Efficiency Plans

# Section 1: Primary Information

## Budget

Lancashire Combined Fire Authority (LCFA) agreed a net budget of £68.2m for 23/24. This can be broken down into the following major headings, with more detailed analysis attached as appendix 1.

|  |  |
| --- | --- |
|  |  |
|  Employee | £54.3m |
|  Premises | £5.3m |
|  Transport | £2.3m |
|  Supplies & Services | £8.1m |
|  Other (inc Capital Financing Costs) | £5.4m |
|  Income | (£6.9m) |
| Unidentified Savings/Use of Reserves | (£0.3m) |
| **Net Budget Requirement** | **£68.2m** |

The budget will be met from:-

|  |  |
| --- | --- |
| Revenue Support Grant | £9.7m |
| Business Rate Top up Grant | £11.6m |
| Locally Retained Business Rates | £4.4m |
| Section n31 Business Rate Relief Grant | £3.9m |
| Service Grant | £0.6m |
| Precept/Council Tax | £38.0m |
| **Total** | **£68.2m** |

Further details of our Revenue Budget, Capital Budget and Reserves and Balance policy over the next 5 years, as well as our Treasury Management Strategy, are contained in our Budget Booklet/Medium Term Financial Strategy.

## Reserves

The Authority currently anticipates holding the following reserves at 31 March 2023:

|  |  |
| --- | --- |
| General Reserve | £4.0m |
| Earmarked Reserves | £2.6m |
| PFI reserve | £4.9m |
| Capital Funding Reserve | £20.3m |
| **Total** | **£31.8m** |

Our reserves and balance policy, included within our Budget Booklet/Medium Term Financial Strategy., shows the planned use of £23m of reserves over the next 5 years, reducing our overall reserve level to £8.8m. It is also worth noting that within this £3.7m of reserves relate to PFI commitment which are unavoidable.

## Precept

LCFA elected to increase the precept in 2023/4 by £5.00, setting a Band D council tax of £82.27, which is still significantly below the national average.

This reflects the need to:-

* meet inflationary pressures
* maintain an appropriate service delivery model, proportionate to risk and able to continue to deliver against both the community fire safety and fire protection agendas
* set sufficient fund aside to contribute to the capital programme, without this the programme would rely far more on borrowing as there is no capital grant allocation to FRAs
* provide an improved longer term funding foundation to meet future requirements.

## Efficiency

The revenue budget allows for the following savings:-

|  |  |
| --- | --- |
|  | Saving |
| Reduction in staff at Flexible day Crewing Stations | £0.5m |
| Reduction in staff at Day Crewing Plus Stations | £0.2m |
| Reduction in staff on Wholetime Stations | £0.1m |
| Convert 2 Day Crewing Plus Stations to Wholetime | (£0.2m) – Increased cost |
| Reduction in recruit numbers (reflecting reduction in overall establishment referred to above) | £0.2m |
| Increase in Interest Receivable, reflecting higher cash balances and increased interest rates | £1.1m |
| Unidentified in-year revenue savings – anticipated from Procurement and managing vacancies | £0.3m |
| **Total** | **£2.2m (this equates to over 3% of our net revenue budget)** |

It is anticipated that staff savings can be met from natural wastage, based on anticipated retirement profiles. However, there is clearly a risk that staff do not return in line with this and hence the level of savings is not delivered in year. If this was the case, we would utilise reserves to smooth out the transition.

## Productivity

In the main, Lancashire Fire and Rescue Service (LFRS) productivity improvements will be measured upon successful delivery of our Home Fire Safety Check (HFSC) and Business Fire Safety Check (BFSC) outcomes, alongside completion of training and increases in operational activity linked to new work areas in support of other agencies.

Reduction of Unwanted Fire Signals (AFA’s) has been achieved during daytime hours by introduction of revised policy from 1st April 2022, with the move to 24-hour adoption being approved by the CFA for implementation from Spring 2023.  This will reduce unwanted and unnecessary mobilisations to premises types covered by the policy change and reduce disruption to more productive application of crews’ time.

Our latest operational review of emergency cover and duty systems will result in a budget saving of c. £400k, whilst at the same time increasing overall wholetime firefighter numbers by 8 and increasing the number of available ‘positive’ hours on stations that change from Day Crewing Plus (DCP) to Wholetime.

# Section 2: Secondary Information

## Collaboration

LFRS has a long tradition of partnership working and was able to demonstrate that in exceptional ways throughout the recent Covid-19 pandemic, working tirelessly with partners to delivery life critical vaccinations across the county. As a key partner of the Lancashire Resilience Forum (LRF), the Service is linked in with strategic partners to deliver efficient and effective prevention, protection, and response services to Lancashire communities, whilst at the same time ensuring that these services are delivered in the most productive manner, using the available knowledge and skills of ourselves and partner agencies.

Lancashire Blue Light Collaboration Board is chaired by LFRS.  Fire, Police and Ambulance Service have all signed a strategic statement of intent which contains the following aims:

* Improve Outcomes
* Reduce Demand
* Better Value for Money
* Reduce inequalities within communities.
* Collaboration Projects to date have delivered improved community outcomes and commensurate increases in operational response activity, ensuring the right blue light agency can respond effectively to deliver the best outcomes:
* Joint PFI scheme with Merseyside and Cumbria Fire Services to deliver 16 stations across the 3 Authorities (4 of which are in Lancashire), the largest Fire specific PFI scheme agreed at that point in time (estimated capital value of £48m).
* Combined Fire and Ambulance stations at Darwen and at Lancaster; this provides rental income to the Authority (£50k pa) but also negates the need for North West Ambulance to invest in new facilities, saving the public purse £4m-£5m
* Joint procurement with the Clinical Commissioning Group for the Wide Area Network (WAN), saving £40,000 p.a.
* Missing Person Searches [c.90 p.a. based on 2022 data]
* Gaining Entry for Ambulance Service [1300+ p.a. based on 2022 data]
* Drone development (aerial and sub-surface capabilities) for which LFRS has the National Fire Chiefs Council (NFCC) lead role. Further investment approved to strengthen sub-surface rescue / recovery capability of persons.
* Specialist canine capabilities – Search and Rescue (USAR & ISAR), Fire Investigation, Cadaver deployed locally, regionally, nationally, and internationally (ISAR). LFRS currently have a memorandum of understanding with Greater Manchester and Cumbria FRS to provide fire investigation dog response on a recharge basis.
* North West Fire Control (NWFC) – collaboration between Cumbria, Lancashire, Cheshire, and Gtr. Manchester Fire Authorities, realising annual savings in excess of £1m p.a
* Community First Responder pilot is underway using community safety staff, with the intention to expand to other roles across the service in 2023/24. Already this has delivered life saving interventions whilst awaiting the arrival of ambulance colleagues.
* Regional Fleet collaboration through Technical Officers Group (TOG) on equipment and vehicle related issues, including procurements and common specifications.

## Transformation Plans

Our transformation high level planning is available across our Community Risk Management Plan (CRMP) and supporting core strategies. Some of our high-level plans include:

* Fire Protection Transformation programme:
* Restructured function to meet challenges posed by changes in the Building Regulatory environment
* An externally validated Risk Based Inspection Programme further refined to meet building risk to increase efficiency and effectiveness of resources deployed to undertake risk reduction activity:
* Optimises use of officer competence levels to deliver interventions required
* Builds back capacity to deliver against broader statutory responsibilities e.g. Building Regulation consultations.
* Business Fire Safety Check delivery across wholetime operational crews, including the development of a sector leading digital solution to undertaking the checks to ensure more productive and efficient working:
* Increases knowledge of the built environment.
* Improves operational preparedness / SSRI (site specific risk information) collation.
* Increases tangible outputs of operational crews – from 17600 HFSC in 21/22, to projected 21000 combined HFSC & BFSC in 22/23, increasing to 22600 combined for 23/24.
* Simultaneously builds capacity into Fire Protection teams to conduct specialist business safety work (Business Support, Advice, Audit & Enforcement) and other statutory requirements.
* Business Fire Safety Checks provide risk reduction activity in premises with differing risk profiles to those included in the Protection Risk Based Inspection Programme (RBIP).

Training review planned in 2023/4 to streamline service wide training delivery to optimise delivery and build back capacity into both Training and Operational Response functions.  The review aims to:

* Assure effective and proportionate training delivery
* Reduce training costs
* Produce further productivity gains for operational crews in future years
* Reduce rota abstractions due to training attendance
* Reduce overtime costs
* Deliver a more flexible training model for On Call staff, reducing the need for time away from primary employment and therefore a reduction in the associated loss of earnings claims.

Climate Change Operational Response Plan developed with investment in new capabilities (vehicles, specialist training, PPE and technology) to improve how we respond to impacts arising from climate change. This does not necessarily produce tangible cashable efficiencies in service but has a significant positive environmental impact.  Increased partnership working via Lancashire Fire Operations Group (LFOG) including the creation of PSPO’s (Public Space Protection Orders) for sites deemed high risk for wildfire activity.

On Call Improvement Programme will provide a fundamental review of our On Call system to ensure that it remains an efficient and effective use of resources.  The programme focuses upon recruitment, selection, development, and retention of On Call staff and takes in reviews of induction, initial training, role capabilities, remuneration, employment contracts, mobilising and resilience of special appliances.  We recognise the need to continue to review and invest in the On Call system to ensure its sustainability longer term.  During 2023-24 we will implement a Flexi Duty Officer (FDO) restructure to redistribute workloads to create a specific station manager post to drive the improvement and progression across our On Call programme. This redistribution of resources avoids the need to invest in new posts, saving £0.1m.

## Charging Policies

Our focus in recent years has been to deliver collaborative projects with a priority of delivering the best community outcomes. We have an innovative approach to service delivery and are a trusted partner that can, and does, support regional and national partners during emergency incidents. We have arrangements in place across our neighbouring services to deliver the quickest and most suitable response, generally on a ‘knock for knock’ basis. Over the next 12 months we aim to introduce:

* Charging for out of county asset deployment in line with NFCC Guidelines on FRS Charging for Mutual Assistance.
* Charging model for other agencies being redeveloped for application when FRS assets are used for non-statutory duties in support of other agencies, for example use of our Drones with Lancashire Constabulary.

In addition to the above, we currently have a Memorandum of Understanding (MOU) with Greater Manchester and Cumbria FRS’ to deliver fire investigation canine capabilities.

## Asset Management And Investment In Technology

We have developed a Digital Strategy that outlines our 5-year trajectory to deliver improved productivity and efficiency both internally and externally. Our high-level projects and plans over the next 12 months include:

Digitising fire engines – to provide mobile office capability on all frontline appliances, increasing the ability for simultaneous activity and thereby productivity.  Access being provided to the full suite of applications as is presently accessed on fire stations (e.g. HFSC system, BFSC App, Training Management, Incident Recording System, Rota Management System, Service Intranet).

Enhancements to Mobile Data Terminals (MDT) – to ensure security, speed, and access to risk information at point of need and in preparation for ESN project improvements.

CCTV on Service vehicles – to reduce accident and injury costs, also a deterrent for anti-social behaviour and spurious claims.

Business Intelligence – function being strengthened with use of a data warehouse, new Service level Key Performance Indicator (KPI) reporting, performance dashboards for use by managers to improve understanding of performance outcomes and inform efficient and effective targeting of resources.

Training delivery – the current implementation of a new learning management system will vastly reduce the administration demands for operational staff, managers, and training department. Capturing evidence of competency in a digital format will also enable development programmes to be delivered more efficiently and free up capacity. Incident Command workshop events for On Call staff are being delivered using a hybrid approach, i.e., in person at the On Call station, or digitally via Microsoft Teams, reducing travel and time costs.

Equipment and appliance checks, inventories and defects – In line with the appliance digitisation programme, we are currently exploring new fleet management software to remove the manual entries and improve on-station equipment and maintenance checks. This will enable visibility of equipment and vehicle inspections. The new system will be App based, so inspections can be verified remotely and live updates posted on the system. In addition, we now operate an in-house vehicle compliance/safety checking procedure at station level. This ensures appliance safety inspections are completed on-time, keeping defect rectification to a minimum, which provides enhanced appliance availability and efficiencies.

## Resourcing

We aim to undertake a strategic review of Emergency Cover resources on a cyclical 3 yearly basis, aligned to refreshed ‘Strategic Assessments of Risk’ across Lancashire. Our latest Emergency Cover Review (ECR) was conducted in 2022 and will be delivered over the next three planning years:

Emergency Cover Review (2023-26): Our latest operational review of emergency cover and duty systems will result in a budget saving of c. £400k, whilst at the same time increasing overall wholetime firefighter numbers by 8 and increasing the number of available ‘positive’ hours on stations that change from Day Crewing Plus (DCP) to Wholetime. In summary, the ECR will deliver:

* Reductions in crewing levels across DCP stations from 14 to 13 per station
* Reductions in crewing levels at Flexi Day Crewed stations from 14 to 13 per station
* Exploring opportunities for flexible shift systems to increase number of positive hours to improve firefighter productivity
* Change several DCP stations to Wholetime, whilst at the same time reducing overall crewing numbers on single pump Wholetime stations across the county from 28 to 24
* Mainstreaming alternative vehicles into the appliance fleet;
* Climate Change vehicles for use in flooding and wildfire response
* Consider how we utilise On Call firefighters in a more productive manner to create efficiencies, for example using them to drive our Aerial Ladder Platforms at 2 fire stations instead of providing dedicated wholetime staffing
* Dynamic Cover Tool (DCT) – will provide optimised fire cover software to ensure efficient and effective disposition of resources.  On implementation (Spring 2023) this will facilitate removal of notional fire cover policies, reducing appliance movements, overtime, disruption to activities, and supporting productivity increases.
* Rota Management – to support the implementation of the DCT, create a dedicated central rota management team to streamline and optimise crewing arrangements, reducing detached duties, reducing overtime and optimising emergency cover aligned to prevailing risk. At the same time, undertake a review of operational protected assets (what resources we keep available 24/7), to ensure we are delivering effective and efficient response arrangements.
* Investment in additional Water Tower dual purpose Fire Appliances – to ensure LFRS can deliver high volumes of water for firefighting and reduce the number of appliances required to safely deal with protracted commercial (and to a lesser degree domestic) fires.
* Training delivery review – to deliver a more effective and sustainable training model, we are reviewing the staffing arrangements at our Service Training Centre. This includes the recruitment of some ‘green book’ trainers, which is a more cost-effective option yet still delivering the same standard of training. Furthermore, a functional route for progression has been established, which will enable staff to work in the trainer role without having all the development requirements of an operational manager. This will help provide opportunities in terms of diversifying talent pathways.

## Procurement

We are invoked in both national and regional procurement projects as well as undertaking our own local procurement activities. In all instances we seek to maximise the benefits offered by existing frameworks to deliver savings, both cashable and non-cashable, and to maximise the commercial advantages offered by collaboration. Some examples being:-

* Active member of the Facilities Management and Construction National Strategic Task and Finish Group, currently working on procurement of a national cleaning contract.
* We have utilised various Fire Specific National Frameworks such as provision of specialist vehicles, including an Aerial Ladder Platform which delivered a saving of £150k.
* We have utilised blue light specific frameworks, such as the Police framework for the supply of footwear.
* We have utilised non-fire frameworks, such as Crown Commercial Services for support vehicles, G-Cloud for software support, YPO for PPE/station uniform and Health Trust Europe for IT related services.
* Part of the North West Group, responsible for aligning requirements and undertaking regional procurement activities across various headings, such as laundry of PPE, provision of flood suits.
* As part of the Regional Group we also invite other organisations to join in appropriate exercises, one example being for maintenance and repair of Appliance Bay Doors where NWAS joined the project.

We record savings generated by procurement on an annual basis, identifying savings of £0.5m in 22/23.

## Productivity

We are pursuing the sector wide Spending Review (2021/22-2024/25) period target of improving the productivity of wholetime firefighters by 3%. In the main, our productivity improvements will be measured upon successful delivery of HFSC and BFSC outcomes, alongside completion of training and increases in operational activity linked to new work areas in support of other agencies. We are investing in Microsoft PowerBi performance management dashboards and our key performance indicators will continue to be presented to our Combined Fire Authority on a quarterly basis, with more in-depth local indicators being available to our managers on a dynamic basis.

We have captured our ongoing commitment to partnership working and support to delivering the best for Lancashire communities and will continue to lead the Blue Light collaboration board and drive forward collective productivity and service delivery improvements.

We can provide data for, and take part in, the forthcoming sector wide utilisation survey which will ask questions about how wholetime firefighters spend their time over the average day and night shift. We have already fed in to the NFCC productivity and efficiency work-stream some of our own ‘time study’ work completed several few years ago.

Training and development activities undertaken by wholetime firefighters on the average day, night, and/or 24-hour shift are as follows:

Per firefighter, per day – 3 hours

Per firefighter, per night – 1 hour

Finally, our reduction of Unwanted Fire Signals (AFA’s) has been achieved during daytime by introduction of revised policy from 1st April 2022, with the move to 24-hour adoption being approved by the CFA for implementation from Spring 2023.  This will reduce unwanted and unnecessary mobilisations to premises types covered by the policy change and reduce disruption to more productive application of crews’ time.

**Signed by Keith Mattinson, Director of Corporate Services/Section 151 Officer**
29 March 2023

# Appendix 1

| **Appendix 1** | **2023/24 Budget** |
| --- | --- |
|  Employee | £m |
|  Uniformed | 43.871 |
|  Support staff | 8.976 |
|  Pensions | 1.392 |
|  Other Employee Related Exp | 0.064 |
|   | 54.303 |
|  Premises |   |
|  R&M | 1.235 |
|  Utilities | 1.821 |
|  Cleaning | 0.070 |
|  PFI | 0.743 |
|  Rent/Rates | 1.415 |
|  Other | 0.062 |
|   | 5.344 |
|  Transport |   |
|  Repairs | 0.950 |
|  Running Costs | 0.590 |
|  Travel costs | 0.492 |
|  insurance | 0.244 |
|   | 2.276 |
|  Supplies & Services |   |
|  Hydrants | 0.082 |
|  Operational equipment | 0.785 |
|  Clothing & Uniform | 0.488 |
|  Printing, stationery, postage | 0.519 |
|  Comms-Network Costs | 1.178 |
|  Telephony | 0.221 |
|  Computers | 1.684 |
|  Subsistence | 0.105 |
|  Fire Safety Expenses | 0.332 |
|  Training Expenses | 0.505 |
|  insurance | 0.280 |
|  Members Expenses | 0.193 |
|  Misc. Equipment | 0.099 |
|  Catering | 0.094 |
|  PTV Residential | 0.108 |
|  Other | 1.401 |
|   | 8.074 |
|  Other |   |
|  Contracted Services | 1.278 |
|  Capital Financing Costs | 4.100 |
|   | 5.378 |
|   |   |
| Pension Grant | (3.098) |
| New Dimension Grant | (0.821) |
| Protection Grant  | (0.285) |
| Airwave Grant | (0.200) |
| Princes Trust Income | (0.873) |
| Interest Receivable | (1.289) |
| Other Income | (0.313) |
|   | (6.882) |
|   |   |
| Unidentified Savings/Use of Reserves | (0.310) |
|   |   |
| Gross Budget Requirement | 68.183 |