

## 2008/09 to 2010/11 Service Developments, Efficiencies and Reductions

### Report of the Treasurer

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202.

### 1 Purpose of Report

This report sets out potential service developments that have been identified for the three years of the Public Spending Review. It also deals with efficiencies and service reductions.

### 2 Recommendations

The Fire Authority is recommended to:

- a) Agree that the service developments, totalling £438,000 set out in paragraph 4 and the appendix, be included in the next phase of the budget, subject to Member scrutiny of individual project appraisals;
- b) Agree, for budget planning purposes, to include a further £200,000 in 2009/10, and £400,000 in 2010/11 for service developments;
- c) Agree, for budget planning purposes, to include a further £150,000 in 2009/10, and £300,000 in 2010/11 for efficiencies; and
- d) Consider service reductions, if it becomes clear that a service development of sufficient priority cannot be funded, once the grant settlement becomes known.

### 3 Background

The budget papers proposed by the Strategy and Resources Committee included £100,000 a year for efficiencies, but did not include any detail on new service developments or reductions. It was proposed to bring forward details of these after Departmental Managers had considered what might emerge over the next three years, undertaken detailed costing, and had prioritised each item.



These could then be considered at this meeting within the overall settlement, and detailed Member scrutiny could take place at the January Strategy and Resources Committee.

From the Green Booklet, it can be seen that on previous assumptions, if the precept increased by 5% each year, there would be between some £500,000 and £600,000 of “headroom” available for increased services.

## 4 Service Development

The Service Developments that have been identified fall into two categories: those that have arisen from third party issues; and those identified internally:

	2008/09 £000	2009/10 £000	2010/11 £000
<b>Third Party Issues</b>			
i Increased Audit Commission fees	25	32	37
ii Contribution to the national Centre of Excellence	10	25	25
	35	57	62
<b>Fire Authority defined issues</b>			
iii These are set out in the appendix and can be categorised as:			
- one-off investment	157	-	-
- on-going investment	246	246	246
	438	303	308

All the developments are put forward to be introduced in 2008/09 despite the intention of producing a three-year plan. This raises the question whether it is possible to foresee and develop proposals in any detail for 2009/10 and 2010/11. Failure to tackle this issue could cause problems in the context of a three-year grant settlement. In order to exemplify what might happen, but without any commitment at this stage, it is recommended that £200,000 new growth be shown in each of the two forward years. An annual figure of £200,000 has been chosen, as it reflects the Authority’s experience over recent years.

## 5 Service Efficiencies

The Authority has had an objective of funding new developments from efficiencies. Indeed, the Government builds efficiencies into its calculation of grant support – reported to be 1.6% equivalent to £275,000 for this authority.

The policy for efficiencies has been to maximise them in order to deliver best value services, and there has been a history of finding about £150,000 a year on average, although some of these have emerged during the year rather than being planned when the budget has been set.



The position, as agreed at Strategy and Resources Committee, is to budget £100,000 annual efficiencies already considered achievable, but note that up to £160,000 of additional efficiencies might become available through the further management of vacancies. The full £160,000 would be most questionable in 2008/09 as the Authority is planning to manage a major peak in retirements without reducing service effectiveness, but there is hope that this will be a source of efficiencies over the next three years as a whole.

In light of this it is recommended that the Authority bases its forward planning in 2009/10 and 2010/11 on as yet unidentified ongoing efficiencies of £150,000 a year. This is consistent with previous experience and current policies, but avoids having to use unidentified savings in the 2008/09 precept year.

## **6 Service Reductions**

Unlike efficiencies, service reductions lower expenditure but also cause a loss of service. That does not mean, however, that everything currently done by the Authority is of a higher priority than all the potential new service developments. The “what-if” analysis resulting from the Medium Term Financial Plan did, therefore, consider the possibility of service reductions, if resources available to the Authority following the Comprehensive Spending Review proved inadequate. There does not, at this time, seem to be any reason to consider a reduction in service levels, although this should not be ruled out until the full budget package can be assembled.

## **7 Financial Implications**

The financial implications are as outlined in the report.

## **8 Legal Comment**

The Fire Authority has power to act as proposed in this report.

## **9 Equality Impact Assessment**

Officers have considered the Service’s Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

## **10 Appendix**

Schedule of Shropshire and Wrekin Fire Authority Development Issues

## **11 Background Papers**

There are no background papers associated with this report.



Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment		Operational Assurance	
Efficiency Savings	*	Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	*
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Equality Impact Assessment	*



### Schedule of Shropshire and Wrekin Fire Authority Development Issues

No	Priority Rating	Item	2008/09	2009/10	2010/11
			£000	£000	£000
1	1	Cultural Audit Action Plan	40	-	-
2	2 =	IRMP* – Officer Resilience Posts	68	68	68
3	2 =	Internal New Dimension Post	50	-	-
4	2 =	Improved training for flooding and water rescue	50	-	-
5	2 =	Improved PPE** for flooding and water rescue	17	-	-
6	6 =	RMB*** Programme Office resources	9	9	9
7	6 =	ICT**** Resourcing	25	25	25
8	6 =	Running costs of the introduction of the Wide Area Network	18	18	18
9	9 =	Pathfinder (Vulnerable Persons advocacy)	25	25	25
10	9 =	Environmental Improvements	25	25	25
11	11 =	Rural Fire Safety Assessors	25	25	25
12	11 =	EEF Membership	15	15	15
13	13 =	Improved Cleaning Standards	16	16	16
14	13 =	Administrative support in Technical Services	20	20	20
			403	246	246

Schemes have been ranked against the Fire Authority's Aims and Objectives, Integrated Risk Management Planning, the National Framework, Audit and potential emerging issues.

The basis of this ranking can be explained orally and will be set out in detail at the Strategy and Resources Committee in January 2008.

#### Key

- \* Integrated Risk Management Plan
- \*\* Personal protective equipment
- \*\*\* Regional Management Board
- \*\*\*\* Information, communications and technology

