



Shropshire
Fire and Rescue Service

Efficiency and Productivity Plan 2023/24

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Introduction

The National Framework sets a requirement that Fire and Rescue Authorities (FRAs) produce and publish annual efficiency plans.

The Minister of State for Crime, Policing and Fire has requested that, for 2023/24, FRAs produce plans that not only cover efficiencies, but also their plans for increasing productivity.

As part of the 2021/22 Spending Review, the National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) proposed that across Fire and Rescue Services (FRSs) in England, the fire and rescue sector could create 2% of non-pay efficiencies and to increase productivity by 3% by 2024/25. The 2023/24 FRA Productivity and Efficiency Plans will help the NFCC, LGA and Home Office to collate evidence and to assess likely progress at national level against the agreed Spending Review Goals.

This plan sets out how Shropshire and Wrekin Fire Authority has identified efficiencies and productivity improvements to date, and how it proposes to continue with the Service's transformation through investing in technology and service delivery.

Funding Assumptions

The following table sets out the assumptions the Authority is making about funding up to 2024/25.

Income	2022/23 £'000	2023/24 £'000	2024/25 £'000
Revenue Support Grant	-1,363	-1,500	-1,575
Retained Income from Rate Retention Scheme	-3,810	-4,029	-4,149
Specific Grants	-2,264	-2,781	-2,138
Appropriations to/from Reserves	182	292	-508
Other Income	-35	-78	-78
Sub total	-7,290	-8,096	-8,448
Collection Fund Surplus	-110	-169	0
Council Tax Requirement	-18,012	-19,278	-20,225
Total Income and Funding	-25,412	-27,543	-28,673
Council Tax Base	169,495	173,422	176,66
Band D Precept	£106.27	£111.16	£114.4
Increase in Band D Precept	1.99%	4.60%	2.99%

The Fire Authority's medium term financial planning and precept strategy has proved successful over the last ten years. Members have recognised the importance of protecting the base budget into the medium term and using the funding opportunities made available by Government to maintain financial resilience. Council tax freeze grants have been rejected in favour of regular income into the future.

These strategies have enabled the Authority to weather austerity and to invest in its assets, by building reserves to fund new buildings, vehicles, and equipment, thereby reducing debt charges into the long term.

The Fire Authority met on 15 February 2023 to approve the precept for 2023/24, after having considered a number of options, and the short and medium term consequences of these options.

The Service modelled various scenarios, taking into account current levels of inflation and rates estimated into the medium term. High increases were identified in utilities, operational equipment and PPE, and fuel. Whilst the Service encourages officers to identify savings, which are then diverted to increasing areas of the budget, additional contingencies were also required which inevitably affected the precept.

The contingency within the budget for future pay award is based on realistic outcomes as the budget is set, and the Authority anticipated pay awards of around 3% for 2022/23 and 2023/24. However, the outcome of the national pay negotiations for staff conditioned to both Green and Grey Books necessitated much higher contingencies for pay.

The Authority has a proven history of continuous improvement and sound strategic financial planning, and several strategic reviews were launched in 2022/23 to continue to identify further technological advantage and improved resource productivity.

- The On-call Sustainability Review will identify ways to further improve and sustain this most efficient method of service delivery.
- The Resources Review will form part of the Service's Community Risk Management Plan (CRMP) which will run from 2026 to 2029 and confirm the most effective and efficient way of matching resources to risk.
- The Efficiency and Productivity Review will include value for money reviews across all areas of the business, including task re-engineering and business analysis.

Some of the efficiencies and productivity improvements will be identified through the introduction of technology into areas that support frontline delivery. Therefore, it is essential that investment is made into technological improvements to continue the Service's transformation. Another area of essential investment for the Service is the implementation of the recommendations of the On-call Sustainability Review, to ensure that sector leading availability is maintained and, to aid recruitment and retention, the role of the On-call firefighter remains as attractive and fulfilling as possible

After consideration of the consequences of the precept increase options, and the Authority's medium term budget position, the Committee agreed to recommend a precept increase of 4.6%, or £4.89.

This precept increase enables the Authority to cover inflationary pressures and also service its capital programme but will still require a combination of contributions from reserves in later years, a reduction in expenditure, and identification of efficiencies and productivity improvements.

Budget Assumptions

The following table sets out the expected cost pressures facing the Authority

Expenditure	2022/23 £'000	2023/24 £'000	2024/25 £'000
Opening Revenue Expenditure Budget	24,192	25,412	27,543
Cost Pressures:			
Pay			
Pay awards	680	1,543	817
Employers pension contributions	50	0	50
Staff capacity	0	150	150
Supplies and Services			
Increased usage/enhanced provision	201	204	0
Other non pay inflation	204	265	167
Capital Financing			
Revenue expenditure charged to capital	-500	248	-208
Net borrowing costs	369	189	254
Other			
Training staff	109	0	0
NI increase	107	-107	0
Project support	200	-200	0
Total Cost Pressures	1,420	2,292	1,230
Closing Revenue Expenditure Budget	25,612	27,704	28,773

The flexibility now provided in the referendum principle is vital to take account of current cost pressures, whilst being able to continue the Service's transformation.

Efficiency Savings

The savings already achieved in 2022/23 and those identified in current and future years are detailed in the table below. Non cashable savings are also referred to later in the Plan.

Efficiency Savings	2022/23 £'000	2023/24 £'000	2024/25 £'000
Capital Financing			
Net borrowing costs	-200	0	0
Supplies and Services			
Insurance premiums		-50	0
ICT contracts		-111	0
Other			-100
Total Efficiency Savings	-200	-161	-100
Closing Revenue Expenditure Budget	25,412	27,543	28,673
Non pay budget (£000)	7,416	7,492	7,538
Efficiency savings as a % of non-pay budget	2.70%	2.15%	1.33%
Cumulative efficiency savings			2.06%
Efficiency savings target	2.00%	2.00%	2.00%

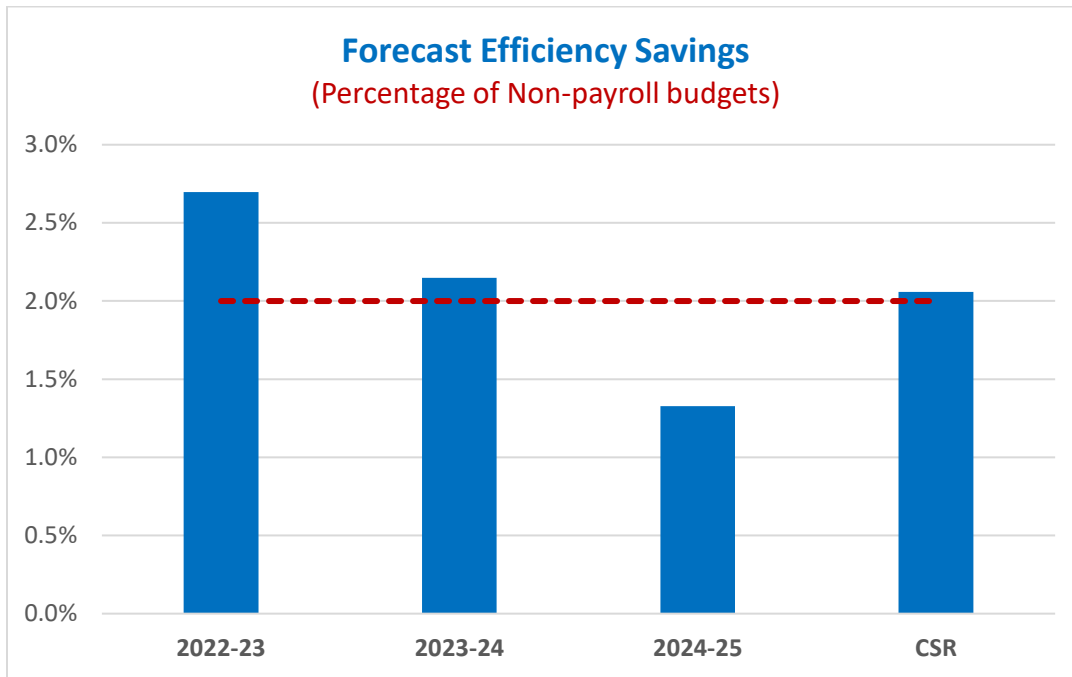
Fire authorities were tasked by the Home Office to identify efficiencies which represented 2% of non-pay budgets, across the spending review period.

As part of its strategic planning, the Authority identified a £200,000 reduction in the financial year 2022/23. This was 2.7% of non-pay budgets for that year and was recognition that the Authority had reduced the borrowing requirement for its capital programme, including major developments at Telford Training Centre and Fire Station.

Financial year 2023/24 has seen a reduction in non-pay budgets of £161,000 (2.15%). A successful renegotiation on the Service's wide area network contract saw savings of £111,000, which will be rediverted into further development of cyber security. A total of £50,000 was also saved on the Authority's suite of insurance premiums; this was as a result of a very favourable claims history over a number of years.

In order to meet the 2% efficiency target by 2024/25, further savings of £100,000 (1.3%) will be identified and reported during the year.

Officers will be undertaking a value for money review and this should identify cash savings and also non cashable efficiencies, those that will be diverted to other areas of the department or the organisation as a whole.



Shift patterns

Collective Agreement - The Service has introduced a process of flexible shift exchanges as part of the Wholetime shift system. This process affords flexibility within the staffing model whereby staff self-roster an agreed number of duty shifts with the aim of maintaining optimum crewing levels (effectively no surplus staff are being accommodated).

A flexible duty system was also introduced in Fire Control and operates a bank shift model. This has enabled the Service to be more flexible and respond to staff shortages, reducing the reliance on the use of overtime.

Further areas where efficiencies are being explored include:

- Introduction of modern-gov to replace paper-based systems for Members papers/meeting documentation.
- Introduction of IDVT – Identity Document Validation Technology to digitise right to work checks.
- Further digitisation of payroll claims to reduce manual processes and streamline systems

- Development of a stock management system for operation equipment and uniforms to streamline the process
- Continuation of joint working with Hereford & Worcester Fire and Rescue Service to rationalise numbers of vehicles required for resilience across the two authority areas.
- Review of electric vehicle (EV) charging points - as part of its move to electric vehicles, the Service has installed EV charging points at nine of its sites. These are made available for public use on a charged basis at seven sites. The charging provider is being reviewed and the opportunity will be taken to consider increased charges for public use.

Collaboration and Procurement

Collaboration

As a collaborative Service, a large number of initiatives are undertaken with partners. This has resulted in a more efficient and effective way of working and has released funds and capacity across the county and beyond.

Hereford & Worcester Fire and Rescue Authority

A Fire Alliance is in place which enables the two services to collaborate in ways that create capacity and resilience for both.

Joint specification and procurement are in place for command support units and the command & control system. Work is currently underway to identify further procurement opportunities in relation to specialist appliances such as aerial ladder platforms.

Telford & Wrekin Council

Agreements are in place for provision of financial and human resources systems, legal services, and a Monitoring Officer.

The Council also provides procurement support and access to frameworks or dynamic purchasing systems for specialist legal services, and has supported with construction works at Telford, Tweedale, Ellesmere, Whitchurch and Market Drayton.

West Mercia Police

A county-wide agreement is in place for shared use of all Service premises. Currently Much Wenlock and Newport fire stations are regularly used by Police staff. The Service also has access to Police premises, but this is little used.

The Police framework has been used to procure officers' emergency response vehicles, which has expediated the procurement process and ensured value for money. By utilising Police vehicle workshops for servicing of specific fleet vehicles, the Service has removed the requirement for an additional vehicle mechanic.

The Service also collaborates with the Police for vetting practices.

Shropshire Council

Agreements are in place for the Treasurer, provision of treasury services and property maintenance.

The Council use Fire Headquarters as a secure, 24-hour occupied site to monitor CCTV across the county.

Local Resilience Forum

The establishment of a secretariat within the Forum has removed duplicated administration for all partners and ensures compliance with legislation, such as requirements placed upon the Authority through the Civil Contingencies Act.

Worcestershire Internal Audit Shared Service – Internal audit provision

National Fire Chiefs Council – Procurement support for appliances and breathing apparatus.

In terms of **local collaboration**, a number of On-call stations are being piloted as community engagement hubs, to liaise with local enterprises and organisations.

In addition, business rates valuation appeals have been submitted for all premises.

Procurement

The Service uses established framework agreements or contracts wherever possible and uses partners to support the procurement process.

Recent activities include:

Yorkshire Purchasing Organisation (YPO), who provided specialist procurement support and managed the tender activity and contract award for:

- Firekit replacement
- Insurance
- Occupational Health

Consortium Procurement Construction (CPC), who enabled direct award of window replacement contracts across many locations, minimising the work necessary to manage an award process.

West Mercia Energy – Management of purchase of electricity, gas and bulk fuel, and provision of usage monitoring tools.

Fusion21 – Access to a contract for rating valuation appeals

Productivity Improvements

As part of the spending review, the Authority is tasked with increasing productivity by 3% by 2024/25.

The main driver of productivity improvements is the development and introduction of new technology, to continue the Authority's transformation of functions, systems, procedures and processes.

The Service has already identified a number of productivity improvements.

- **Staff - Collective Agreement**
The Service has introduced a process of flexible shift exchanges as part of the Wholetime shift system. This process affords flexibility within the staffing model whereby staff self-roster an agreed number of duty shifts with the aim of maintaining optimum crewing levels (effectively no surplus staff are being accommodated).
- **Technology** - Digitisation and streamlining of financial processes has reduced manual processing for staff, creating more time for services that add value to customers. In addition, introduction of the Fire Service Rota system has created productivity improvements in availability and pay processing.
- **Performance** - Development of performance dashboards has enabled intelligence led decision making for using assets in the most effective manner.
- **Recruitment** - An end-to-end process has replaced paper-based processes.
- **Resources** - Vehicle maintenance and checking standards have been reviewed and, after a period of sample testing, oil change frequencies have generally been changed from annually to every 2 years, reducing cost, time taken and environmental impact.

Future Activity

The **Resources Review** will form part of the Service's Community Risk Management Plan which will run from 2026 to 2029, and confirm the most effective and efficient way of matching resources to risk

The **Efficiency and Productivity Review** will include value for money reviews across all areas of the business, including task re-engineering and business analysis.

Shropshire and Wrekin Fire Authority has a proven history of continuous improvement and sound strategic financial planning and the initiatives outlined above will go forward with this approach.

The Authority is able to provide data for, and take part in, the forthcoming sector wide utilisation survey which will ask questions about how Wholetime firefighters spend their time over the average day and night shift.

Use of Reserves

The Fire Authority's reserves strategy is an integral part of its financial planning and capital strategy.

CIPFA state that when reviewing their medium-term financial plans and preparing their annual budgets, local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- A contingency to cushion the impact of unexpected events and emergencies – this also forms part of general reserves
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Officers will ensure that the Authority still has sufficient funds available to deal with planned activities which require reserve contributions, and also unanticipated events in the future.

The main use of reserves over the last few years has been capital expenditure, particular the major development at Telford. When the Major Projects Reserve has been depleted, following completion of the scheme, the remaining reserve levels will be reviewed against the principles laid out in the Reserves Strategy to ensure that they remain adequate for the Authority's requirements.

The table below outlines the reserves held by the Authority and their estimated use over the next three years.

	01/04/23 £000	Spend £000	Income £000	31/03/24 £000	Spend £000	Income £000	31/03/25 £000	Spend £000	Income £000	31/03/26 £000
General	577	0	0	577	0	0	577	0	0	577
Major Projects	6,613	-6,613	0	0	0	0	0	0	0	0
Extreme Incidents	219	0	0	219	0	0	219	0	0	219
Pensions and Other Staff Matters	687	0	0	687	0	0	687	0	0	687
Information and Communications Technology (ICT)	854	-250	0	604	-250	0	354	-250	0	104
Income Volatility	687	-400	0	287	0	0	287	0	0	287
Service Transformation Programme Staff	787	-300	0	487	-300	0	187	-187	0	0
Service Delivery	105	-20	0	85	-20	0	65	-20	0	45
Building Maintenance	262	-50	0	212	-50	0	162	-50	0	112
Operational Equipment	163	-50	0	113	-50	0	63	-50	0	13
Training	21	-21	0	0	0	0	0	0	0	0
Total	10,975	-7,704	0	3,271	-670	0	2,601	-557	0	2,044

Once the capital reserves have been depleted following the completion of major projects, the Authority will hold reserves equal to 9.6% of its net revenue budget by 31 March 2025