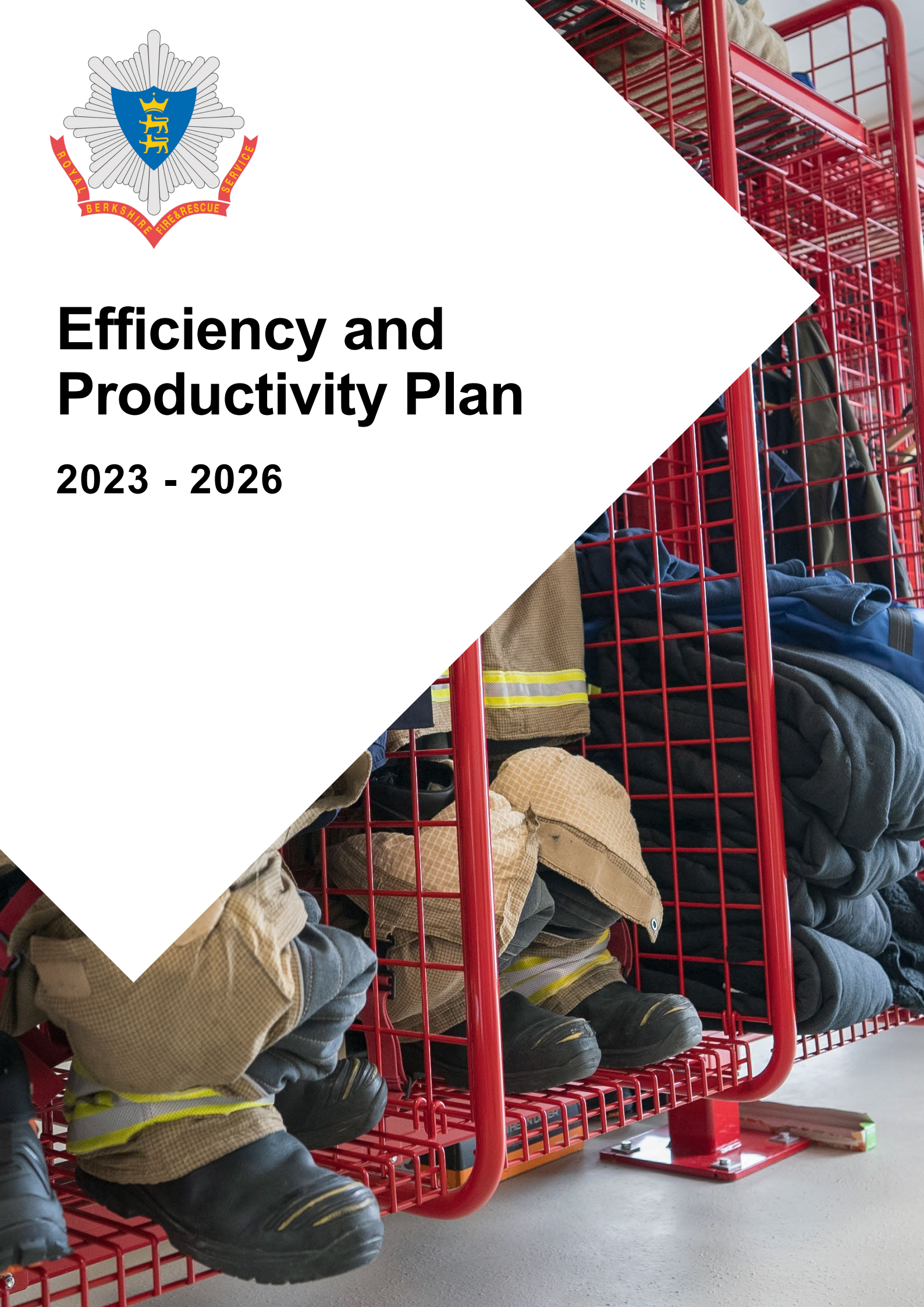




Efficiency and Productivity Plan

2023 - 2026





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Foreword

Councillor Jeff Brooks, Lead Member for Budget and Income Generation



It is my pleasure, as the Lead Member for Budget and Income Generation, to introduce the Authority's Efficiency and Productivity Plan. Royal Berkshire Fire and Rescue Service has an excellent track record in delivering savings; indeed, His Majesty's Inspectorate of Constabulary and Fire and Rescue Services has issued his second inspection report of our Service which states, "We are pleased to see that the service has identified savings and investment opportunities to improve the service to the public or generate further savings. The service met its previous efficiency plan and saved £2.4m by 2022."

The Efficiency and Productivity Plan has been drawn up with the express purpose of maximising the resources available to support the Fire Authority's purpose and vision and builds on the recommendations from a value for money assessment that we carried out in 2022 in conjunction with Proving Services Ltd.

The Plan also incorporates wider fire sector objectives as agreed with Government to deliver 2% non-pay efficiencies and an increase in productivity of 3% by 2024/25. Collaborative procurement is seen as one of the drivers of non-pay efficiencies and it is expected that by 2024/25 the National Fire Chiefs Council's collaborative procurement programme, in which we take a very active part, will deliver savings of £27m across all fire and rescue services. Whilst it is clear services need to have sufficient resources to provide an emergency response, especially in times of exceptional demand, it is also evident that productivity gains from those resources need to be made by harnessing the use of technology, hence, the focus on IT invest-to-save projects in this Plan.

The Plan also recognises that financial and environmental sustainability are highly correlated; indeed, it is evident that the Authority will face increasing costs and compliance issues if it does not transition to an environmentally sustainable model in the medium term. By investing now to make our estate and fleet more environmentally sustainable we can reduce both the financial impact on our revenue budget as well as reduce our carbon emissions.

In the immediate term, the Authority has a duty to balance its budget so we will ensure that its day-to-day spending is being targeted to deliver corporate priorities. The Plan captures cashable savings that will be made over the next three years together with the additional income that we will generate and I am very pleased to support its adoption.



Introduction

Like all public services we are committed to delivering value for money across the services we provide. Our drive to improve efficiency has delivered over £2.4 million in savings since 2016. Whilst we have been able to use some of the savings made to invest in the vital services that we provide to the public, we have also had to reduce expenditure in certain areas to balance our budget.

The current high rate of inflation means that we are now having to deal with significant unbudgeted cost pressures which only increases the imperative to identify savings in both the short and medium term.

As part of our plan to balance the budget for 2023/24, we will deliver a significant programme of savings next year as well as initiating a series of invest-to-save projects which will help to alleviate the pressure on the revenue budget in the medium term.

A key priority for the Authority over the coming years is to ensure that the Service is sustainable both from a financial and an environmental perspective. The ability to show a costed plan of how the Authority will transition to a low carbon environment is an important piece of evidence to demonstrate financial sustainability to our auditors.

Given that we have plans for many ambitious change initiatives, a key challenge will be to ensure robust, fully resourced programme and project management arrangements are maintained such that milestones, targets and benefits are achieved within planned timeframes. Resourcing for our invest-to-save projects will come from the Transformation Reserve which was increased to £900,000 at the end of the last financial year.

As well as implementing these plans it is important that we are able to measure and report progress on a regular basis. We have already developed a robust and holistic performance management framework, with a range of outcome and quality measures that cover the breadth of the Service. We will continue to benchmark against other services to ensure the appropriateness of our efficiency and productivity targets.



Efficiencies and Income Generation

The external financial pressures that the Authority has faced during 2022/23 has made the task of finding savings within the revenue budget all the more urgent. Not only are there significant pay pressures to contend with but there are also substantial increases in the costs of goods and services that we procure, all of which means that we are facing a significant budget deficit by the end of 2022/23.

Given the need to balance the budget over the medium term, we undertook an exercise to identify where savings could be made from the revenue budget which would have the least impact on service delivery. While some savings are a natural result of changes in what and how we do things, others will have more of an impact on our capacity to deliver services.

Efficiencies can be broken down into three categories: changes to what we do; new ways of working and reduced contractual spend. There are also saving from the disestablishment of vacant posts.

Changes in what we do

The big change in terms of what we will be doing differently relates to the Built Environment Programme (BEP). This was a two-year programme focussed on the issues identified in the Grenfell Tower Inquiry Phase 1 Report. Two of the Programme's objectives are set out below.

1. Address the 46 recommendations of the Grenfell Tower Inquiry Report (Phase 1).
2. Manage all high-rise residential buildings (HRRBs) in Berkshire.

To meet the first objective, the BEP team used a risk-based approach to ensure sufficient steps were being taken to address all 46 recommendations. Any recommendations included in the report that have not been fully implemented are in the process of being incorporated into other departments within the Service for completion.

Objective Two was met by visiting all 187 HRRBs in Berkshire and ensured appropriate regulatory activities were in place. Once this phase of activity was complete the BEP team continued to manage 97 HRRBs where there were heightened fire safety concerns. The monitoring of these HRRBs are now being handed back to local Protection hubs.

To ensure that the work of the Programme has become embedded within the organisation, 12 e-learning packages have been produced and rolled out to staff.



All of this means that the Programme can be closed down and the on-going work can be safely built into other departments' work plans. This will result in a saving of £264,000.

New Ways of Working

The budget allocation for training is currently £723,000. This provides for a broad range of training including operational training courses, recruit / apprentice training, core skills provision, leadership and coaching. From 2023/24, the training budget will be remodelled to take account of changing needs and alternative ways of delivering training which include using National Fire Chief Council supervisory and middle manager leadership products. In addition, the redesign of our Development and Assessment Pathways will reduce content requirements and the cost of delivery. These developments, together with more minor changes to training are expected to deliver savings of £93,000 annually.

A review of our fleet requirements has identified that four fire engines used for fire cadet training are no longer required as this training can be met through better utilisation of the rest of the fleet. This change together with greater utilisation of in-house support vehicles for transporting equipment will deliver ongoing savings of £23,000. The reduced requirement for fire engines will also relieve pressure on the capital fleet replacement programme going forward.

As part of the response to the global pandemic much effort was expended in a short period of time to implement remote working which after various interim solutions led to the deployment of Microsoft Teams. However, it was recognised that much more could be done to improve productivity and that remote meetings and collaborative capabilities would be greatly enhanced by the roll out of Microsoft 365. Microsoft 365 was initially scheduled for deployment across RBFRS in 2022/23 & 2023/24 as part of the ICT Strategy action plan, however, the pandemic accelerated these plans by over a year.

The roll out of Microsoft 365 means that the Service is maximising the benefits from hybrid working, which in turn is resulting in savings on revenue budget lines. Added to savings made in previous years, there will be further savings in 2023/24 on the stationery, conference, professional services and travel and subsistence budget lines of £38,000.

Reduced Contractual Expenditure

Over the last few years the arrangements that have been put in place around procurement and contract management have resulted in greater visibility and analysis of non-pay expenditure. These arrangements together with the implementation of a new stock ordering system will result in savings on contractual expenditure across the organisation. Some contracts have been redesigned or split to obtain the same level of service for less money. The deployment of Microsoft 365 means that separate IT systems are no longer required as services are provided



within Microsoft 365 itself. Altogether, there will be savings on contractual expenditure amounting to £234,000.

Disestablishment of Vacant Posts

A decision was made during 2022/23 to freeze recruitment in relation to Green Book roles unless they were deemed critical to the organisation. A review of vacant posts was subsequently undertaken and it was decided that six of these posts could be disestablished. This was on the basis that the job responsibilities could be spread across teams and departments. However, one unwelcome consequence of these posts being disestablished is that capacity in the organisation will be reduced which will slow progress in some transformation projects. Savings from disestablishment of vacant posts amount to £122,000.

Income Generation

In addition to the savings exercise, we also identified additional income that can be generated in 2023/24 and beyond. Whilst this income is very welcome in that it can be used to support service delivery, it is important to recognise that there could be significant volatility in these income streams from one year to the next.

The main source of additional income comes from increased interest from investments. Interest received has increased not only as a result of investing the capital receipt from the sale of the Dee Road site but also because of rising interest rates. An additional £414,000 has been built into the budget for 2023/24. There will also be some additional income from Thames Valley partners in 2023/24 amounting to £73,000.

Savings and income generation are summarised in the table below.



	£000
Savings	
Changes in what we do	264
Improved ways of working	154
Contractual savings	234
Disestablishment of vacant posts	122
Savings sub-total	774
Income generation	487
Total	1,261

Financial and Environmental Sustainability

As well as addressing the current deficit in the revenue budget, it is essential that we plan how we can reduce future pressures on the budget. To this end, over the next four years, we plan to devote a proportion of our capital expenditure to invest-to-save projects that will not only lower utility costs but also reduce our carbon emissions. Projects that we plan to progress over the next couple of years are described below.

The first project is the installation of LED lighting across the estate. £250,000 has been set aside as a provision in the Strategic Asset Investment Framework to pay for this project. The payback on the scheme is around three years and once complete electricity costs should fall by £84,000 annually.

The other project involves the installation of solar PV systems where suitable. A provision of £250,000 has been set aside for this project. The payback is around 5.5 years and should deliver annual savings of £46,000.



Productivity Gains

Royal Berkshire Fire and Rescue Service already operates a lean operational response model and has reduced the establishment of both its wholetime and on-call firefighters through different ways of working. The ongoing challenge is therefore how to further increase productivity from the workforce. It is also important to put in place effective measures to provide assurance that productivity is increasing as expected and that time is being used as efficiently and effectively as possible to meet the priorities in the Corporate Risk Management Plan.

The value for money assessment undertaken through Proving Services Ltd identified various opportunities that would increase capacity to allow staff to become more productive.

One key recommendation is to consider whether the current business model affords sufficient time to develop strategy and drive transformation. Ensuring that there is sufficient capacity at all levels of the organisation will be essential and to a large extent this relies on being able to recruit to and retain the organisation's middle management who will be key to delivering these projects.

The report also identified the need to review how we use wholetime and on-call firefighters to ensure that we are optimising the resources that we have available. This piece of work will be picked up as part of the Authority's new Corporate Risk Management Plan.

However, one of the most important conclusions from the report is that process automation will significantly improve productivity and efficiency across all staff groups. The Authority has therefore identified several areas where process automation will deliver a significant increases in productivity. The projects that will be delivered over the coming two years are outlined below.

Automation of Equipment and Asset Management

Enhancements to our equipment and asset management software mean that we will be able to automate the manual checking and recording of operational equipment on vehicles and at stations. The planned changes will not only release significant amounts of time that is currently spent on these vital but essentially administrative tasks but will also remove paper flows from the process. Each piece of equipment will have a barcode which can be scanned via the app which will transform the management of inventory, standard tests and equipment defects. It is estimated that at least a third of the time spent on these activities can be saved through automation.



Upgrade of Prevention and Protection IT Capabilities

Current software used in relation to Prevention and Protection activities has many limitations and requires significant manual intervention. The aim is to replace the current bespoke software with an off-the-shelf product that offers the integration we require, improves the management of risk information and management reporting and streamlines processes across the Service. Again, it is estimated that a third of the time spent on these activities can be saved through the use of the new system.

Automation of Procurement Card and Expense Claims Processes

This project sets out to replace the manual expense and procurement card processes with automated software to simplify workflows and streamline processes. There will be various benefits to the new process. The automated system will give employees the flexibility to easily and quickly submit a claim via computer, tablet, or smartphone. Managers and the Finance team can quickly review submissions and move them to next stage in the process. The automated workflow will help to save staff time which will in turn lower processing costs for expense claims and procurement card returns. The use of expense software will improve visibility via dashboards displaying metrics e.g. expense data can be compiled using charts or reports to view total spend per category or the average time it takes to approve expense claims. The automated system will eliminate the use of paper, contributing to the Authority's sustainability strategy. The time and effort required to ensure compliance with policies will be much reduced from claimants through to authorisers and finally those processing the claims.



Risks and Mitigation Around Delivery of Plan

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

Risk	Mitigation
There will be insufficient resources available to re-engineer business processes and embed cultural change due to budgetary constraints.	The Authority has 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. The Transformation Reserve will be used to fund invest-to-save projects.
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 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.





Conclusion and Governance Arrangements

The Efficiency and Productivity Plan forms part of a suite of strategic planning documents that we use to set corporate priorities against affordability constraints. The Plan not only allows us to make the most of the current resources at our disposal, it also sets out a programme of work that will reduce revenue budget costs and generate income in the coming years.

The Plan is a snapshot in time and to drive forward efficiency and productivity we will continue to make effective use of benchmarking opportunities to improve value for money. We will also continue to seek out collaborative opportunities with other organisations, especially in the Thames Valley, to increase efficiency. For example, we will look to jointly procure operational equipment to ensure the Thames Valley's response to emergency incidents is consistent.

Progress against this Plan will be reported internally through the Strategic Performance Board and externally through Audit and Governance Committee on a quarterly basis.

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