

Hampshire and Isle of Wight Fire and Rescue Authority

Efficiency Plan 2023/24

This plan forms part of the annual budget setting process. It sets out how the service has delivered and plans to deliver efficiency improvements.

What types of efficiencies are we targeting?

The Service plans to deliver efficiencies in two main ways:

1. Efficiencies on non-pay spend – largely delivered via procurement, maximising the use of assets and ensuring assets are fit for purpose.
2. Workforce efficiencies – increasing the efficiency of our workforce to optimise delivery of our frontline and support services.

Both types of efficiencies are intended to achieve at least one of the following objectives:

- Deliver cashable savings that reduce the overall service spend
- Limit future cost increases
- Enable our people to support our communities more effectively.

What is not an efficiency?

We do not consider measures that reduce the service we provide to our communities to be efficiencies. These are service reductions or cuts. Although it may be necessary to consider service reductions in the future, these would be subject to a separate plan and appropriate consultation.

How does our efficiency plan link to our MTFP and Reserves Strategy?

Our **Medium Term Financial Plan** is our forward looking financial plan that takes account of the Safety Plan objectives and available financial and non-financial information. We consider reasonable assumptions and scenarios and use these to make prudent financial forecasts. Considering ways in which we can work more efficiently supports our financial position either by releasing cashable savings to reduce overall expenditure or offset other pressures or by allowing us to invest in the service. Where savings are not cashable, they enable us to support our communities more effectively.

The **reserves** held by the Authority are important enablers of efficiency. Reserves allow the Authority to:

- Plan for spend over the medium term and to secure economies of scale in purchasing. Our reserves allow us to deliver the right efficiencies at the right time rather than being forced to make sub-optimal decisions driven by the availability of cash flows.
- Allow investment to be made in improvements to service delivery.

Full details of the reserves and the purposes for which they are held are included in the Authority's reserves strategy.

CIPFA Financial Management (FM) Code

The CIPFA FM Code sets out principles to guide local authorities in managing their finances and minimum standards that should be achieved. The Authority is compliant with the requirements of the FM Code and adheres to the six principles of good financial management, which supports the work of our efficiency plan.

Efficiency Plan 2023/24

Non-pay efficiencies

What have we done	What are we planning to do
<p>Our major procurement is supported by expert advice from our collaborated procurement team, including specialists in IT procurement as well as a focused blue light procurement team. Where appropriate frameworks exist and offer value for money, we take advantage of these. We have also, and continue to, run full procurement exercises as appropriate.</p> <p>In recent years we have delivered significant efficiencies from our procurement approach. For example, the procurement of our availability and competency management system delivered a cashable saving of £200,000 per annum compared to the cost of the legacy system, which we were able to reinvest in the resourcing of our ICT team.</p> <p>A considerable number of ICT savings have been delivered over recent years. For example, when the Wide Area Network contract was renegotiated, a saving of £89,000 per annum as well as an upgrade on our Wide Area Network was delivered.</p> <p>Efficiency is a key theme of our construction procurement. For example, we have delivered savings on professional fees from economies of scale by procuring our major capital schemes as single lots via a framework.</p> <p>We make efficient use of our estate by sharing space with partners. This approach allows us to make a significant contribution to our property overhead, reducing the cost of the estate to the Authority. It also provides an efficient accommodation option for partners and promotes collaborative working.</p>	<p>We will continue to take advantage of our collaborative procurement arrangements to seek the best procurement outcomes.</p> <p>We are currently working on a re-procurement of our critical control system. This is a collaborated procurement with 3 other services as part of our Networked Fire Services Partnership. This procurement is in the early stages, but it is anticipated to deliver significant efficiencies and performance benefits compared to an individual service approach.</p> <p>We will continue to explore options to reduce the net cost of our estate by working with partners and sharing space where this is mutually beneficial.</p> <p>Next year will see the first year of a five year programme of carbon reduction works. This investment will produce medium term efficiencies on our energy costs as well as being an important contribution to the Authority's delivery of carbon reduction commitments.</p> <p>A cashable efficiency of £562,000 will be delivered in 2023/24, planned to be delivered mainly via non-pay spend and additional income. This is factored into our Medium Term Financial Plan (MTFP) and is closely monitored by the Service's Executive Group.</p> <p>As part of the Safety Plan Year 4 priorities, the service will deliver 3% efficiencies during the year across workforce and non-pay headings.</p>

Workforce efficiencies

What have we done	What are we planning to do
<p>Our workforce is our most important asset, and we work hard to ensure that our workforce is efficient and productive. We are founding partners in the largest public sector shared services partnership. This partnership delivers efficiencies via access to technological expertise in our transactional finance and HR services, as well as wider benefits of resilience and broader expertise from the partnership. We continue to review the shared services provision to ensure that the partnership is delivering the anticipated benefits. Previous reviews have resulted in the realignment of some services. For example, the provision of facilities management services was reviewed and returned to in-house delivery, generating efficiencies on external spend.</p> <p>The efficiency of our firefighter workforce is central to the efficiency of the whole service. The service already uses a variety of crewing models, which improve the efficiency of the wholetime teams. Crewing model changes have delivered important cashable efficiencies, with £2.6m delivered in 2019/20. Approximately half of the service's firefighters are on-call firefighters. This is an extremely efficient system, providing rural response and service resilience for an extremely low financial outlay.</p> <p>The service delivers significant medical response including responding to 4,776 co-responder calls during 2021/22. Further support to health partners includes attending on average one confirmed cardiac arrest per day. This work is a significant contribution towards making life safer for the people of Hampshire and the Isle of Wight and demonstrates an efficient use of the existing workforce.</p> <p>£800,000 of cashable efficiencies have been delivered during 2022/23. These have been delivered through careful financial management across the Operations directorate, and by the deletion of an Assistant Chief Officer role.</p>	<p>We will continue to benefit from efficiencies through our shared services partnership and will continue to review and shape this partnership to deliver ongoing efficiencies.</p> <p>We will continue to ensure that we appropriately manage staff budgets and resources in delivering our Safety Plan objectives.</p> <p>We have established an Operations Change Board to support the delivery of cashable and non-cashable efficiencies within the Operations Directorate.</p> <p>The service is investing in support for our on-call workforce in the coming financial year to ensure that we are addressing issues with recruitment and retention which are impacting on the efficiency and effectiveness of some on-call stations.</p> <p>We will continue to support our health partners, making a significant contribution to public value and making life safer for the people of Hampshire and the Isle of Wight by demonstrating efficient use of the existing workforce and public money.</p> <p>As part of the Safety Plan Year 4 priorities, the service will deliver 3% efficiencies during the year across workforce and non-pay headings. These efficiencies will be used to reinvest in the service to deliver improved outcomes to our communities. Progress on the delivery of these efficiencies will be reported to the Fire Authority as part of the regular financial monitoring.</p>

