

<b>REPORT TO:</b>	<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY MEETING</b>
<b>DATE:</b>	<b>24TH JUNE 2010</b>
<b>REPORT NO.</b>	<b>CFO/101/10</b>
<b>REPORTING OFFICER:</b>	<b>CHIEF EXECUTIVE &amp; CHIEF FIRE OFFICER</b>
<b>CONTACT OFFICER:</b>	<b>IAN CUMMINS, DIRECTOR OF FINANCE, EXTN. 4244</b>
<b>OFFICERS CONSULTED:</b>	
<b>SUBJECT:</b>	<b>2009/10 ANNUAL EFFICIENCY STATEMENT – BACKWARD LOOK</b>

**APPENDIX A      TITLE      2009/2010 ANNUAL EFFICIENCY STATEMENT  
– BACKWARD LOOK CLG RETURN**

**APPENDIX B      TITLE      REPORT CFO/174/09 - 2009/2010 ANNUAL  
EFFICIENCY STATEMENT – FORWARD LOOK**

**ATTACHED – HARD COPY**

**\*A Glossary of Terms has been provided at the end of this report for your  
reference**

Purpose of Report

1. To present to Members the 2009/10 Annual Efficiency Statement, (AES),  
“Backward Look”.

Executive Summary

The Chancellor’s Spending Review 2007 (CSR07) set an efficiency target of £110m for all English Fire & Rescue Authorities to achieve by the end of the CSR07 period. Each FRA must complete an annual AES to allow Communities and Local Government, (CLG), to monitor the delivery of this saving. This report seeks to advise the Committee of the 2009/10 AES for MFRA.

Recommendations

2. That Members note the contents of the report.

## Introduction and Background

3. The Chancellor's Spending Review 2007 (CSR07) set an efficiency target of £110m for all English Fire & Rescue Authorities to achieve by the end of the CSR07 period. No target levels were set for individual FRAs but the achievement of the overall efficiency target is monitored by CLG through the completion of the fire and rescue service specific AES statements.
4. AES are comprised of two parts:
  - **The Forward Looking part** – provides a very brief outline of the strategy for securing efficiency gains during the next year and the cashable efficiency gains that are expected. Deadline for 2010/11 submission is 20th July, 2010, (report CFO/100/10 on this agenda).
  - **The Backward Looking part** – sets out the cashable efficiency gains achieved in the past financial year. Deadline for 2009/10 submission is 20<sup>th</sup> July 2010.
5. This report sets out for Members the 2009/10 MFRA Backward Look AES return required by CLG, attached as Appendix A to this report.
6. The statement identifies permanent cashable efficiency improvements of £3.912m for 2009/10, as outlined in table 1 below. These savings mirror the formal implementation of the 2009/10 approved budget savings identified in report CFO/021/09.

**Table 1**  
**2009/10 AES SAVINGS**

Description	2009/10	AES Category
<b>Saving Options:</b>	<b>£'000</b>	
Effectively Reducing ill health retirements	-200	Reduced ill health
Review Management Structures	-400	Other IRMP
Non Uniform Support Costs	-150	Corporate
Special Appliance provision/ORC	-280	Revised Shift/Crew
Grey Book/Green Book Review	-250	Other IRMP
Further Review of RRT (11 posts)	-400	Revised Shift/Crew
LLAR * 1	-300	Revised Shift/Crew
Procurement Efficiencies Target	-600	Procurement
Self Rostering	-360	Revised Shift/Crew
Reduce Resource & Resilience Team to reflect riding appliances efficiently in line with agreements	-1,332	Revised Shift/Crew
net	<b>-3,912</b>	

7. The 2009/10 Backward Looking AES varies slightly to the Forward Looking AES, outlined in Appendix B. The challenges around getting the consultation exercise completed and getting volunteers to sign up to the self-rostering proposal delayed the implementation of this £360,000 saving option and it will now feed into the 2010/11 Forward Looking AES. During the year Members were advised that a £400,000 additional permanent saving on the inflation provision had been identified, CFO/260/09 (Financial Review report). This permanent saving on the inflation provision has been included in the 2009/10 Backward Look AES under the Procurement category.

#### Equality & Diversity Implications

8. None arising from this report

#### Financial Implications & Value for Money

9. None arising from this report.

#### Health & Safety and Environmental Implications

10. None arising from this report.

#### Contribution to Achieving the Vision

“To Make Merseyside a Safer, Stronger, Healthier Community”

11. The delivery of efficiencies helps the Authority deliver on its corporate aim of operating efficient and effective organisational functions that will support the core functions of the Authority in a way that provides value for money for the communities of Merseyside.

### **BACKGROUND PAPERS**

Fire and Rescue Circular 15/2010 “Backward Look Annual Efficiency Statements (AESs) for 2009/10 and Forward Look AESs for 2010/11”

Report CFO/021/09 “MFRA Budget and Financial Plan 2009/2010 – 2013/2014” Authority meeting 26<sup>th</sup> February, 2009.

Report CFO/260/09 “Financial Review 2009/10 – April to September” Strategy & Resources Committee 17<sup>th</sup> December, 2009.

#### **\*Glossary of Terms**

**AES** – Annual efficiency statement

**Cashable Efficiencies** – release cash whilst maintaining outputs and allow the resources that are released to be diverted to other services or to hold down council tax increases.

**CLG** – Communities and Local Government