

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

26TH JUNE 2006

1. BACKWARD LOOKING ANNUAL EFFICIENCY STATEMENT

Joint report of the Chief Fire Officer and Treasurer.

RECOMMENDED

THAT the Committee approves the Fire Authority's 2005/2006 backward looking Annual Efficiency Statement (AES) attached as Appendix 1.

2. PURPOSE OF REPORT

This report is submitted to update Members on the requirement for Fire and Rescue Authorities (FRAs) to produce AESs and to note this Authority's 2005/2006 backward looking AES which identifies a cumulative efficiency saving of approximately £4.4m.

3. BACKGROUND

- 3.1 A report setting out the framework for AESs and how they would apply to Fire Authorities was reported to the Executive Committee meeting on 14th November 2005.
- 3.2 The report identified that the AES would comprise of two parts:
- A backward looking part, setting out the efficiency gains achieved in the past financial year.
 - A forward part, outlining the strategy and key actions during the current financial year and the expected efficiency gains to be generated.
- 3.3 Since that report, the Office of the Deputy Prime Minister (ODPM) issued further guidance on the completion of the AES together with a timetable for when the Statements require completion. The timetable for the backward looking AES was subsequently amended in Fire Service Circular 27-2005, with the completion of the 2005/2006 statement required by 6th July 2006.

- 3.4 The 2005/2006 backward looking AES for this Authority is set out in Appendix 1.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report, an initial Equality Impact Assessment was undertaken which did not raise issues which required a full Equality Impact Assessment to be completed.

5. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

6. **FINANCIAL IMPLICATIONS**

- 6.1 The basis for calculating the efficiency savings is determined as part of the guidance issued by the ODPM. The guidelines allow Authorities to take account of a number of factors (such as the employer costs of the Firefighters' Pension Scheme and inflationary increases for subsequent years to when the saving was first made) and so consequently, some of the figures reflected in Appendix 1 show higher efficiency savings than those previously reported to Members.
- 6.2 The financial implications of a number of previously approved reports have generated the figures reflected in Appendix 1.

BACKGROUND PAPERS

Fire Service Circular: 30-2005
Fire Service Circular: 48-2005
Fire Service Circular: 27-2005
Executive Committee Report 14th November 2005
Authority Report 24th April 2006

F. J. E. SHEEHAN
CHIEF FIRE OFFICER

L. BATEMAN
TREASURER

APPENDIX 1

WEST MIDLANDS FIRE & RESCUE AUTHORITY Efficiency Savings 2005-06

Efficiency Savings 2005-06				All figures £'000				
Category	Quality cross-check (QCC) met (see note 1)	One off or recurring?	Capital	Revenue	Annual Cashable Efficiency Gain (see note 2)	Cumulative Cashable Efficiency Gain (including recurring gains from 2004-05 and 2005-06) (see note 3)	Annual Non-Cashable Efficiency Gain	Cumulative Non-Cashable Efficiency Gain
Revised shift systems/crewing arrangements (IRMP)	BVPI 209 and Note 1	Recurring		✓	2,250	3,023		
Other IRMP savings	Note 2	Recurring		✓	28	1,196		
Other HR savings	Note 3	Recurring		✓	55	78		
Corporate services	Note 4	Recurring		✓	134	134		
			TOTAL	✓	2,467	4,431	-	-

Notes

1. Please list quality check used, if not a BVPI then include a description of the quality check in your narrative.
2. Only newly identified or residual part year amount from 2005-06 should be entered in this column.
3. All savings recorded in column (E), plus recurring savings from previous years 2004-05 and 2005-06.

To be signed by:

Chair of the Authority	Chief Fire Officer	Chief Financial Officer
Date:	Date:	Date:

Supporting Narrative

The most significant efficiency savings achieved during 2005/2006 arose from actions in the Authority's 2004/2005 and 2005/2006 Integrated Risk Management Plans.

The total 2005/2006 estimated salary related savings from revised shift systems/crew arrangements of £2.25 million was achieved through two specific actions:

- As part of the 2004/2005 IRMP, it was recognised that by utilising staff resources more appropriately and efficiently during the daytime, additional community fire safety work could be undertaken. As part of this process, the Brigade created what was known as a 'Strategic Reserve' to undertake this work, and the value of that re-focused time was approximately £0.965 million in 2005/2006.
- As part of the Authority's 2005/2006 IRMP, it was recognised that in order to provide a more risk appropriate service, there could be a reduction in resources between the hours of midnight and 0800. In order for this to work, a new duty and shift pattern arrangement was introduced on the 9th September 2005 with a net reduction of 63 operational posts. The part year impact of this action resulted in cashable efficiency savings of £1.285 million in 2005/2006.

Another significant saving also relates to an action arising from the Authority's 2004/2005 Integrated Risk Management Plan following staff reductions due to rationalisation of the Brigade's aerial fleet.

- Following the approval of the Authority's 2004/2005 IRMP, the number of aerial appliances within the Brigade was reduced from 8 to 5. By strategically placing the remaining aerial appliances at key sites and by utilising them on a more risk appropriate basis, the average attendance time of 17 minutes could be maintained. This proposal resulted in a reduction of 36 operational posts from April 2004 which represents the salary related saving in 2005/2006 of £0.028 million and cumulative savings of approximately £1.2 million.

Further HR savings were made following the Authority's approval for the employment of non-uniformed staff into fire safety posts. Throughout 2005/2006 an average of 10 posts were filled with non-uniformed staff generating cashable efficiency savings of £55,000 in 2005/2006

In addition to the above, there were Corporate Service savings as identified below:

- The Brigade had for some years provided a subsidised nursery facility for its staff. It was determined that a more appropriate facility for staff would be Child Care Vouchers and as a result the Nursery was closed with effect from the 1 April 2005 with savings of £64,000 achieved in 2005/2006.

- The Brigade had relied on a contract with an external company for maintenance of the Command and Control System. Discussions had taken place to TUPE a member of staff from the company to the Fire Service to provide maintenance arrangements from 2005/2006 onwards. By providing this service in-house, there were savings to the Fire Brigade of £70,000 in 2005/2006.

All of the estimates contained within the Annual Efficiency Statement have been calculated in accordance with Fire and Rescue Service Circular 14-2006 and a number of quality cross checks other than the BVPIs are shown below:

Note 1 – Maintain average attendance times of first and second appliances attending an incident.

Note 2 – Average time of arrival at incidents maintained.

Note 3 – Volume of work undertaken in the Fire Safety Section improved.

Note 5 – Maintain the availability of child care vouchers for all eligible staff members.

Continued maintenance of command and control system achieved to target of 99.99%.

The Authority will continue to explore options for further efficiency measures throughout 2006/2007.