

Productivity and Efficiency Plan

2023-2024



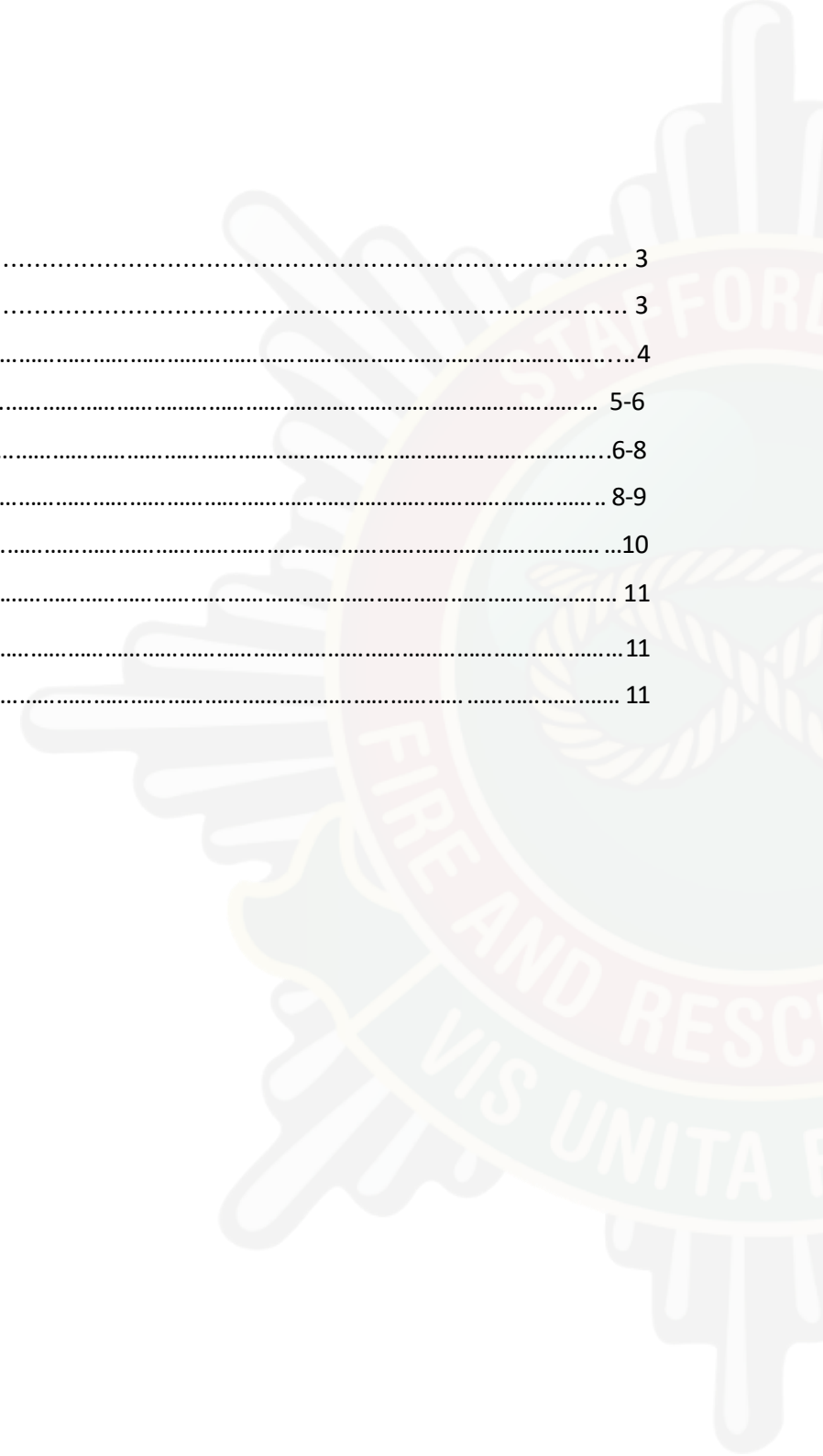
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Fire and Rescue Service
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About the Plan

This Productivity and Efficiency Plan sets out the ongoing financial challenge currently faced by the Authority and illustrates the recent transformation savings that have been delivered by the Service.

The Fire and Rescue [National Framework](#) sets a requirement that Fire and Rescue Authorities (FRAs) produce and publish annual efficiency plans. There is a specific requirement from the Minister of State for Crime, Policing and Fire that in 2023/24, FRAs produce plans that not only cover planned 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. This 2023/24 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 document has been produced as a requirement of the funding settlement from the Home Office and is published on the Staffordshire Fire and Rescue Service website so that it can be scrutinised by local people and Council tax payers within Stoke on Trent and Staffordshire.

This document contains links to other relevant documents and websites and should be read in conjunction with those.

Medium Term Financial Strategy

The Authority's strategy for the provision of services is driven by the approved Corporate Safety Plan covering the period 2020-2024. The Plan has been developed using integrated risk management planning methods and is designed to conform to the Government's guidance in relation to the preparation of integrated risk management plans. The Corporate Safety Plan is currently being refreshed for the next period from October 2024.

The Corporate Safety Plan covering the period 2020-2024 can be found as per the link below:

[Our Safety Plan 2020-2024 | Staffordshire Fire & Rescue Service](#)

The Corporate Safety Plan and this Productivity and Efficiency Plan is supported by the approved Medium-Term Financial Strategy (MTFS), which sets out how the Authority will fund the plan. The MTFS is based on a number of assumptions, which are detailed within this document.

Funding Assumptions

The following table sets out the assumptions the Authority is making about funding up to 2025-26 and includes the assumptions including the year 2022/23. The budget year is the fourth single year settlement from Government which makes future planning increasingly constrained to the short term alongside the impact of rising cost and pay inflation.

Settlement Funding Assessment <i>(All figures are £000 unless stated)</i>	2022 23 Forecast	2023 24 Budget	2024 25 Plan	2025 26 Plan
Baseline Funding - Business Rates/ Top Up	8729	10282	10488	10614
RSG	4923	5422	5585	5697
Settlement Funding Assessment Total	13652	15704	16073	16311
Council Tax Forecast:				
Band D Council Tax (£)	80.35	84.25	86.77	88.50
Actual / Assumed Council Tax base increase on previous year	502	418	455	476
Yearly Council Tax Precept Increase	557	1405	921	642
Collection Fund (council tax & business rates)	355	118	(55)	
Estimated Total Council Tax Income	28820	30761	32082	33200
Council Tax Band D Precept Increase (%)	1.99%	4.85%	2.99%	1.99%
Growth in Council Tax Base Yield to Previous Year (%)	1.83%	1.46%	1.50%	1.50%
TOTAL	42472	46465	48155	49511

The level of RSG the Authority receives will have decreased by just over 50% between 2015-16 and 2019-20. The Authority had frozen council tax between 2010-11 and 2014-15 with a Band D for Staffordshire and Stoke on Trent held at £67.64 during this time. The Authority is now more reliant upon the funding raised through Council Tax (68%), and through the receipt of Business Rates (local and top-up 22%), with Revenue Support Grant reduced to 12% of funding.

Recognising the impact of inflationary pressures on both pay and non-pay costs, the Revenue Support Grant was increased in line with CPI for 2023/24 by central government at 10.1% and the referendum limit for Council tax increases was raised to £5 for 2023/24 (c.6.2% for this authority) as part of the local government finance settlement. Council Tax levels were increased by the Staffordshire Commissioner at £3.90 for 2023/24, £1.10 below the revised referendum limit and lower than many other FRA's.

Revenue Budget 2023/24

The following table sets out the budget for 2023/24 and breaks down sources of income and planned spending. The budget for 2023/24 and level of council tax increase was approved by the Staffordshire Commissioner on 13 February 2023 following presentation to the Police Fire and Crime Panel.

The budget for 2023/24 included a decision to raise the Precept by £3.90, £1.10 below the referendum limit of £5.

Revenue Budget Summary	Budget 2022/23	Budget 2023/24	Year on Year Change
	£000s	£000s	£000s
Pay			
Pay Costs	26,875	28,615	1,740
Other Employee Costs	2,098	2,389	291
Total Pay	28,973	31,004	2,031
Non Pay			
Premises Costs	3,897	5,154	1,257
Transport Costs	772	775	3
Supplies & Services Costs	7,075	7,941	867
CFS Costs and Initiatives	309	323	14
Total Non Pay	12,053	14,193	2,140
Income			
Income - General	(3,326)	(4,081)	(754)
Interest Receivable	(10)	(285)	(275)
Total Income	(3,336)	(4,366)	(1,029)
Capital charges	1,425	2,108	683
Interest Payable	758	732	(25)
PFI Unitary Charge	3,003	3,776	773
Total Capital Charges	5,185	6,616	1,431
Total Revenue before Reserves	42,875	47,447	4,573
Transfer to/(from) Reserves	(403)	(983)	(580)
Budget Gap in Year			
Total Revenue Budget	42,472	46,465	3,993

Whilst funding overall has increased year on year by c.£4m, the utilisation of around £1m of earmarked grants and reserves has still been necessary to balance the budget, in addition to the achievement of £0.7m in transformation savings incorporated into the 2023/24 budget. This has been necessary due to the impact of significant pay inflation of 7% for operational staff and an average award in excess of 6% for Fire Support Staff. Non pay costs have also escalated by £2.1m due to increases in energy costs and the prices paid for goods, services and facilities management.

Transformation Savings and Plans

The updated MTFs for 2023/24 to 2027/28 includes £1.1m of savings which has been either delivered or significant progress has been achieved to date. The delivery of this savings is incorporated into actual delivery within 2022/23, the budget 2023/24 and MTFs.

Additional cashable savings of £1.4m are required into the medium term in order to ensure a balanced position is achieved by 2027/28, of which £1.3m is required by 2025/26

Transformation Savings Assumptions (All figures are £m unless stated)	2022 23	2023 24	2024 25	2025 26
Response and Crewing Reform	0.2	0.7	0.7	0.7
Prevention and Protection Reform			0.2	0.2
Collaboration (Estates and Shared Services)			0.2	0.2
Transformation Workstreams to be agreed			0.7	1.3
Total	0.2	0.7	1.8	2.4

The Service has undertaken a number of scenario planning sessions and options have been discussed and developed with the Staffordshire Commissioner in order to provide a range of saving solutions, cognisant of the updated financial challenge into the medium term and which will deliver a more efficient Service with improved productivity. The requirement for Service Transformation is to ensure that Staffordshire Fire and Rescue Service “is able to provide a modern, efficient and sustainable level of service based upon the budget available which does not compromise the safety of our staff or our communities. However, given the financial requirements of the MTFs, some areas of savings made through the transformation process may lead to an adjustment in service provision.

Response and Crewing Reform

The Service is in the process of introducing two new appliances with enhanced rescue capabilities (ERPs). This will improve the services capabilities for heavy rescue incidents and allow a more efficient crewing model to be implemented in 2023/24. This saving is supported by the Capital Programme investment and will remove 4 operational posts from the establishment.

A new crewing model is now in place across the Service that enables wholtime crews to respond to emergency calls with a minimum level of crewing of four firefighters (optimum level remains at five). This is delivering reduced overtime and savings estimated to be in excess of £0.4m in a full year. In addition, a review of the Crewing Policy has also been completed and implemented saving c.£0.2m per annum.

In terms of the service's on-call staff, investments have been made to improve recruitment, training and support in order to improve operational availability of crews. Further work continues through 2023 trailing a new response model in the south of the county to improve availability of on-call crews and reduce the costs incurred from over the border mobilisations into Staffordshire. The Service is also progressing a new mobilising model for reduced number of on-call staff in order to improve response times at incidents and make greater use of on-call appliances where availability has been limited due to traditional crewing levels.

A total saving through response and crewing reform will therefore deliver a revenue saving estimated at a minimum of £0.7m per annum.

Prevention and Protection reform

This reform is aimed at creating efficient prevention teams and aiming to improve the level of collaborations on the agenda such as health outcomes and community safety. In terms of protection, continued investment is being made in our dedicated teams and the upskilling of our operational staff will ensure a greater level of capacity is achieved in order to deliver more protection work within our communities.

Collaboration (Estates and Shared Services)

The Staffordshire Commissioner is seeking to progress more collaboration and the use of shared facilities across the estate. Joint response bases for Fire and Police are now in place at Hanley, Tamworth and Chase Terrace with further sites identified at Uttoxeter, Stone, Kidsgrove. Options for a joint response base are also being developed for Stafford as well as a more collaborative use of Police and Fire headquarters sites.

In addition, Shared Services are in operation for Human Resources, Finance, Communications, Property, Commercial Services and operated a combined vehicle workshop facility. Sharing buildings and back-office functions are already delivering savings in excess of £0.5m per annum for the Fire Service alone, with a further £0.2m in the pipeline for full delivery by 2024/25. Sharing more buildings has also released significant capital receipts and reduced revenue costs for the benefit of Staffordshire Police whilst at the same time providing the benefits of sharing modern PFI built premises.

The shared commercial services team ensures that the use of procurement Frameworks is in place across both Fire and Police. This provides additional efficiencies e.g. where Fire are able to gain access to procure vehicles using the Police framework. A dashboard of procurement savings is presented by the Commercial Services team through the Governance arrangements in place within both Services. Whilst delivering savings is becoming more difficult as costs for goods and services rise is a key function of Commercial services to ensure best value is achieved at all times.

Transformation – Workstreams to be agreed

The Transformation Board chaired by the Deputy Chief Fire Officer has been developing a number of Transformation Options through 19 different workstreams. A number of the workstreams have been implemented or incorporated into business as usual work but some are continuing to be developed as described above.

A number of workstreams remain on hold as although implementation would deliver savings and economy, further evaluation is still required, prior to implementation. This will proceed as part of our ongoing transformation programme once the impact upon the safety of our Firefighters' and our community is fully understood.

These workstreams include the following examples:

- A) options for Wholetime Shift Stations to change to day duty shift systems
- B) Reviewing the viability of station locations resulting in some station closures

Efficiencies and Productivity

Fire and Rescue Services (FRSs) in England, the fire and rescue sector have a target to create 2% of non-pay efficiencies and to increase productivity by 3% by 2024/25. This 2023/24 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.

The Authority have extracted from the Medium-Term Financial Strategy which demonstrates that the Authority is forecast to exceed the 2% of non-pay efficiencies as required by the Home Office using Annex B model provided by the Home Office. Savings are forecast to be in excess of the 2% target for all three years 2022/23, 2023/24 and 2024/25.

Through collaborative working with the Staffordshire and Stoke-on-Trent Integrated Care Board (SSOTICB) a Falls Response Team was established on 14 November 2022 and the service went live on 7 December for a 6-month pilot period. The initiative involves SFRS personnel attending and resolving falls calls across Staffordshire. The team are dispatched by the NHS-led Unscheduled Care Coordination Centre (UCCC), who draw calls from the West Midlands Ambulance Service (WMAS). The patients being attended generally have vulnerabilities associated with being at increased risk of fire such as elderly, mobility issues etc, therefore Safe and Well checks, including Falls Prevention advice are carried out. The team consists of 6 staff (5 of which are also on-call personnel), based at Lichfield, working in shifts of 3 to cover 8am to 8pm, 7 days a week. When the team are not assigned to falls calls, they are carrying out prevention activity and delivery of antiviral medications.

In order to further improve the productivity of the Service a new station work routine is being developed to create capacity, performance clarity and assurance within the wholetime crews. This also includes investment and reform of all aspects of performance and assurance within the service. The Learning and Development is being reviewed with this area of work including a more effective restructure to build capacity for outreach training and assessments. The wholetime crews productivity work is the result of an initial project initiated through the Services transformation board. All wholetime crews will record their response, prevention and protection activity into allocated time slots throughout the working day and night shifts. Currently all stations can review their own workload and capacity through a local reporting mechanism. Measures are now being developed to enable the service to review all wholetime watches as a collective to study demand, capacity and the effectiveness. The next stage of the productivity work will be to roll out to all areas of the service, using the learning gathered from the wholetime crewing model.

A second area of effectiveness is with the learning development department. Process flows have been created to identify gaps within processes and identify areas for improvement and effectiveness. The areas include; development and training, driver training, national operational guidance and operational assurance. The operational assurance team have developed new policies and procedures for debriefing, risk assessment, incident expectations, action plan management, exercise planning and Incident command using double loop learning to ensure the loop is fully closed ensuring learning is embedded with all staff. During 2022 the Service introduced a greater level of outreach training from L&D staff supporting local stations and crews. This reduces the cost of back-filling crews and provides a more efficient model of training delivery. This approach has also been successful in delivering on-call core training courses at local stations. The Service continues to enhance this approach with a greater use of technology.

All areas of productivity and effectiveness will be measured and reviewed through the services performance meeting structure. The Chief Fire Officer is accountable through a Public Performance meeting which will include all internal performance. Internal performance is also reviewed through service delivery performance meetings, which are then reported through areas such as the response performance meeting and then summarised through a senior team performance meeting covering response, prevent & protect, human resources and service improvement.

It is therefore a clear intention for the Service to gather and monitor performance data in order to be able to measure productivity over time and to review performance against the 3% target. More work is therefore required by the Service in order to accurately report productivity during 2023/24 and into the medium term and is being actioned as a priority

Capital Expenditure

As well as ensuring that the revenue budget is affordable over the medium term, the Authority also needs to ensure money is available to purchase new assets (e.g. Premises, vehicles, equipment, ICT infrastructure). The planned capital programme is shown in the table below.

Estimated Capital Expenditure <i>(All figures are £m unless stated)</i>	2023 24 Budget	2024 25 Plan	2025 26 Plan
Capital Expenditure	6.7	3.6	2.8
Capital Expenditure Financing:			
Direct revenue Funding	0.5	0.4	0.5
Use of earmarked Reserves	1.1		
Unsupported / Prudential Borrowing	5.1	3.2	2.3

The Capital programme is supported in 2023-24 by the use of £1.1m of reserves, this includes a contribution to the replacement of two Aerial Ladder Platforms. The capital programme includes the following key areas for investment during 2023/24:

Building and Infrastructure - includes a station refurbishment at Brewood and the feasibility work for a refurbishment at Tutbury.

Operational Equipment - includes the replacement of Breathing Apparatus sets due to age. This procurement exercise is being undertaken regionally led by West Midlands Fire and Rescue, and will ensure the most efficient approach is taken across the whole region.

Appliances and Vehicles - includes the replacement of two ALP's and 2 ERP's due for delivery during 2023/24

Information Technology - £0.9m of investment is included for ICT during 2023/24 and includes investment in device refresh and new technology

Performance Information

The Authority commits to publication of transparent performance information. This includes but is not limited to:

- Statement of Accounts
- Annual Governance Statement
- Statement of Assurance
- Information required by the prevailing Local Government Transparency Code

Use of Reserves

Reserves are an essential part of good financial management. They allow authorities to manage unpredictable financial pressures and plan for their future spending. The level, purpose and planned use of reserves are important factors when developing medium-term financial Strategies (MTFS) and setting annual budgets. Reserves are 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 or emergencies – this also forms part of general reserves
- a means of building up funds (often referred to as earmarked reserves) to meet known or specific requirements

Within the existing statutory and regulatory framework, it is the responsibility of the Chief Finance Officer to advise the Staffordshire Commissioner about the level of reserves that it should hold and to ensure that there are clear protocols for their establishment and use.

The projected balance of reserves for the period is shown in the following table, as per the approved Medium Term Financial Strategy:

Estimated Financial Reserves Levels (All figures are £m unless stated)	2022 23 Est	2023 24 Plan	2024 25 Plan	2025 26 Plan
General Fund Balance	1.9	1.9	1.9	1.9
Earmarked General Fund Reserves	6.4	5.0	4.5	4.5
Expected Use of Earmarked Reserves	1.9	1.4	0.5	0

The use of reserves in 2023/24 is primarily to support the capital programme, as detailed above.

Progress of the Efficiency Plan

The Authority commits to publishing an annual Productivity and Efficiency Plan as required by the Home Office. This will be published following the annual budget setting process, and before the start of any new financial year.

An update is provided to the Police Fire and Crime Panel as part of the MTFS refresh which is reviewed and scrutinised by the Panel usually in October / November annually.



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