

## Agenda Item No. 001

### EAST SUSSEX FIRE AUTHORITY

**Date** 7 September 2017  
**Title of Report** Efficiency Strategy and Plan  
**By** Assistant Director Resources / Treasurer

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**Background Papers** Fire Authority 8 September 2016 – Item 952 2017/18 Strategic Service Planning and Medium Term Financial Plan  
Fire Authority 14 February 2017 – Item 970 Fire Authority Service Planning processes for 2017/18 and beyond, Revenue Budget 2017/18 and Capital Strategy 2017/18 to 2021/22

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**Appendices** Appendix 1 – Efficiency Plan 2016/17 – 2019/20 - Update

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#### Implications (please tick ✓ and attach to report)

*Any implications affecting this report should be noted within the final paragraphs of the report*

<b>CORPORATE RISK</b>		<b>LEGAL</b>	
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>FINANCIAL</b>	✓	<b>POLITICAL</b>	
<b>HEALTH &amp; SAFETY</b>		<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>		<b>CORE BRIEF</b>	
<b>EQUALITY IMPACT ASSESSMENT</b> <i>For reports requiring an EIA, the appropriate template can be accessed in Word, via the Templates Key within the Shared tab or via this link <a href="file:///j:\msoffice\Templates\Shared\14_04%20Equality%20Impact%20Assessment.dot">file:///j:\msoffice\Templates\Shared\14_04%20Equality%20Impact%20Assessment.dot</a></i>			

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**PURPOSE OF REPORT** To provide an update on the delivery of the Authority's existing Efficiency Plan and set out its proposed approach to identifying future efficiencies.

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**EXECUTIVE SUMMARY** The Fire Authority's Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December.

The Authority committed to publish an annual report on the progress of the Efficiency Plan. A draft of the proposed report is attached.

The Authority has adopted a number of approaches to identifying and delivering savings and other efficiencies over the last seven years, the most recent being the Changing the Service, Shaping our Future programme which, through the Service Transformation Team, drove efficiencies through a range of projects. The majority of those efficiencies will have been delivered by the end of 2017/18 so it is opportune for the Authority to review its approach.

Previous approaches have been focussed on ongoing reductions in funding and the need to deliver savings to balance our budget over the medium term and ensure the Authority is operationally and financially sustainable. This remains a very valid focus in the light of continued funding reductions but it is no longer sufficient on its own.

The report sets out the factors influencing a change in its approach to identifying efficiencies and sets out how we propose to build on our existing initiatives to develop a more strategic approach to delivering efficiency.

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**RECOMMENDATION**

**The Fire Authority is recommended to:**

- i) Approve the progress update on the Authority's published Efficiency Plan**
- ii) Comment on and approve the proposed approach to the identification of future efficiencies**

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**1. INTRODUCTION**

- 1.1 As a pre-requisite for accessing its offer of a four year funding settlement from 2016/17 – 2019/20 the Government required local authorities to submit and Efficiency Plan for approval. For fire authorities, the Home Office set out a specified range of information to be included in the Efficiency Plan.
- 1.2 The Fire Authority's Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December. The Authority committed to publish an annual report on the progress of the Efficiency Plan.

## **2. EFFICIENCY PLAN UPDATE**

- 2.1 The Authority's budget and financial plans, including plans to deliver savings are set out in its budget papers and Medium Term Finance Plan (MTFP). The information required by the Home Office was in a specific format that did not match with our existing reporting, however, all the information is drawn from existing sources such as our MTFP. For this reason we have decided not to refresh the Efficiency Plan itself but provide a commentary on progress. This is attached at Appendix A as a standalone document for publication on the website.

## **3. Efficiency Strategy**

- 3.1 Since 2010/11 the Authority has made, and has planned to make, savings totalling £8.650m (24% of our current revenue budget) of which £6.708m were delivered by the end of 2016/17. This is a reflection of the fact that over the same period the core funding we receive from Government in the form of Revenue Support Grant (RSG) was cut by £8.477m or 58%. The revised MTFP (elsewhere on this Agenda) shows a balanced budget in 2018/19 and 2019/20 and then a need to deliver further savings of £1.1m by 2022/23. In addition given the uncertainty surrounding Business Rates Retention after 2019/20 it is recommended that the Authority plan for additional savings of £0.5m by 2022/23 (the equivalent to losing inflationary growth in business rates and switching to a government grant). This gives a total additional savings target of £1.6m by 2023.
- 3.2 The Authority has adopted a number of approaches to identifying and delivering savings and other efficiencies over the last seven years, the most recent being the Changing the Service, Shaping our Future programme which, through the Service Transformation Team, drove efficiencies through a range of projects. The majority of those efficiencies will have been delivered by the end of 2017/18 so it is opportune for the Authority to review its approach.
- 3.3 Previous approaches have been focussed on ongoing reductions in funding and the need to deliver savings to balance our budget over the medium term and ensure the Authority is operationally and financially sustainable. This remains a very valid focus in the light of continued funding reductions but it is no longer sufficient on its own. There are a number of factors which are driving a further evolution of our approach:
- The Government's Fire Reform Agenda, of which Efficiency and Collaboration is one of three key pillars
  - The Statutory Duty to for Emergency Services to Collaborate introduced as part of the Policing and Crime Act
  - The Authority's commitment to make effective use of its resources, underpinning its new purpose to 'Make our Communities Safer'
  - The approval following full public consultation of our new Integrated Risk Management Plan (IRMP) and its 10 supporting areas of interest which are likely to require further investment to deliver but which may equally identify opportunities to improve our efficiency or effectiveness.
  - A renewed commitment by the Authority and its blue light partners to collaboration following the Sussex Police and Crime Commissioner's

decision not to pursue new governance models for the fire and rescue service in the immediate future.

The Authority is also in the process of reviewing many of its key strategies for example those covering IT, Estates, People, Community Safety, People, Procurement and Inclusion and Diversity.

3.4 It is therefore proposed that the Authority builds on its existing initiatives to develop a more strategic approach to delivering efficiency and this will include the following:

- Closer alignment of the budget setting and business planning process;
- The modelling of a range of savings / efficiency scenarios beyond that required to balance the budget as set out in the MTFP
- Planned reviews of Governance and Collaboration, the latter to include clearer criteria for assessing collaborative opportunities to ensure the Authority can prioritise / focus its effort in this area;
- Reviews of all existing programmes, projects and collaborative initiatives to evaluate the potential financial impact including the potential to deliver efficiency savings;
- Evaluation of the potential financial and performance impact of the 10 focus areas of the IRMP;
- Standard template for strategies to include requirement to set out opportunities for delivering efficiencies or improving outcomes for communities;
- Development of more robust standard approaches to evaluating new projects through feasibility and business case stages, with a clear focus on identifying investment requirements and benefits identification / realisation including efficiencies (as part of the development of the Programme Management Office);
- A clearer focus on the identification and delivery of efficiency savings through the Procurement Strategy and its supporting category management plans;
- The recommencement of the Support Service Review;
- Review with telent of opportunities for delivering further efficiencies through IT;
- Learning from the outcomes of the planned external review of HR processes and determine whether the approach has wider benefits across the organisation;
- Re-assessment of the use of the Improvement & Efficiency Reserve with a focus on supporting invest to save initiatives;
- Considering the potential of investment through the Capital Asset Strategy to deliver ongoing efficiencies;
- A review of opportunities for potential commissioning of services (Yr 2);
- The assessment of opportunities for further development of benchmarking (with a focus on efficiency and effectiveness) across the fire service (Yr 2);
- A review of the opportunities for income generation through fees and charges, trading and other commercial opportunities (Yr 2).



East Sussex Fire  
Authority  
Efficiency Plan  
2016/17-2019/20  
Update September 2017

## 1. Introduction

- 1.1 As a pre-requisite for accessing its offer of a four year funding settlement from 2016/17 – 2019/20 the Government required local authorities to submit and Efficiency Plan for approval. For fire authorities, the Home Office, set out a specified range of information to be included in the Efficiency Plan.
- 1.2 The Fire Authority's Efficiency Plan was approved at its meeting on 8 September 2016 and submitted to the Home Office on 13 October. Approval was given by the Fire Minister as part of the announcement of the Local Government Finance Settlement 2017/18 on 16 December. The Authority committed to publish an annual report on the progress of the Efficiency Plan.

## 2. Update

- 2.1 The Authority's budget and financial plans, including plans to deliver savings are set out in its budget papers and Medium Term Finance Plan (MTFP). The information required by the Home Office was in a specific format that did not match with our existing reporting, however, all the information is drawn from existing sources such as our MTFP. For this reason we have decided not to refresh the Efficiency Plan itself but provide a commentary on progress.
- 2.2 The Authority's budget and financial plans were last formally updated as part of the budget setting process for 2017/18 and were approved by the Fire Authority on 14 February 2017. An initial update of the MTFP for the 2018/19 budget setting process is elsewhere on the agenda for this meeting. All these documents are available on the Authority's website.
- 2.3 Since the Efficiency Plan was published the Authority has consulted on and approved its new Purpose and Commitments and its Integrated Risk Management Plan (IRMP) which includes 10 areas of interest which will be the focus of reviewing the service over the period 2017-20 as follows:
  - Review of Service-wide Attendance Standards
  - Demand Management Strategy
  - Immediate Emergency Care Responding
  - Planning for Growth
  - Water Safety
  - Protection
  - Duty to collaborate
  - Human Resource Planning
  - Health, Safety & Well Being
  - Inclusion & Diversity

More detail can be found at <https://www.esfrs.org/about-us/publication-of-information/planning-performance/integrated-risk-management-plan/>

- 2.4 The Efficiency Plan set out a series of efficiency savings assumptions which are how the Authority plans to deliver its services within the funding it has available. As set out in Appendix A we are on track to deliver all of these efficiency savings and have added some additional savings to the 2017/18 budget as a result of the HQ Relocation and a restructure of Health & Safety.

- 2.5 Collaboration with other public sector partners, particularly other emergency services, is a key part of our approach to delivering our commitment to make effective use of our resources. An update on the key activities we highlighted in our Efficiency Plan is set out in Appendix B.
- 2.6 The Service now has an agreed policy that provides the flexibility to permit combined crews in periods where we are attending a large protracted incident or receiving high numbers of calls, thus further improving resilience. Other plans are also in place that will ensure our on call firefighters are utilised effectively by providing services such as emergency medical response in rural areas. This piece of work is being developed and will be piloted at a time still to be determined. Progress is being delayed due to issues raised by Representative Bodies over national pay agreements.
- 2.7 The Authority commits to the publication of transparent performance information. The latest Annual Governance Statement and Statement of Operational Assurance were approved in July 2017 and are available on the Authority's website. The Annual Performance Outturn Report for 2016/17 was reported to the Authority on 7 September 2017 and can be found on our website at <https://www.esfrs.org/about-us/publication-of-information/planning-performance/annual-plan/>

### **3. Conclusion**

- 3.1 The Authority has made good progress in delivering its published Efficiency Plan 2016/17 – 2019/20, both through delivering agreed efficiency savings and by moving forward a range of collaborative initiatives which will help us in our commitment to make more effective use of our resources.

Efficiency Savings Assumptions

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Changing the Service, Shaping our Future Savings	781	1,005	73	0	0
Mobilisation Savings – Sussex Control Centre	158	0	0	0	0
Management restructure	0	0	254	29	30
Revenue contributions to reserves	0	250	250	0	0
Reduced provision for pay awards	0	118	123	125	0
Riding at Standard	0	280	560	280	0
Other non-operational savings	84	210	3	49	0
Health & Safety Restructure (NEW)	0	0	7	0	0
HQ Relocation (NEW)	0	0	80	70	0
Total	1,023	1,862	1,350	553	30

Notes:

1. All efficiency savings set out in the Efficiency Plan are on track to be delivered (shown as Green on the table above).
2. Two new Efficiency Savings Assumptions were added to the MTFP in February 2017 for H&S Restructure and HQ Relocation.
3. Savings are shown in year – e.g. the cumulative saving for HQ Relocation is £150,000 in 2018/19 and the following years.

Sources:

ESFA Efficiency Plan 2016/17 – 2019/20; MTFP 2017/18 – 2021/22; Budget Monitoring 2017/18

Collaboration

Ref	Efficiency Plan content Sept 2016	Update Sept 2017
1	We have established a joint control centre with West Sussex Fire & Rescue Service which will deliver savings and improved services when a new mobilising system is implemented.	The Sussex Control Centre Project planned to deliver savings of £0.950m across both partners. We have taken our share of the savings from our budget following the opening of the new single control centre at Haywards Heath in May 2014. However delays in delivering the new mobilising system have resulted in additional costs for project resources, maintenance of legacy mobilising systems and day to day staffing to run the two separate legacy systems. We expect this to be resolved when the new mobilising system goes live before the end of 2017. A review of the operating model will then be undertaken to assess the potential for additional efficiency savings in the future.
2	We will be moving to a shared headquarters with Sussex Police during 2017 and we expect that this will enable us to collaborate further on operational and support services. It will also allow us to dispose of our current headquarters and generate a significant capital receipt and reduce revenue costs of maintaining a corporate headquarters.	<p>We have now completed the relocation of staff from our old HQ in Eastbourne to a shared headquarters with Sussex Police and a number of other sites within our existing estate. This will deliver £150,000 of revenue savings (from 2018/19 – part year effect £80,000 in 2017/18) and a capital receipt of £4.4m, £2m more than planned, to re-invest in the Authority's assets.</p> <p>We are in the process of reviewing our approach to collaboration following the publication of the Sussex Police and Crime Commissioner's Business Case in July 2017 which recommended no change to existing Fire Authority governance arrangements.</p>
3	We are working closely with local public sector partners to make best use of our existing buildings through the SPACES (Strategic Property Asset Collaboration in East Sussex) initiative and are bidding for funding from the Government's One Public Estate (OPE) initiative with our partners to help us make further efficiencies. We have recently opened Saxon House in Newhaven	<p>We have been successful with partners in gaining OPE funding in excess of £200,000 to progress feasibility studies on nine projects involving blue light collaboration including the refurbishment of Preston Circus Fire Station and the relocation of Lewes Fire Station.</p> <p>To maximise any future receipt for the land and assist the local housing needs in the area, we have obtained planning consent for residential use with 7x 3 bed town houses on</p>

	<p>which includes a new fire station and accommodation for Sussex Police and Lewes District Council. This has allowed us to release the old fire station for sale to generate a capital receipt.</p>	<p>the old Fire Station site at Fort Road, Newhaven. Since this time, we have been exploring alternative uses of the site by other public sector partners, prior to moving forward with an open market sale. We are also undertaking an assessment of future operational training requirements. Prior to any disposal we need to ensure the site has no future requirement to the Service for these uses.</p>
4	<p>We have signed a memorandum of understanding with Surrey and Sussex Police to support their search and rescue activities.</p>	<p>The MOU between the two organisations was agreed and went live in April 2016 following completion of risk assessments, policy and training for the following resources:</p> <ul style="list-style-type: none"> <li>• Swift water rescue technicians</li> <li>• Rope rescue technicians</li> <li>• Technical rescue technicians</li> </ul> <p>To date Sussex and Surrey Police have requested the available resources on only a small number of occasions, these have been for assistance to body recovery from water, retrieval of evidence from below/above ground level, collection of finger prints from height and ventilation of a structure (confined space).</p> <p>In addition, ESFRS front line crews have on a handful of occasions been requested to assist Sussex and Surrey police with the retrieval of evidence where specialist skills have not been required.</p>
5	<p>We are working closely with Brighton &amp; Hove and East Sussex Social Services and local Clinical Commissioning Groups to share data on the most vulnerable in our communities, to ensure we can focus our community safety activities where they will have the greatest impact.</p>	<p>We are meeting with Health Commissioners in early September to agree the Consensus Statement that will provide focus on a number of areas that we will deliver during home safety visits such as falls prevention and frailty assessment.</p>

6	<p>We are expanding the scope our home safety visits to cover a wider range of prevention activities as part of the Safe &amp; Well initiative. This includes a pilot funded by the NHS working with a local voluntary organisation, 3VA, and a contract with East Sussex Public Health to deliver child safety adaptations.</p>	<p>The Child Safety Equipment and Advice commissioned service is in its second year and has had a positive effect on the young families that have received the service. A further pilot running in Peacehaven is a collaboration between a GP practice and ESFRS to refer patients for a home safety visit with the aim of reducing risks, particularly trip hazards, to reduce the likelihood of unplanned admissions to hospital. This collaboration sees up to 100 patient referrals a month.</p>
7	<p>As part of our IRMP review we are consulting the public on proposals to support local health partners by using our firefighters to provide emergency medical response (EMR) in certain specific types of incidents.</p>	<p>In September 2016 the Authority approved a two year pilot of Immediate Emergency Care Response (IECR) in partnership with SECamb. This would have seen properly trained ESFRS staff responding to medical emergencies involving cardiac arrest, breathing difficulties and/or major bleeding (Red 1 calls). However since that time as part of part of its response to national pay negotiations the Fire Brigades Union (FBU) has suggested that it may withdraw its support for such initiatives and therefore work on the pilot has been paused until September 2017.</p>
8	<p>We work closely with the Sussex Safer Roads Partnership (SSRP) and have recently seconded two of our operational staff into their teams to work closely with them on Road Safety initiatives. We are also jointly funding a project with Wealden District Council to use 'behavioural insights' to improve road safety messages with a view to reducing those killed and seriously injured in road traffic accidents.</p>	<p>The secondees to SSRP provide an alternative approach to the Police in education and influencing how people drive and is progressing well with a joint approach to a wide range of road safety areas. The behavioural change work dovetails to the East Sussex Road Safety KSI (Killed and Seriously Injured) programme which has had input by the Behavioural Insight Team from the Cabinet Office. ESFRS is represented on the programme board.</p>
9	<p>We are part of the Emergency Services Collaboration Programme (ESCP) with Surrey and Sussex Police, Surrey and West Sussex Fire Services and South East Coast Ambulance (SECamb). Our main focus is on work to deliver savings and other efficiencies through integrating our transport functions with the support of almost</p>	<p>The procurement process to appoint contractors for the fuel project has taken longer than anticipated but is now concluded and we are working with our ESCP partners to pilot shared access to fuel at a number of sites across Surrey and Sussex. The project will deliver savings and improved resilience for partners and also help free up some sites (not ESFRS) for disposal. The costs will be funded by the fire transformation grant.</p>

	<p>£6m of fire transformation grant from central government. We have recently agreed a business case for joint fuel procurement and shared access to stored fuel at our fire stations.</p>	<p>A project to consolidate partner's workshop facilities down to four sites is also underway. We are leading on a new workshop planned for the Bexhill area and will be carrying out a feasibility study later this year. The project will be funded by a combination of grant funding and contributions from partners. A business case will be required before any decision is taken to invest in the new facility.</p>
10	<p>ESCP – Operational Support - NEW</p>	<p>The ESCP Programme has been expanded to cover Operational Support Services and is examining opportunities in areas such as fire investigation, training and occupational health. This work is in its early stages so there are no firm plans yet.</p>
11	<p>We have worked hard with local councils to protect our income from council tax and business rates, for example through reviews of those claiming discounts for single persons and empty homes. We have also been part of the East Sussex Business Rates Pool which has ensured that more growth in business rates income is retained locally. We are using the additional income we receive to support initiatives to improve business safety through engagement with the local business community.</p>	<p>The East Sussex Business Rates Pool was dissolved at the end of 2016/17 due to the risks resulting from the national business rates revaluation which took effect from April 2017. The Authorities involved have committed to examining the potential for re-pooling in 2018/19.</p>
12	<p>We are working with local social housing providers to deliver the installation of sprinkler systems in high rise / high risk premises and have provided match funding to pump prime this initiative in Brighton, Eastbourne and Hastings.</p>	<p>The Authority has provided £400,000 from its budget to support this initiative and a number of projects are now complete including 508 Seaside in Eastbourne, The Orangery in Sidley and Somerset Point in Brighton. We are working closely with Brighton and Hove City Council and other partners to identify and deliver further projects, including St James House in Brighton.</p>

13	<p>We collaborate extensively on procurement to ensure we get the best value for money we can. This means working together with other fire services (and other public bodies) to get the best deal we can by combining our spend and minimising our procurement costs by only going to the market once. We have just signed up to a joint research and development initiative led by CFOA which will reduce the cost of evaluating new equipment for fire services and our suppliers. As well as the joint fuel procurement mentioned above we are collaborating with other fire services to procure a new contract for the protective equipment (PPE) and clothing our firefighters wear. We expect that this will deliver improved firefighter safety and further savings. We will be reviewing the data on how much different fire services spend on common purchases, recently published by the Home Office, to identify ways we can make further savings without compromising firefighter safety. We are closely engaged with the national procurement strategy for the fire service which aims to deliver greater collaboration and savings across the sector.</p>	<p>We are currently reviewing our Procurement Strategy and will be ensuring that it continues to align with the work being carried out nationally to improve procurement and deliver efficiency savings through the National Fire Chiefs Council (NFCC), so that we can take advantage of any opportunities it offers us locally.</p> <p>We have been closely involved in the national PPE project which involves 25 fire services and will be moving to use the new contract when our existing one ends in November 2019. We are still assessing the potential savings from this new contract.</p> <p>We are reviewing our procurement of Thermal Image Cameras which is the one area where the Home Office procurement benchmarking identified the potential for us to make efficiency savings. We are reviewing our procurement of Thermal Image Cameras which is the one area where the Home Office procurement benchmarking identified the potential for us to make efficiency savings. We are awaiting the outcomes of the second round of procurement benchmarking and are currently liaising with our counterparts within WSFRs, to explore potential for a joint TIC procurement.</p> <p>We are awaiting the outcomes of the second round of procurement benchmarking.</p>
14	<p>We are working with Sussex Police to see how we can expand and develop our Community Volunteer Scheme across both services. As well as supporting our community safety initiatives our volunteers have worked with partners in Wealden to deliver flood protection advice and with Sussex Police and parish councils to carry out speed watch checks.</p>	<p>The joint Police/FRS Community Volunteers pilot continues in Eastbourne with uniformed volunteers providing crime prevention advice and information to community groups, alongside the fire prevention and safety advice.</p> <p>A new collaboration with East Sussex Adult Social Care and Health commences in August aimed at increasing personal resilience to clients subject to a Safeguarding Alert to support them through a series of up to six visits delivered solely by ESFRS Community Volunteers.</p> <p>Volunteers continue to undertake Road Watch activities, including speed checks across Wealden.</p>

15	We already share some support services such as finance and legal services with other local authorities and are reviewing wider opportunities for collaboration that will deliver even greater efficiency and effectiveness.	A review of Support Services commenced in 2016 but was paused whilst we awaited the outcome of the Sussex Police and Crime Commissioner's Business Case. We are preparing to restart this work in the autumn of 2017.
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