

REPORT TO FIRE AND RESCUE AUTHORITY

DATE: 18th December 2006

SUBJECT:

REPORT ON THE POTENTIAL FOR LIMITING THE INCREASE IN THE BUDGET REQUIREMENT FOR 2007/08 TO 3.5%, ON A LIKE FOR LIKE BASIS, ABOVE THAT FOR 2006/07.

SUMMARY:

Members will have received as part of their papers for the Fire Authority meeting of 4th December 2006 both the original budget report for 2007/08 as part of the 13th November 2006 Resources Committee minutes and a formal Addendum report on the budget. The Addendum report followed the informal meeting of officers of this Authority with the constituent authority Treasurers and reduced the proposed budget requirement increase, on a like for like basis over 2006/07, from the original 4.2% to 3.89%. At the Fire Authority meeting of 4th December 2006, members asked that options be given by the Chief Fire Officer in order that consideration could be given to reducing the increase in the budget requirement to 3.5% on a like for like basis. The attached report outlines how this might be possible.

Appendix 1 to the report also outlines for the information of members evidence of efficiency targets both achieved and planned. Members will appreciate that this list will constantly be reviewed and outlines only the headline efficiencies. These will form part of the evidence to be provided in the Wales Programme for Improvement (WPI) efficiencies exercise that the Authority will be expected to undertake, although a more thorough evaluation will be undertaken when formal guidance is received from the Assembly/Wales Audit Office.

IMPLICATIONS:

OPERATIONAL RISK - None

COMMUNITY RISK - None

TRAINING - None

H.R - None

FINANCE – see SUMMARY.

EQUALITY & DIVERSITY - None

HEALTH & SAFETY - None

LEGAL - The Authority is obliged, in accordance with the requirements of the Combination Scheme Order, to consult the constituent Unitary Authorities by the 31st December annually on the budget requirement for the following financial year before determining the final budget by 15th February prior to the relevant financial year.

RECOMMENDATIONS:

- (1) That consideration be given to the above options, in conjunction with the 2 previous reports, and that members determine a budget requirement increase for formal consultation with the constituent authorities.
- (2) Some service reviews are currently underway or will be undertaken in the near future and the potential savings are not therefore clear. Should the level of savings identified from these reviews be greater than assumed in the budget process, it is recommended that officers are authorised to utilise these on any budget heads that have been reduced during these budget discussions.

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT

2006/2007 Approved Revenue Budget

Pay settlements

MAWWFRA Risk Reduction Plan 2007-10

Joint Budget report 2007/08 presented to the Resources Committee on 13th Nov 2006

Addendum budget report 2007/08 presented to the Fire Authority on 4th December 2006

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MID AND WEST WALES FIRE AND RESCUE AUTHORITY

FIRE AUTHORITY - 18TH DECEMBER 2006

REPORT ON THE POTENTIAL FOR LIMITING THE INCREASE IN THE BUDGET REQUIREMENT FOR 2007/08 TO 3.5%, ON A LIKE FOR LIKE BASIS, ABOVE THAT FOR 2006/07.

INTRODUCTION

Members will have received as part of their papers for the Fire Authority meeting of 4th December 2006 both the original budget report for 2007/08 as part of the 13th November 2006 Resources Committee minutes and a formal Addendum report on the budget. The Addendum report followed the informal meeting of officers of this Authority with the constituent authority Treasurers and reduced the proposed budget requirement increase, on a like for like basis over 2006/07, from the original 4.2% to 3.89%. At the Fire Authority meeting of 4th December 2006, members asked that options be given by the Chief Fire Officer in order that consideration could be given to reducing the increase in the budget requirement to 3.5% on a like for like basis. The attached report outlines how this might be possible.

Background

The budget increase proposed, following the meeting with the constituent authorities, was 3.89%. Should members wish to reduce the budget increase to 3.5% a further £165,000 needs to be cut from the latest proposals.

Members are aware that the budget proposals had already been reduced following the meeting with the constituent authorities. Provision for pay awards for both uniformed and non uniformed staff had been reduced by 0.5%, and provision for price inflation had been similarly reduced. There had been further delays made to new appointments.

The Authority has already made significant efficiency savings and targets further savings, some of which are shown in Appendix 1. Members will appreciate that this list will constantly be reviewed and outlines only the headline efficiencies. These will form part of the evidence to be provided in the Wales Programme for Improvement (WPI) efficiencies exercise that the Authority will be expected to undertake, although a more thorough evaluation will be undertaken when formal guidance is received from the Assembly/Wales Audit Office.

Potential for Reductions

Following further debate amongst officers, the following are possibilities with regard to achieving the reduction of £165,000.

1) Capitalising the first year Broadband costs (but £30k required 8/9 on)	– £25,000
2) Possible Control Room and Administrative Support efficiencies	-£30,000
3) Phasing of one LFS/CS post (full yr effect required 2008/09) (LFS =Legislative Fire Safety, CS = Community Safety)	- £10,000
4) Re-phasing of new CS initiatives originally intended for 2006/07	<u>-£100,000</u>
	<u>-£165,000</u>

Due to the small number of requests for additional budget pressures coming through in 2007/08 over 2006/07 as priorities, and due to the extent of reductions made already in this years budget process, any further options would necessitate a reduction of service levels included in the base budget.

It should be pointed out to members that any reductions made from the 2007/08 budget proposals will come through again as pressures in the 2008/09 budget exercise. This will reduce the potential to take on board new pressures coming from the Risk Reduction Planning process for 2008/09 and thus delay their implementation.

Recommendations

- (1) That consideration be given to the above options, in conjunction with the 2 previous reports, and that members determine a budget requirement increase for formal consultation with the constituent authorities.
- (2) Some service reviews are currently underway or will be undertaken in the near future and the potential savings are not therefore clear. Should the level of savings identified from these reviews be greater than assumed in the budget process, it is recommended that officers are authorised to utilise these on any budget heads that have been reduced during these budget discussions.

Appendix 1

HEADLINE EFFICIENCIES ACHIEVED OR TARGETED FOR THE MID AND WEST WALES FIRE AND RESCUE SERVICE

(Please note these efficiencies can be cash or non-cash)

Integrated Risk Management Plan (IRMP) 2004/05 FOR 2005/06 – 1% efficiency target approx £400k

- 1) 24 Posts, 12 in Llanelli and 12 in Morriston redeployed, savings **£600,000**
- 2) Site sharing of Control Room, - collaborative procurement savings
- 3) Animal trapped incidents – policy to pass over all calls directly to the RSPCA and only respond on their request for direct assistance
- 4) Responding to AFA's (Automatic Fire Alarms) – policy changed to reduce pump attendance from 2 or 3 pumps to 1 – Estimate potentially in excess of 4,000 hrs annually can be redirected to other activities, **- £48,000**
- 5) Modify attendance to late Fire calls – policy to respond with an officer only in the majority of circumstances
- 6) Modify attendance to persons locked in/out incidents - Introduce policies to refer calls to locksmiths for assistance
- 7) Aerial appliances – introduce policies to remove aerial appliances from all PDA (Pre – Determined Attendances) and mobilise on request only – Estimate that in excess of a potential 800 extra person hours will be released annually **-£10,000**
- 8) Policy to dispose of Heavy Rescue Unit together with savings in associated servicing and manning hours.
- 9) Increasing HFSA's (Home Fire Safety Audits) policy, reducing call out rates – ongoing reductions achieved

IRMP 2005/06 FOR 2006/07 – 1% efficiency target approx £400k

- 1) Co-responders at retained stations – introduced phased alerting, only mobilising a smaller portion of the crew – **£150,000 savings**
- 2) Replacing 2 turntable ladders and 2 water ladders (total cost £1.160m) with 2 Combined Aerial Rescue Platforms (CARP's) (£880K) saving **£280,000 capital**
- 3) Removal of water carrier from the fleet **£250,000 capital**
- 4) Re alignment of support staff – savings of **£22,000**
- 5) Comprehensive review of retained day crewing - 8 staff from 4 day crewed stations, Aberystwyth, Carmarthen, Milford and Pembs, saving **£224,000**
- 6) Haverfordwest crewing changes – released 8 people saving **£336,000**

Risk Reduction Plan (RRP) October 2006 for 2007-10 and later years, 1% efficiency target a year for 3 years = £1.2 m with further targets for future years

- 1) An increased target of HFSA's with an expected result of reduced calls, and thus costs.
- 2) Implementation of proposals to change Haverfordwest Fire Station to day crewed, **- £500,000**
- 3) Staff duty patterns to be reviewed across the Whole Time service. Potential large efficiency savings.
- 4) Special Efficiency savings **- £50,000**
- 5) Implement the outcome of the 2005/6 review into the better use of shift times on stations. Increase work carried out during night shift by 3 hours. This will free up over 80,000 productive hours which can be redirected. **- £960,000**
- 6) Review the crewing arrangements for specialist vehicles following the introduction of CARP's **- up to £250,000**
- 7) Removal of 10% allowance for staff on the day duty system where it cannot be justified by reference to job content **- £60,000**
- 8) Reduction in costs of the Treasurers role
- 9) Control Room and Administrative Support efficiencies – potential for efficiencies **- £30,000**