

# EFFICIENCY PLAN

2016 – 2020





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## INTRODUCTION

The Government is offering single purpose Fire and Rescue Authorities firm four-year funding allocations to 2019-20 in return for robust and transparent efficiency plans. This will provide funding certainty and stability to enable more proactive planning of service delivery and to support strategic collaboration with local partners.

The Authority has and will continue to face challenges to 2019 and beyond. In recognition of that fact, Members of Royal Berkshire Fire Authority reviewed and reset their policy direction in 2014. The new policy agenda that emerged from that review was communicated in the form of six Strategic Commitments by Fire Authority members to the public across Royal Berkshire. The Commitments provide a clear mandate for change – a mandate intended to increase the contribution made by RBFRS to people across the county leading safe and fulfilling lives, whilst, at the same time, balancing the Fire Authority's budget in increasingly difficult financial circumstances. This Efficiency Plan sets out both the cashable and non-cashable benefits that will be delivered through the implementation of the Authority's Corporate Plan.



## **EFFICIENCIES ACHIEVED BETWEEN 2010/11 AND 2015/16**

Between 2010/11 and 2015/16 annual core funding from central Government to Royal Berkshire Fire Authority fell from £15.4 million to £13.3 million. This steep fall in Government support together with the need to fund pay rises and other inflationary pressures meant that the Authority was forced to cut the cost of both its frontline and support services. To deliver savings on this scale a whole range of strategies were adopted to reduce costs.

A recruitment freeze was put in place over several years to bring about a reduction in wholetime firefighter numbers which was made possible by changes to crewing arrangements. Savings were also made by closing down retained firefighter sections that were not viable due to recruitment difficulties and a Retained Support Unit, staffed by wholetime firefighters, was created to increase the availability of retained firefighters.

Support function efficiencies were achieved by dis-establishing vacant posts and streamlining processes within departments. The number of Directors on the Corporate Management Team was reduced and responsibilities more evenly spread amongst the remaining members. Reducing staff numbers meant that training budgets could also be cut. Significant savings were made in the IT budget with the introduction of VOIP and a more effective use of IT assets. Facilities management costs were reduced and better procurement practices enabled support departments to drive down costs. Finally, improved fitness levels and an increased focus on the health and well-being of staff led to a reduction in the numbers of ill-health retirements and associated costs. Short-term sickness levels fell by 29% due to a range of management actions during 2015/16.

Throughout these years, the Authority has sought to collaborate with partners both to improve the service to the public and as a means of reducing costs. The Authority signed an agreement with Hampshire Fire and Rescue Service to provide a joint workshop facility which has delivered both cashable savings and a better quality of vehicle servicing. Similarly, a shared procurement function was set up with Buckinghamshire & Milton Keynes Fire and Rescue Service which brought in additional income for the Authority. However, the collaboration that has generated the greatest efficiencies for the Authority was the establishment of Thames Valley Fire Control Service.

This collaboration between Buckinghamshire & Milton Keynes Fire and Rescue Service, Oxfordshire Fire and Rescue Service and RBFRS delivered a joint control room that is more resilient, uses the latest technology to mobilise resources in the most effective way and does this at a substantially reduced cost.



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Until October 2015 the Authority's insurance was arranged through a consortium of nine fire and rescue authorities. These fire and rescue authorities are now members of the Fire and Rescue Indemnity Company Ltd. The company commenced trading in November 2015. The Authority's risk protection arrangements are provided through the pooled funds of the company. The aims of the Company are twofold: to reduce risk to the Authority by driving up standards, for example, by adopting best practice in relation to driving standards and also to reduce the cost to the Authority of its risk protection arrangements over the longer-term.

Overall, the savings described above along with additional income generation resulted in annual cashable efficiencies of £4.96 million during this period.



## THE FUNDING GAP 2016/17 TO 2019/20

The Authority's Medium Term Financial Plan (2016/17 to 2019/20) that was produced during 2015/16 identified a funding gap of £2.768 million by 2019/20. Actions were taken during 2015/16 to start to bridge this gap. Firstly, a restructure of senior management was undertaken which further reduced the size of the Corporate Management Team as well as reducing the number of Heads of Service. This produced savings of £162,000. Additional savings of £207,000 resulted from the re-tendering of IT contracts and a more effective use of the operational equipment budget. Once these savings are factored into the projections of income and expenditure the funding gap falls to £2.401 million by 2019/20 as shown below.

	2016/17 £'000	2017/18	2018/19	2019/20	Total Savings Required
Funding gap	162	975	715	549	2,401

In calculating the funding gap the following assumptions have been used:

- Annual council tax increases of 1.99% between 2017/18 and 2019/20;
- Growth in the council tax base of 1.4% per annum;
- A business rates surplus of £450,000 per annum compared to Government baseline assumptions;
- Annual pay increases of 1% until 2019/20;
- Inflation of 1% throughout the period; and
- Increased employer pension contributions of £400,000 due to Government announced changes to the way pension liabilities are calculated.



## **CASHABLE SAVINGS 2016/17 TO 2019/20**

### **2016/17**

Actions were taken during 2015/16 to ensure the following cashable savings are already being delivered during 2016/17:

<b>Savings already delivered in 2016/17</b>	<b>Amount</b>
Senior Management Restructure	£162,000
Efficiencies from the Operational Equipment Budget	£120,000
Re-tendering of IT Contracts	£87,000
<b>Total</b>	<b>£369,000</b>

This still leaves £162,000 of additional savings to be found during 2016/17. Members agreed when setting the 2016/17 Budget that if additional savings could not be found the shortfall of £162,000 could be funded from reserves. However, actions are currently being taken by senior management to ensure that this shortfall can be covered without recourse to reserves.

### **2017/18**

2017/18 is the most challenging year in terms of delivering savings with a target of £975,000. Heads of Service have been tasked with saving at least 10% from their budgets. Whilst it has been recognised that there will be variations in the percentage savings between Departments, overall, the Authority will wish to see costs fall by a minimum of 10%. Staff restructures in these Departments will be completed by the end of 2016/17 and non-staff savings are currently being pursued through better procurement and a more effective use of resources.

### **2018/19 and 2019/20**

The combined savings target for these two years is £1.264 million. The Authority's Integrated Risk Management Plan 2015-2019 (IRMP) details all foreseeable risks to the communities of Royal Berkshire and then demonstrates how frontline activities mitigate and reduce these risks to the public. The IRMP details four priority projects, the first of these projects looks at response standards, station locations and crewing



arrangements. This project has been tasked with making savings in the region of £1.5 million in the period up to April 2019.

## **NON-CASHABLE SAVINGS 2016/17 to 2019/20**

The Authority's Corporate Plan sets out a vision of what the Service will look like by 2019 but also states that this must be affordable and deliverable within the constraints of decreasing levels of Government funding. The vision is both ambitious and challenging and can only be delivered by changing the structures, processes and culture of the organisation. Non-cashable efficiencies that will be generated are described below.

The 2019 Vision places fire stations at the heart of communities. This means that fire station managers will have autonomy to provide services that are aligned to the risk profile of their area, for example, structuring community safety activity to reflect the diversity of communities across the county. This contrasts with the current "one size fits all" approach which does not target specific risks to the same degree and therefore is not making the best use of the Authority's limited budgets. Furthermore, RBFRS's impact will be greater still by collaborating with colleagues from local authorities and the NHS to ensure individuals at risk can be better identified so that carefully targeted home safety visits can be put in place.

In order to facilitate the shift to fire stations operating at the heart of communities, the approach to providing support services will change significantly. Support departments will become more customer-focused, seeking to support and facilitate rather than centralise and control and thus deliver much greater value with the resources at their disposal. Capability in support departments will also be increased by sharing resources and knowledge with other public sector organisations. This means RBFRS will have access to the higher levels of expertise that are necessary to run support functions really well. This different approach to the provision of support functions will make them more resilient as larger support teams will be working across multiple organisations.

Organisational restructure will be based on the ethos of "one team working collaboratively for the people we serve". Changing the culture of the organisation and building trust amongst employees will reduce the need for some of the bureaucracy that is slowing the Service down. Decisions will be made by those on the frontline who are best placed to meet the needs of communities rather than being taken centrally at Headquarters.





## RISKS AND MITIGATION AROUND DELIVERY OF THE EFFICIENCY PLAN

The risks and mitigation strategies regarding this Efficiency Plan are shown below.

Risk	Mitigation
Insufficient resources will be available to re-engineer business processes and embed cultural change due to budgetary constraints.	Members of the Authority have recognised that a challenging and ambitious programme of change will require additional short-term resource to ensure a successful transformation in culture and business processes. Members therefore agreed to set up a Transition Fund worth £2 million, funded from reserves, to bring in one-off specialist skills to ensure delivery of Vision 2019.
Even if the overall savings target can be met, the organisation may be unable to deliver savings quickly enough to balance annual budgets.	The Authority has a budget contingency reserve of £483,000 to fund temporary budgetary shortfalls.
The savings target may be insufficient to balance the budget.	The Medium Term Financial Plan will be updated quarterly so that changes in projected income and expenditure can be quickly communicated and changes to savings targets adjusted accordingly.



## STRATEGIC CAPITAL INVESTMENT PROGRAMME

Provision has been set aside for the Strategic Capital Investment Programme. New fire stations will be built; others will be redeveloped or refurbished. All will have facilities for community engagement activities and for general community use. A review of the type and number of operational vehicles will be carried out and the Authority will aim to share resources wherever possible to minimise cost. Investment in information and communication technology will help improve efficiency and resilience, and generate capacity at a lower cost in the future.

Risk	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000
<b>Capital Expenditure</b>					
New Fire Stations	1,981	4,750	2,250		8,981
Fire Station Refurbishment	1,614	2,310	2,080	2,080	8,084
ICT	722	250	400	250	1,622
Vehicles	1,421	1,075	1,175	575	4,246
<b>Total</b>	<b>5,738</b>	<b>8,385</b>	<b>5,905</b>	<b>2,905</b>	<b>22,933</b>
<b>Funding</b>					
Capital Receipts	4,586	914	3,000		8,500
Revenue Funding	500	500	500	500	2,000
Development Fund	652	3,629			4,281
Total	5,738	5,043	3,500	500	14,781
Borrowing Required		3,342	2,405	2,405	8,152
	<b>5,738</b>	<b>8,385</b>	<b>5,905</b>	<b>2,905</b>	<b>22,933</b>



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## USE OF RESERVES

The Transition Fund is being used to enable the Authority to deliver Vision 2019. Capital receipts and the Development Fund are being used to invest in the Authority's assets. £1 million will remain in the Development Fund to finance any collaborative opportunities that may arise over the next few years. The Budget Contingency Reserve will be used to fund any shortfalls between periods when savings are required and when they can be delivered.



## Use of Reserves

	31.03.16	2016/17	2016/17	31.03.17	2017/18	2017/18	31.03.18	2018/19	2018/19	31.03.19	2019/20	2019/20	31.03.20
	Balance	Inflow	Outflow	Balance	Inflow	Outflow	Balance	Inflow	Outflow	Balance	Inflow	Outflow	Balance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget C/Fwd Reserve	302	150	-302	150	150	-150	150	150	-150	150	150	-150	150
Control Transition	149		-149				0			0			0
Detectors Reserve	62		-62				0			0			0
TVFCS Renewals Fund	319	50		369			419			469			519
Grants in advance	639		-341	298	50		0	50		0	50		0
Vacancy Reserve	65			65			65			65			65
Budget Contingency	483			483		-298	483			483			483
Transition Fund	1,589		-1,200	389			0			0			0
Development Fund	5,281		-652	4,629			1,000			1,000			1,000
						-389							
						-3,629							
<b>Total Earmarked Reserves</b>	<b>8,889</b>	<b>200</b>	<b>-2,706</b>	<b>6,383</b>	<b>200</b>	<b>-4,466</b>	<b>2,117</b>	<b>200</b>	<b>-150</b>	<b>2,167</b>	<b>200</b>	<b>-150</b>	<b>2,217</b>
General Fund Balance	2,325			2,325			2,325			2,325			2,325
Capital Receipts		5,500	-4,586	914		-914		3,000	-3,000				
<b>ALL RESERVES</b>	<b>11,214</b>	<b>5,700</b>	<b>-7,292</b>	<b>9,622</b>	<b>200</b>	<b>-5,380</b>	<b>4,442</b>	<b>3,200</b>	<b>-3,150</b>	<b>4,492</b>	<b>200</b>	<b>-150</b>	<b>4,542</b>

## DUTY TO COLLABORATE

RBFRS has strong partnerships with local councils, South Central Ambulance Service (SCAS), Thames Valley Police (TVP) and other Fire and Rescue Services. We seek to work in partnership with these organisations both operationally and in the property asset area, through sharing and leasing of properties.

Specifically, we have recently signed a memorandum of understanding with TVP, Oxford County Council and Buckinghamshire & Milton Keynes Fire Authority around sharing accommodation.

In addition, we have signed a memorandum of understanding with Oxford County Council and Buckinghamshire & Milton Keynes Fire Authority, setting out how we will collaborate as Fire and Rescue services, to achieve improved collaboration across Buckinghamshire, Milton Keynes, Oxfordshire and Royal Berkshire.

- By 2020 the three Thames Valley Fire and Rescue Services are committed to aligned service delivery and a workforce development strategy that delivers interoperability and flexible deployment across the Thames Valley. The Collaboration Steering Group has laid down the vision, critical success factors and objectives within the Thames Valley Collaboration Programme.

Investing in our assets will help us deliver better partnership working including joint procurement, data sharing, property co-location and better coordinated service delivery:

- The three Thames Valley Fire and Rescue Services have developed a joint specification and undertaken joint procurement for new fire appliances with planned delivery of the first four to RBFRS in April 2017;
- RBFRS has entered into a partnership arrangement with Hampshire Fire and Rescue Service with regard to fleet maintenance and servicing;
- Risk modeling software was jointly procured with Thames Valley Fire and Rescue partners.

The Policing and Crime Bill has (at the time of writing) yet to achieve Royal Assent but when enacted will place a legal duty on police, fire and ambulance services to work together and enable police and crime commissioners to take on responsibility for fire and rescue services where a local case is made.

In advance of this legislation, RBFRS is actively working to deliver a number of projects with both TVP and SCAS.

- The refurbishment of Hungerford Fire Station will deliver the county's first tri-service community station and will house not only firefighters but also the local

Police Community Support Officers and a SCAS co-responding car with firefighters attending life-saving medical emergencies in the local community.

- Plans are being developed with TVP to deliver an integrated facility at Whitley Wood Fire Station in Reading. This site would provide joint office space, enhanced training facilities and a community safety centre benefiting the local community.
- Plans to develop a fire station in the Theale area also include the potential to co-locate on the site with TVP.
- TVP are also currently looking at the potential of relocating a number staff to RBFRS Service Headquarters in Calcot.
- There are a number of initiatives across the county. At Hungerford, Wokingham and Wargrave fire stations fire service personnel and crews are attending life saving medical emergencies as part of co-responding schemes developed with SCAS. More than just a co-operative arrangement RBFRS and SCAS have developed an agreement where work is carried out on a cost recovery basis.
- A project team continues to look at opportunities for closer working and an expansion of these schemes to provide a better service to the public. Shortly we will be introducing the ability for all of our front line appliances to respond to cardiac arrest incidents across the county.

RBFRS are active partners in the Berkshire One Public Estate Partnership, 'Berkshire Property Partnership' which is currently developing a range of collaborative and partnership projects across the county with all Unitary Authorities, This has the potential of drawing down central government funding and creating efficiency savings for all partners.

## NEW AND FLEXIBLE WAYS OF WORKING

The Efficiency Plan requires details of current and planned flexible working practices including more effective utilisation of the Retained Duty System (RDS), our on-call firefighters.

RBFRS has two programme boards which manage all project work – The Organisational Development Programme Board and the Integrated Risk Management Planning Programme Board.

Both have current projects delivering new and innovative ways of working which are supporting continuous improvement in the organisation.

- The review of the Retained Duty System (RDS) is a project in its own right. Historically, there have been difficulties in recruiting sufficient numbers of RDS staff and then retaining them. The project seeks to learn from existing best practice around the country and develop new ways of working, such as, modular training to better support their lifestyle, the potential for new and flexible contracts, new reward structures, supporting WDS crewing shortfalls, or if appropriate replacing WDS staff at times of reduced demand across the 24 hour period. Early work has looked at more efficient and effective ways of testing potential trainees. Recently two RDS trainees were part of the same training course as their Wholetime Duty System colleagues. This is the first time this has happened and shows a commitment to seeking new ways of working.
- Work is progressing to improve business processes across the service and one particular area of focus currently is on procurement and contracts, with new contract rules and procurement templates drafted, and training being delivered to key staff to ensure compliance.
- A collaborative project with the other Thames Valley Fire and Rescue Services has over the last two years been harmonising operational policy and procedure with the development of standard operating procedures. This work is now being expanded to look at aligning all equipment and training provision across the three services.
- The three Thames Valley Fire and Rescue Services are developing a joint risk mapping and risk modelling methodology, utilising the same software package, procured jointly. This will support closer working across borders and better sharing of resources including specialist vehicles and officers. This will also enable joint data capture and performance reporting across the three services.
- An extensive programme of core skills training has been implemented to develop and support staff. All courses are aligned to our commitment to a 'one team culture' and support Vision 2019.

- RBFRS is working collaboratively with the other Thames Valley Fire and Rescue Service and TVP to provide a consistent and joined up offer in support of health partners for the NHS Sustainability and Transformation Plan (STP) footprint areas of Buckinghamshire, Oxfordshire and Berkshire West (footprint area 44) and Frimley Heath (footprint area 34)
- We are also working closely with local partners and our six unitary authorities to deliver joined up initiatives to manage specific local risks. The Joined Up Front Line Action (JUFA) project work in Whitley Wood, Reading is a key example.
- To support the promulgation of information and improve communication to staff a new intranet and website is being developed.
- One of the four key projects for IRMP is looking at crewing arrangements and extensive research has been carried out looking at a number of flexible working practices for crewing arrangements and shift patterns. A number of options will be put in front of Fire Authority members and will form the basis of the Service Redesign proposals that will go to public consultation in October 2016.



## COMMITMENT TO TRANSPARENCY

With the recent move of government department to the Home Office, the Home Office Transparency Agenda will provide the benchmark for the Authority into the future and the Home Office Fire Inspection regime will provide the rigour of challenge to ensure we are meeting our commitments. In line with the Home Office's Reform Agenda the Authority will be making the Service more transparent by publishing a range of information such as incident reports and data on procurement and the workforce.

Our website has a wide range of information made available to the public and other stakeholders.

The Authority is committed to providing openness and financial transparency and the webpages 'Transparency and Governance' contain:

- The Statement of Accounts
- Council Tax information
- The publication of payments above £500 to external bodies and suppliers.
- Information to meet Section 31 and 32 of the Local Government Transparency Scheme 2015
- The Fire Authority Pay Policy statement
- Fire Authority member allowances
- The Annual Statement Of Assurance
- Codes of conduct, financial regulations and standing orders.

On the website, the link 'Our Performance' contains the following information:

- Corporate Plan 2015-19
- Integrated Risk Management plan 2015-19
- Annual Plan
- Annual Report
- A range of performance data in reports from 2005-2016 (Printed copies of the above are available on request)

A comprehensive report is produced on a quarterly basis that details our corporate measures and targets and the performance against them; this includes a narrative of planned corrective actions if performance does not meet a target or details the good practice that enabled the target to be exceeded. It also tracks the progress of

projects and monitors the risks added to our corporate risk register. The report is analysed and challenged by Heads of Service at the quarterly Strategic Performance Board, then by the Corporate Management Team and finally by the Fire Authority's Audit and Governance Committee.

Our website has information regarding our public and stakeholder consultations. Information on consultations can be accessed and surveys completed through an on-line portal. Information regarding other methods of responding to the consultation and reports of the feedback and findings of the consultations are all available. This enables the public to fully engage and have their say with regard to any proposed material changes to the service. Processes have been developed to meet the legal principles of consultation, government best practice for transparency and openness in consultation and our own consultation strategy.

As an example, a public consultation closed on 25th July 2016 which sought the public's views on proposed changes to the way we report performance with the intention to deliver a simple and transparent response standard.

We make available a greater range and depth of performance data on our intranet site to support managers locally with planning and enable them to make informed business decisions. We also work with partners to share data that enables more targeted planning of prevention initiatives and activities, as this ensures we target our limited resources where they can do the most good in the community.

## **THE ANNUAL STATEMENT OF ASSURANCE AND THE ANNUAL EFFICIENCY PLAN REPORT**

The Statement of Assurance confirms the adequacy of arrangements for the effective management of financial, governance and operational matters in Royal Berkshire Fire and Rescue Service. The report therefore looks back at the previous year and the latest version is viewable on our internet pages at:

<https://www.rbfrs.co.uk/your-service/transparency-and-governance/financial-transparency/>

For completion of this year's statement of assurance the internal moderation panel sat on 14th July and made its judgements. This evidence was passed to the external moderators at Cambridgeshire Fire and Rescue Service who will challenge the evidence on 3rd August. The timeline for completion and publication of the statement on the website is at the end of October 2016.

The efficiency plan commits us to the production of an annual efficiency report which will sit alongside the published annual statement of assurance and will allow the public of Royal Berkshire to scrutinise progress made.

As this is the first year for the plan it necessarily follows that the first report will be compiled and published in Oct 2017.

