

Productivity and Efficiency

Purpose of Report

For information.

Is this report confidential? No

Summary

This report provides an update on work of the Fire Productivity and Efficiency Forum.

LGA Plan Theme: Championing climate change and local environments

Recommendation(s)

That Members of the Fire Services Management Committee:

Note information in this report about ongoing work on improving productivity and efficiency of fire and rescue services in England.

Actively promote and discuss the importance of the fire productivity and efficiency agenda with their local Fire and Rescue Authority

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Fire Productivity and Efficiency

Background

1. As part of Spending Review 2021, the National Fire Chiefs Council (NFCC) and LGA have committed the fire and rescue service sector (“the sector”) in England to increasing the productivity of wholetime firefighters by 3 per cent, and to increasing the efficiency of fire and rescue services by 2 per cent. These targets relate to the three-year Spending Review period (2022/23-2024/25), at the end of which HM Treasury will be expecting to see evidence of fire and rescue services’ progress on these targets.
2. In January 2022, the NFCC and Home Office set up the Fire Productivity and Efficiency Forum. When the Forum’s work commenced, there was no agreed benchmark or metric for measuring fire productivity and efficiency, and so the Forum’s work has largely focused on addressing the lack of evidence and data around fire productivity and efficiency. The Forum has done this by commissioning external work on a fire productivity metric, analysing fire productivity and efficiency plans, and launching a firefighter utilisation survey. Short summaries of these workstreams are explained below.

Fire Productivity metric

3. The Forum commissioned an external consultancy (Cambridge Econometrics) to consider and produce a metric for measuring fire and rescue service productivity. The metric was presented to the forum last year. It compared Fire and Rescue Service (FRS) inputs with quantifiable outputs, with some consideration of the quality of these outputs (outcomes). The metric showed FRS productivity falling between 2010/11 and 2014/15, before rising to a peak in 2016/17. Productivity then remained relatively stable until a large fall in 2020/21 caused by the Covid-19 pandemic.
4. The underlying model for the metric is now owned by the Home Office, who are assessing next steps. Work is ongoing to update the metric for 2021/22, and to consider how it could be improved.

Fire productivity and efficiency plans

5. Fire and Rescue Authorities (FRAs) are already required to produce annual efficiency plans under the National Framework requirements. Earlier this year, the Minister of State for Crime, Policing and Fire wrote to services with a specific request that all standalone Fire and Rescue Authorities draft and publish 2023/24 productivity and efficiency plans. By the deadline of 31 March 2023, 29 out of 30 standalone FRAs in

England had completed this task,¹ alongside mayoral FRAs in London and Greater Manchester). One county FRA (Cornwall) also submitted their plan to the Home Office.

6. Analysis of the plans shows that between 2022/23-2024/25, at national level, FRAs are forecast to make average savings of 5.6 per cent per annum (£97m) against non-payroll budgets of £1.7bn (total over the three years). The FRA with highest forecast savings expects to save £4.6m or 22 per cent against their non-payroll budget over the three-year SR period. The two FRAs with lowest forecast efficiencies (and below the national 2 per cent target) forecast £2.5m or 1 per cent, and £0.75m or 1.9 per cent of savings, respectively.
7. There are important caveats around how accurate the numbers and forecasts may be:
 - First, many of the Productivity and Efficiency (P&E) Plans were drafted prior to settling of the grey book pay awards. This means many FRAs will have underestimated the final cost of the pay awards and will need to deliver bigger cost savings than already reported in the P&E Plans, or make greater use of reserves.
 - Second, discussions with fire finance departments have highlighted that the data provided is based on inconsistent interpretations of how services should be accounting for efficiency savings, as well as what should be included as an efficiency saving. We will be looking to improve the survey for next time in order to reduce inconsistencies in the data return.
8. Services are forecasting they will be making highest savings in relation to direct employee costs (33 per cent), supplies and services (25 per cent) and other costs (17 per cent). Our reading of the P&E plans and discussions with fire finance departments suggests that in most cases, direct employee savings can result from reductions in the use of overtime or vacancies not being filled. Savings in the 'other' category mainly relate to unidentified savings which will need to be made to balance the FRA budget in future years.
9. Some interesting examples relating to efficiency and productivity gains relate to how services match their resource to risk. For example, West Midlands say that their 'risk based crewing' model has produced annual efficiencies of c. £2.5m while overall appliance availability has also increased. Another example is Lancashire, where the service forecasts that implementation of their latest crewing review will result in a

¹ The only standalone FRA plan that is pending submission is Cumbria's. They have been afforded more time to draft their plan given other priority work around their recent governance transfer.

budget saving of around £400,000, whilst at the same time increasing overall wholetime firefighter numbers by eight.

10. The plans have also highlighted a broad range of interesting examples of fire and rescue collaboration with other blue light services, including supporting ambulance with bariatric complex patient rescue, supporting ambulance and police with gaining entry, missing persons search, joint fleet maintenance, and the sharing of estates.
11. FRAs will be asked to draft and publish P&E plans again in 2024/25. The Home Office will refine the guidance and efficiency template provided to FRAs as part of this exercise, to ensure that the data provided is built on shared understanding of what kinds of efficiencies services are expected to report, and how. The Home Office will also consider if the ask to draft and publish P&E plans should be extended to all types of FRAs, instead of just standalones.

Firefighter utilisation survey

12. The Firefighter Utilisation Survey has been developed and launched collaboratively between the Home Office, NFCC and HMICFRS. The survey runs through 2023/24, with roughly quarterly snapshots planned for its duration. All fire and rescue services have been asked to participate. Results from the first snapshot, which was live from 6 April to 2 June, are now being analysed.
13. The survey asks services to provide data on how wholetime firefighters split their time between different activities at different times of the day. Data from this survey will allow us to better understand:
 - The level of capacity that services are operating at,
 - The activities completed by wholetime firefighters at different times of day,
 - Data availability in FRSs, and how this can be improved, and
 - When used in conjunction with quality metrics, the productivity of FRSs at a national level over time, supporting a HOAI productivity tool.
14. The survey was designed and launched as part of a truly collaborative effort between the NFCC, the Home Office and HMICFRS. One of the key objectives in the survey design was to avoid duplication of data requests to fire and rescue services, and the three organisations achieved this objective successfully through regular engagement and data sharing.
15. As next steps, the Home Office will be leading the analysis of survey results and HMICFRS intend to incorporate analysis of the results into their FRS Digital Analysis Packs (PowerBI), which are available to all fire and rescue services and the NFCC. This

data will allow services to assess and monitor changes in their own capacity over time, and can be used to support strategic decision making on risk-based resourcing, as well as to inform local level productivity plans. HMICFRS may also make use of the data to inform inspections. We are currently aiming for the next quarterly round of the survey to be launched in August.

16. Early analysis of the results indicates that night shifts are less productive than day shifts. On average, just over 25 per cent of the time on day shifts is classed as non-productive time (this category covers rest and meal breaks, as well as any time that cannot be allocated to a productive activity). Non-productive time makes up just over 85 per cent of the late-night shift (midnight to the start of the day shift).
17. Lower overall productivity overnight shifts can be explained to some extent by firefighter terms and conditions, which mean that overnight shifts need to include periods of rest. Firefighters are also not able to conduct prevention visits to people's homes at anti-social hours. We expect that in the case of some FRSs, lack of data has led to respondents classifying the shift time as non-productive.
18. A large amount of firefighter time across both day and night shifts is not spent on operational activity (this activity is approximately 7 per cent of day shift time). Initial results show that in the day shift, the largest activity areas are typically training (26 per cent of time), station routines (11 per cent) and prevention/protection activity (11 per cent).
19. Further analysis is being completed to look at the impacts of shift patterns and duty systems on productivity. It is expected that longer day shifts may lead to higher productivity and that the start time of the day shift (i.e. starting at 7.30am over 9am) matters for firefighter productivity, as there is limited activity that is being completed in the early morning section of night shifts.
20. The survey currently just looks at quantifying FRS outputs. It cannot account for the quality of these outputs. For example, spending longer on an activity could be interpreted as a positive for productivity as quality may be higher, or a negative as the activity may be inefficient. Further work needs to be completed to ensure we are capturing quality and FRS outcomes, as well as outputs, to ensure any conclusions on productivity are correct.

Proposal

21. The next Spending Review provides an opportunity for the NFCC and LGA to present the case on the level of funding that fire and rescue services require from central

government. As part of this process, HM Treasury will expect to see evidence of progress against the productivity and efficiency targets that were agreed for the fire and rescue sector at Spending Review 21. It will be important to show that services have been able to deliver balanced budgets not only because of increases in council tax precept or reliance on reserves, but by making decisions that drive forward the productivity and efficiency agenda, for example in operations, back-office functions or procurement. In light of the Chancellor's recent announcement of an ambitious public sector productivity review, we expect that HM Treasury may want to see the sector setting further improvement targets for itself as part of the next Spending Review.

22. We would like to ask Members of the Fire Services Management Committee to actively promote and discuss the importance of the fire productivity and efficiency agenda with their local Fire and Rescue Authority. While the overall driver for this work has been the Spending Review, there is value in this work to services at local level too. Collating and monitoring local level data can support strategic decisions about how to best resource to risk, guide improvements in performance, and result into better value for money. It is therefore in everyone's interests that individual services support the national productivity and efficiency agenda and that services understand the benefits that meaningful engagement with the agenda can also bring to themselves.

Next steps

23. The Fire Productivity and Efficiency Forum meets quarterly, with the next meeting being scheduled for 26 July. The agenda includes discussion on Round 1 results of the Firefighter Utilisation Survey.
24. The Home Office is aiming for the next quarterly round of the Firefighter Utilisation Survey to be open from August. HMICFRS have plans to share analysis of the Round 1 results as part of their FRS Digital Analysis Packs (PowerBI).