Efficiency and Productivity Plan

2024/25 – 2026/27

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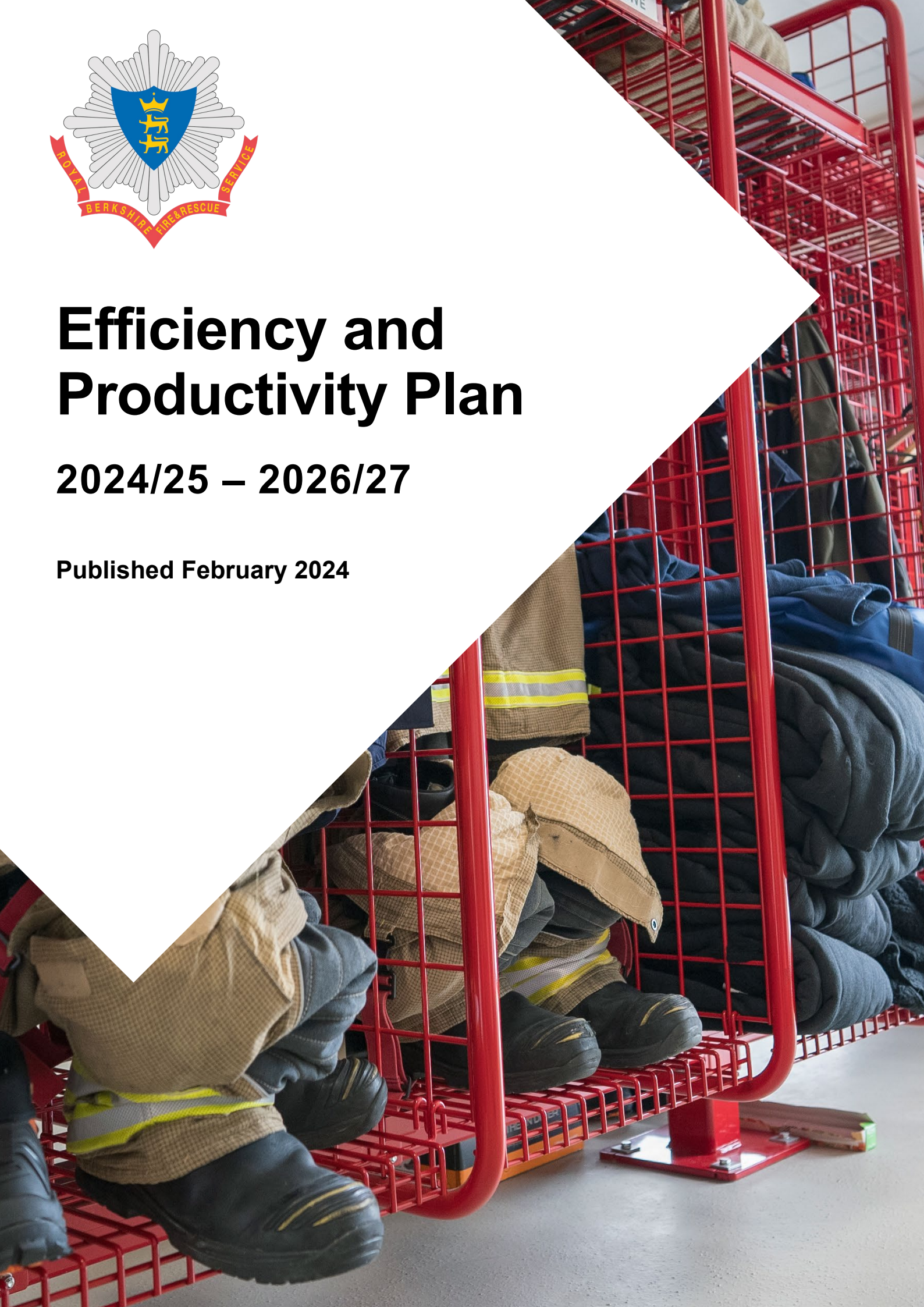

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Foreword

Councillor Mike Smith, 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 efficiencies; 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 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.

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 that 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 will prioritise the delivery of corporate priorities but this Plan allows us to consider the medium term so we can capture cashable savings and productivity gains which in turn will generate a new cycle of efficiencies and productivity gains.

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 £3.1 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 rate of inflation means that we continue to face unbudgeted cost pressures which only increases the imperative to identify efficiencies in both the short and medium term.

As part of our plan to balance the budget for 2024/25, we will deliver a significant programme of savings and efficiencies 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.

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 2023/24 has made the task of finding savings within the revenue budget all the more urgent. Not only are there significant cost pressures to contend with but there are also pressures on our income streams, all of which means that we need to find efficiencies and generate income.

Given the need to balance the budget over the medium term, we undertake an annual exercise to identify where savings could be made from the revenue budget which would have the least impact on service delivery. While there are efficiencies as 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 over a longer period.

Efficiencies can be broken down into three categories: changes to what we do; improved ways of working and reduced contractual spend.

Changes in what we do

A significant saving deriving from what we will be doing differently relates to the management and use of stock items that are used on our Safe and Well visits. We now adopt a targeted approach to our Prevention work which means that our visits are targeted at those who are deemed to be at high or very high risk. This means that our Prevention activities are risk based and therefore we are making the best use of finite resources. In addition to the adoption of a risk-based approach, we have also introduced more robust stock management procedures, all which mean that we can reduce expenditure on supplies in this area by £49,000.

Improved Ways of Working

Our Corporate Risk Management Plan (CRMP) sets out six priorities that will be delivered by 2027. Priority 6 of the CRMP states that we will maintain 19 frontline fire appliances, and a baseline service provision of 14 frontline fire appliances, utilising wholetime and on-call staff as effectively as possible through local management. It is estimated that the implementation of Priority 6 will reduce overtime expenditure by £156,000 by using on-call firefighters, particularly at night, when they have greater availability.

The lean crewing model that the Service operates means that overtime is required to meet our availability and response standards. In 2024/25 we will create a buffer of ten additional firefighters over and above the current establishment of 324 which will result in an anticipated saving of £163,000 in overtime payments.

The migration and consolidation of five ICT systems within the Microsoft 365 environment will bring about many benefits. Time spent managing separate systems will be reduced with savings in administration and maintenance. There will also be a reduction in user downtime and improved security. There will be cashable savings of £12,000 in 2024/25 and £20,000 per annum thereafter linked to licencing fees alone.

The roll out of Microsoft 365 means that the Service is gaining increasing benefits from its ICT infrastructure. Microsoft 365 will provide the functionality to scan directly into SharePoint, which in turn will improve document security and reduce the need for printing. Among the many productivity benefits, there will also be a cashable saving in relation to printing devices and usage of £13,000.

Reduced Contractual and Miscellaneous Expenditure

Over the last few years, arrangements have been put in place around procurement and contract management to provide greater visibility and analysis of non-pay expenditure. These arrangements continue to deliver savings on contractual expenditure across the organisation. However, the biggest saving for 2024/25 is in utility costs. Falling gas and electricity prices as well as our initiatives to reduce our carbon footprint will see a reduction in utility costs of around £84,000. Altogether, there will be savings on contractual expenditure amounting to £142,000.

Income Generation

New lease arrangements will come into effect in the coming months on two of our former service houses generating additional income of about £30,000 in 2024/25.

Savings and income generation are summarised in the table overleaf.

2024/25	£000
Efficiencies	
Changes in what we do	49
Improved ways of working	344
Contractual savings	142
Savings sub-total	**535**
Income generation	30
Total	**565**

Financial and Environmental Sustainability

As well as addressing immediate pressures in the revenue budget, it is essential that we plan to reduce future pressures. To this end, over the medium term, we are devoting 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 medium term are set out in our Strategic Asset Investment Framework.

Productivity Gains

Royal Berkshire Fire and Rescue Service operates a lean operational response model and has reduced the establishment of both its wholetime and on-call firefighters through different ways of working. However, this model needs reviewing so the Authority's Community Risk Management Plan incorporates the need to review how we use wholetime and on-call firefighters to ensure that we are optimising the resources that we have available.

A key consideration is 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 this largely relies on being able to recruit to and retain the organisation's middle management who will be key to delivering productivity gains.

Continued business process review and automation has led to significant improvements in productivity and efficiency across all staff groups so we shall continue to focus on leveraging the benefits of technology available to the Service.

We continue to explore where consolidation and automation are possible, gradually rolling out upgrades to our systems and introducing new ways of working. Introducing such changes often comes with a need for training and familiarisation but the long-term efficiency and productivity gains are clear.

Work completed in 2023/24

Much of the groundwork for the continual exploitation of technology and automation was laid in 2023/2024, putting the Service in good stead to fully embrace more effective ways of working. Building on the successful delivery of intranet capabilities, we have been able to centralise and index corporate information facilitating its quick retrieval.

An example of a productivity gain includes a new course booking facility for core skills training.

Another example of process improvement relates to the reporting of health and safety events, which now uses technology-backed processes to gather and store relevant information.

Automation of Procurement Card and Expense Claims Processes

The project to replace manual expense and procurement card processes with an automated software solution was implemented in the first quarter of 2023/24. The new system gives employees the flexibility to submit a claim easily and quickly via computer, tablet, or smartphone.

Managers and the Finance team can now quickly review and approve submissions, saving staff time and lowering processing costs.

The use of this software also improves 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 eliminates the use of paper for expenses, contributing to the Authority's sustainability strategy. The time and effort required to ensure compliance with policies has also been significantly reduced.

Effective Management of Operational Resources

One of the reasons for creating a Service Delivery Hub model in September 2017 was to decentralise some functional delivery to better serve the needs of local populations. Whilst this has been successful in achieving its aims, it has created pressures in some areas where resourcing has become too lean. In order to address these pressures, a new Operational Support team has been established which has improved the effectiveness of our operational staff in many ways, from better management of crewing to supporting on-call appliance availability by providing cover where required.

Our plan for 2024/25 – 2026/27

Productivity of Operational Staff

Automatic Fire Alarms

False alarms make up a significant proportion of the incidents we attend. Automatic fire alarms (AFAs) account for 48% of all incidents, with 99.3% of AFAs being false alarms. The remaining 0.7% relate to fires which are mostly small and have little impact on the buildings in question.

Our Community Risk Management Plan sets out as a priority the review of our operational response to AFAs as we need to ensure that we are using our resources as effectively as we can. Before making any changes to how we respond to AFAs, the Service will consult publicly on any proposals.

Technology and Business Process Improvements

Better use of Microsoft 365 including Power BI

We will continue to systematically improve processes by utilising functionality available within Microsoft 365. We will streamline the way in which we gather information and make productivity

gains by utilising online forms, enabling a seamless interrogation of data and creating dashboards to aid the management decisions.

Prevention & Protection

The Prevention and Protection project was initially conceived as a technology replacement project. An opportunity to address Prevention and Protection processes and data architecture presented itself during the preliminary phase of the project in its original form. Widening the scope of the project will ensure our risk data becomes more accessible to the Service and will allow us to leverage data produced across the wider organisation, including a potential for data sharing with partner organisations in the future. Recognising the increased reach of this project within the organisation we will now review project resource needs before recommencing in 2024/25.

Assets and standard checks digitisation

Enhancements to our equipment and asset management software mean that we will be able to automate the manual checking and recording of operational equipment. 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 an app which will transform the management of inventory, standard tests and equipment defects.

Staff Development System

The Service currently operates a range of systems and processes underpinning delivery of e-learning courses, management of qualifications, staff feedback, as well as onboarding, induction and performance and development reviews. It is intended these systems and processes are replaced and consolidated within one system. The overarching aim of this project is to implement one transparent, integrated, intuitive HR information and learning system to facilitate organisational growth, development, and performance.

Personal Record File Digitisation

This project will enable quicker access to personal record files and enable fast and secure transfer of relevant information. By eliminating the need to retain paper copies it will further support our environmental strategies. Digitisation will also allow us to demonstrate compliance in a less resource-intensive way.

Productivity workstreams are summarised below.

Productivity Work Plan		
2024-2025	**2025-2026**	**2026-2027**
1. Business Process Review	1. Business Process Review	1. Business Process Review
2. Better use of MS 365	2. Better use of MS 365	2. Better use of MS 365
3. Power BI	3. Power BI	3. Power BI
4. Prevention and Protection enterprise architecture	4. Prevention and Protection enterprise architecture	
5. Assets and standard checks digitisation		
6. Automatic Fire Alarms		
7. Staff Development System		
8. Multi-Functional Device replacement and printing		
9. Personal Record File Digitisation		
10. Time and motion studies		

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 when necessary 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.

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