services with other organisations;
 - 2.7.5 Attribute based mobilising which will ensure that resources are deployed more effectively, as appliances are mobilised based on factors such as the skill sets of the crews and the availability of on-board equipment as well as geographical location;
 - 2.7.6 Improving resilience as all three Services will be able to handle calls and mobilise resources across the whole region;
 - 2.7.7 Improving the collection of incident data;
 - 2.7.8 Improving communication, for example an acknowledgement system will be in place to record if a retained firefighter has received an alert.
- 2.8 The controls in place governing the issue of clothing and uniform have been reviewed and changes have been put in place. As a result some savings have been realised and stock control is now more efficient.
- 2.9 The previous Value for Money Programme reported that the Estates Department was in the process of installing Photovoltaic cells at 5 sites with the aim of reducing the Service's carbon footprint and reducing energy costs. This project has now been completed and as a result the electricity budget has been reduced by £32k.

Value for Money Programme 2013/14

- 2.10 The organisation has undergone a period of upheaval as a result of the outcomes of the Fire Cover Review and the subsequent restructure. As the Service now looks towards the financial challenges it faces during the next few years it is clear that further significant changes will be needed. While senior managers explore options for future savings and begin to put together

a medium term plan, day-to-day work will continue during 2013/14 in order to improve the efficiency of the Service. This will be achieved by improving processes and systems to enable resources to be used more effectively, and seeking procurement savings wherever possible.

- 2.11 The Equipment Section has carried out a risk assessment of gas tight suits and has concluded that the Service can reduce the number of suits it holds. As a result the cost of the replacement programme for 2013/14 and 2014/15 will be reduced by approximately £20k. There will also be annual revenue savings on the maintenance cost. The Equipment Section also intends to save £6k on the servicing of Holmatro kit in 2013/14 by carrying out in-house collections, and is exploring the possibility of training its own technicians to carry out minor repairs to the Holmatro kit. Whilst this would require an initial outlay for training expenses and for setting up a suitable workshop, it is thought that these setup costs would be recouped in a relatively short period of time.
- 2.12 The ICT and Finance Departments have carried out an initial trial on the use of EzeScan software to automate invoice processing. The software uses recognition engines to capture data from scanned invoices. The trial is due to recommence in May 2013. If successful the software can also be used for data processing by other departments such as HR and Procurement. The automation of data processing will free up staff resources and enable departments to work more efficiently.
- 2.13 There are plans to stop the use of fax machines across the Service as staff will be able to scan using the multi-functional printers and then use their PCs to send and receive facsimile mail. This is likely to reduce line rental costs by at least £9k per annum, and will produce savings relating to the purchase and maintenance of fax machines and the purchase of consumables such as paper and toner.
- 2.14 The ICT Department plans to introduce desk-to-desk conferencing facilities using Microsoft Lync software. This will enable people to carry out meetings remotely and so help to reduce the amount of travel expenses claimed. It also means that the time that staff currently spend travelling between sites can be put to better use. A reduction in the number of travel claims will also have a beneficial impact on the workloads of the Finance Team. There are also plans to replace the wide area network (WAN). This will improve both the performance and the resilience of the network. Initial capital expenditure will be required but the ongoing revenue impact is expected to be cost neutral.
- 2.15 The Learning and Development Department has now fully developed an Initial Incident Command Course that allows the Service to train and assess all new operational supervisory managers to gain the Edexcel Level 3 Award in Initial Incident Command. As a result of the ability to provide this training in-house, the requirement for supervisory managers to attend the Fire Service College (FSC) initial incident command course as part of their development has been reviewed. It is intended that, as the internal Initial

Incident Command Course has the same externally accredited course outcomes as the FSC equivalent course, our staff will no longer undertake the FSC course. This will generate cost savings of around £20-30k per annum, based on the historic spend on similar courses at the FSC for our supervisory staff. These savings can be re-invested to improve external training provision in other areas.

- 2.16 The Procurement Team will continue to take a pro-active approach to ensure that the Service receives VFM on all items purchased. The tender plan for 2013/14 includes equipment, medical and occupational health services, and a new training management database.

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. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because this report does not consider matters of policy. Equality Impact Assessments will be prepared as initiatives are developed.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising 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