

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY****Item No****MEETING: 21<sup>st</sup> July 2007**

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**SUBJECT: ANNUAL EFFICIENCY STATEMENT****REPORT OF THE CHIEF FIRE OFFICER, FINANCE OFFICER AND CLERK TO THE AUTHORITY**

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**1 INTRODUCTION**

- 1.1 This report informs Members of the contents of the Annual Efficiency Statements (AES) submitted to the department for Communities and Local Government (CLG) on the 19<sup>th</sup> July 2008, in accordance with Fire Service Circular 26/2008. This Circular covered the Backward Looking AES for 2007/2008, and the Forward Looking AES for 2008/2009.

**2 BACKGROUND**

- 2.1 Members will recall, that, following a consultation exercise, Fire Service Circulars 8/2005 and 48/2005 were published setting out the government's efficiency target for Fire and Rescue Authorities for the Comprehensive Spending Review Period (CSR04).
- 2.2 The FRA target was set at £105m gross efficiency savings in 2007/2008 when compared with the net current revenue expenditure (provisional out-turn) for 2004/2005. Although no target was set for individual FRS's, the indicative local target of 5.67% by the end of 2007/08 for this Authority was £2.9m.
- 2.3 Reporting on progress against the target was required in two distinct ways. The Backward Looking AES, sets out the actual level of efficiency savings achieved in the year in question, with the Forward Looking AES, forecasting what efficiency gains a Fire and Rescue Authority expected to achieve in the coming year. The Backward Looking AES for 2007/2008 is the last such statement for the CSR04 period and in effect concludes this round of efficiency requirements.
- 2.4 In its place a similar efficiency framework has been introduced which will cover the CSR07 reporting period. Whilst the format for reporting in the new period remains broadly similar, with both Forward and Backward Looking efficiencies statements being required, the efficiency target itself has changed.
- 2.5 The national efficiency target for the Fire and Rescue Service has now been set as a cashable net annual efficiency saving of £110 million. This equates to approximately 1.6% per annum over the CSR07 period which, in the case of this Authority, amounts to approximately £912,000 per annum over the three years in question. This figure is subject to confirmation following the completion of CLG returns relating to 2007/2008.

### **3 REPORTING PROCESS**

- 3.1 Both the Backward Looking and Forward Looking efficiency statements were required to be submitted to CLG by 19<sup>th</sup> July 2008 and this requirement has been complied with. The attached appendices show the efficiencies that have been achieved in 2007/2008 (Appendix A) together with a forecast on what is expected to be achieved in 2008/2009 (Appendix B). In essence the appendices demonstrate the following:
- The Backward Looking AES shows cumulative cashable efficiency gains to the value of £5.1m, or 9.94%, by the end of March 2008. It is pleasing to note, therefore, that the Authority has exceeded the target of 5.67% set for it by CLG.
  - The Forward Looking AES for 2008/2009 highlights that the Authority is forecasting a cashable efficiency gain of £1.03m or 1.8% by the end of 2008/2009. It is worth noting that this figure is above the 1.6% required by CLG.

### **4 EQUALITY AND FAIRNESS IMPLICATIONS**

- 4.1 There are no equality and fairness implications in respect of the specific content of this report.

### **5 HEALTH AND SAFETY IMPLICATIONS**

- 5.1 There are no health and safety implications in respect of the specific content of this report.

### **6 RECOMMENDATIONS**

- 6.1 The Authority is requested to
- a) Consider and endorse the efficiency statements ,and
  - b) Receive further reports as required.

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### **BACKGROUND PAPERS**

The following background papers refer to the subject matter of this report:

Fire Service Circular 26/2008  
Fire Service Circular 05/2005  
Fire Service Circular 48/2005