



MERSEYSIDE
FIRE & RESCUE
SERVICE

MERSEYSIDE FIRE & RESCUE SERVICE EFFICIENCY & PRODUCTIVITY PLAN 2023/24



EFFICIENCY

Background to the Authority's recent financial challenges

Between 2010 to 2020, the Government implemented an austerity plan to reduce national debt. A significant element of the plan was to reduce the level of Government funding for local government (this includes fire and rescue authorities). As the Authority had a relatively low council tax base it was more reliant upon Government grant funding to support its revenue budget and therefore suffered a more proportionate financial loss than almost every other fire and rescue authority in the country. The cumulative percentage reduction in Government revenue support for the Authority between 2010/11 (£46.3m) and 2019/20 (£30.8m) equated to a 33% cash reduction or approximately 50% in real terms. The Authority approved plans to cope with the spending review cuts and has a reputation for not shying away from making tough decisions, however with the level of cut in Government funding it had no choice but to reduce frontline resources. The reductions in employees; appliances availability and fire stations are outlined below:

In 2010 the Authority:

- employed approximately 1,000 Full Time Equivalents (FTE) firefighters,
- employed 42 FTE fire control staff,
- employed 425 FTE support and technical staff,
- had 42 wholtime fire appliances immediately available and 1 retained - 43 appliances in total,
- had 26 full time fire stations.

By the 2018/19 the Authority had:

- 620 FTE firefighters (38% lower),
- 32 FTE staff in fire control, (24% lower)
- 290 FTE support and technical staff, (32% lower),
- 18 fire engines immediately available 24/7
- Plus 6-day crewed appliances (immediately available during the day and on 30-minute recall at night); and
- 2 fully wholtime retained appliances which are available on a 30-minute recall 24/7.
- 22 fire stations maintained by a variety of demand led duty cover systems.

If any organisation wants to be successful, its budget setting and medium-term financial plan (MTFP) must allocate resources to support its key strategic aims and priorities. This is a vital consideration when organisations face periods of severe financial challenge.

Since 2019/2020 the Authority, through its MTFP process, has prioritised the allocation of resources to frontline services in order to provide the best protection it can to the Merseyside community. The resulting re-investment has meant:

- An additional 22 FTE firefighter posts, increasing the establishment to 642 FTE,
- Within the 642, the number of retained (on call) contract holders has increased,

- The introduced of new duty systems which avoided the proposed closure of Liverpool City and Wallasey overnight,
- An increased fire engine/appliance availability to 31,
- The introduction of a new fire engineer post to work with partners ensuring the safety of residents in high-rise buildings.
- The introduction of specialist teams to deal with all foreseeable risk,
- Increased investment in specialist appliances and other operational equipment,
- The approval of a new £39m Training and Development Academy (TDA) and Hybrid Station with rescue capability.

These bold plans were in response to emergent and foreseeable risk from fire and other emergencies, particularly the services ability to respond to large and/or protracted incidents, as well as the need to enhance protection functions in the light of the Grenfell Tower fire, the Manchester terror attack, and other major incidents.

The 2023/2024 Budget and MTFP continued to build on that foundation with further investment in the frontline being proposed this year, leading to:

- An increase in supervisory management provision through the creation of a further 20 new Crew Manager roles,
- An improvement in the firefighter training resources at the TDA,
- Establishing the number of retained contracts to underpin the Hybrid/DCWTR Duty system (reflecting the IRMP 2021/24 goal of having 32 fire engines available),
- Despite the financial challenge to fund the increased 2022/2023 firefighter pay award of 7%, the Authority will maintain the operational establishment at 642 FTE.
- Embedding the increase in Control staff into the permanent establishment, 32 to 35 posts (including the Station Manager post),
- A specific allocation of budget to deal with the risks posed by alternative fuels (Lithium Batteries) and the risks posed by contaminants to firefighters.

The investment the Authority has made in the Service since 2019/2020 has ensured Merseyside Fire and Rescue Service continues to be one of the best, if not the best fire and rescue services in the country. In the last HMICFRS inspection the Service scored an unprecedented three 'Outstanding' judgements across the eleven sub themes for its work preventing fires and other emergencies, its response to major and multi-agency incidents and for making the best use of its resources.

2023/2024 – 2027/2028 Medium Term Financial Plan (MTFP)

The 2023/2024 – 2027/2028 MTFP can be found on the Authority's web on the Finance section <https://www.merseyfire.gov.uk/about/finance-and-accounts/>

The MTFP is a rolling 5-year plan that includes not just the **annual revenue budget** and the **details of how any required revenue savings/efficiencies** are to be delivered, but it also includes all the necessary financial information in a single report to enable a comprehensive financial strategy to be considered and approved by the Authority. The MTFP:

- Includes a 5-year **Capital Investment Programme** and **funding requirements**, that ensures the investment decisions are embedded within the 5-year Revenue Budget forecast,
- Ensures the MTFP takes into account the asks around the borrowing freedoms available under the **Prudential Code** and associated **Prudential Indicators**, and the required **Minimum Revenue Provision Policy (MRP)**,
- Outlines the proposed management of the Authority's investments and cash flows, its banking, money market and capital market transactions (**Treasury Management Strategy**),
- Includes a **Reserves Strategy** that defines the level and purposes for which the Authority holds reserves and the planned use of these reserves.
- Considers any **financial challenge** over the MTFP period, the **allocation of resources in line with the Authority's priorities**, and options for balancing the financial plan.
- The **robustness** of the estimates made for the purposes of determining its **Budget Requirement** for the forthcoming year, and
- The **legal requirement** for the Authority to set a **balanced budget** and decide its **level of precept** before 1st March 2023, based on the budget requirement and **council tax base**.

It is important to understand the key elements of the MTFP / financial strategy before reviewing the approved efficiency savings within the MTFP:

Capital Programme

Asset Management Plans are presented to the Budget Authority meeting before the Authority considers the 5-year capital programme contained within the MTFP (section C). The Asset Management Plans can be found on the Authority website at <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority>

The MTFP's 5-year capital programme includes the planned infrastructure and asset investment for Buildings; Fire Safety; ICT; Operational Equipment and Vehicles, and is summarised in the table below along with the proposed funding sources:

Capital Programme 2023/2024 to 2027/2028

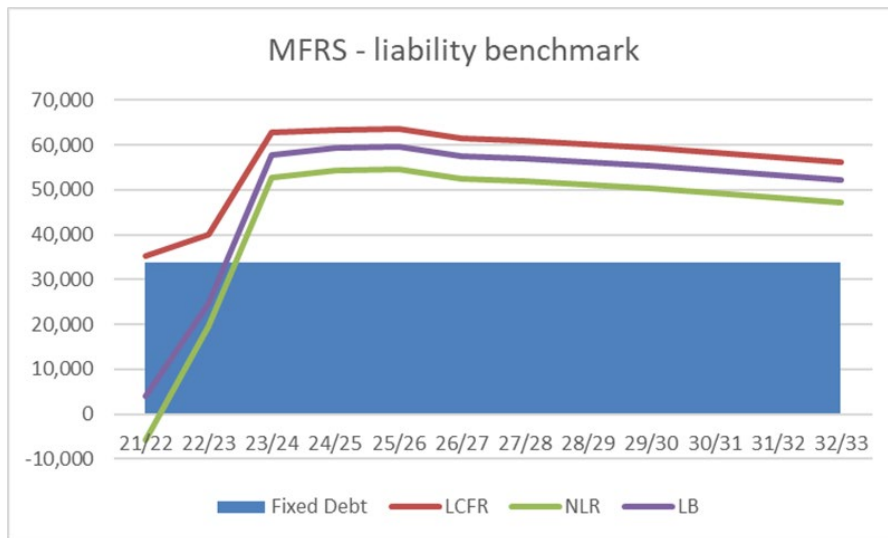
Capital Expenditure	Total Cost £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Building/Land	32,991,000	30,026,000	572,500	1,027,500	827,500	537,500
Fire Safety	3,175,000	635,000	635,000	635,000	635,000	635,000
ICT	6,899,840	2,526,960	1,206,460	1,018,860	1,174,660	972,900
NRAT Resilience Assets	0	0	0	0	0	0
Operational Equipment & Hydrants	4,107,300	977,800	1,546,000	462,000	390,500	731,000
Vehicles	7,778,650	2,096,800	1,300,850	2,176,000	200,000	2,005,000
Expenditure	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400
Financing Available	Total £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £
Capital Receipts	3,915,000	3,915,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	6,315,900	6,315,900	0	0	0	0
Total Non Borrowing	12,105,900	10,605,900	375,000	375,000	375,000	375,000
Unsupported Borrowing	42,845,890	25,656,660	4,885,810	4,944,360	2,852,660	4,506,400
Total Funding	54,951,790	36,262,560	5,260,810	5,319,360	3,227,660	4,881,400

Over the 5-year programme the Authority will invest nearly £55m in assets needed to keep the Merseyside community safe and provide firefighters with the best equipment to keep them safe. In order to keep the level of borrowing down the programme relies on £12m of specific funding (capital reserves and receipts, and a contribution from the revenue budget). The programme still requires £43m of new borrowing over the 5-year period and the MTFP considers the affordability, sustainability, and prudence of this level of borrowing:

Prudential Borrowing/ MRP/ Treasury Management

Sections D to F of the MTFP consider the level of required capital borrowing; the servicing of that capital debt; the need for any new loans; and, the management of cash flows and investments.

The Authority's estimated Capital Financing Requirement (debt), CFR, by 2024/2025 is £63m. As the current actual level of debt is £34m then potentially new loans of £29m would be required by 2024/2025. However, the MTFP only assumes new loans of £16m by 2024/2025, leaving £13m of under-borrowing that would need to be found from other funding sources. The liability benchmark graph overleaf outlines the current fixed debt/loans (blue area) to the required level of borrowing (red line).



The Public Works Loan Board interest rates have nearly doubled in the past 12 months to plus 4.5%. The Authority’s strategy for considering when to take out new long-term loans to finance capital expenditure is based on available interest rates for long-term / short-term interest rates, potential investment rates, and available internal cash. Currently the overall structure of interest rates whereby short-term rates are lower than long term rates has continued for some time. In this scenario, the strategy would be to reduce investments and borrow for short periods and possibly at variable rates when required. Therefore, the Authority can cover the £13m of under-borrowing by managing its longer-term cash flow requirements for capital expenditure and only take out short-term loans or alternatively use its cash flow surpluses in lieu of external borrowing. This latter practice is referred to as “internal borrowing”.

The delivery of an efficient Treasury Management Strategy specifically with regard use of internal cash/reducing investments and deferring new loans, combined with an MRP policy that looks to make additional MRP payments, when possible, **can contribute to delivering cashable savings on the £7m revenue budget associated with servicing capital debt.** This is considered further when looking at possible cashable efficiency savings.

It is important to note that the full revenue costs associated with servicing the expected level of capital debt has been built into the five-year revenue forecast in the MTFP.

Reserves Strategy

The MTFP, Section H, outlines the Authority’s Reserve Strategy. Reserves are established to fund specific projects or capital spend; mitigate against potential risks to the financial plan (inflation / uninsured risk); assist with future financial planning (smoothing reserve / recruitment reserve); and a general reserve to cover unforeseen events.

The table overleaf outlines the MTFP approved reserves and the planned use.

Committed Reserves												
	Revised Balance C/fwd from 2022/23	Estimated 2023/24 Use	Estimated 2024/25 Use	Estimated 2025/26 Use	Estimated 2026/27 Use	Estimated 2027/28 Use	Estimated 2028/29 Use	Estimated 2029/30 Use	Estimated 2030/31 Use	Estimated 2031/32 Use	Estimated 2032/33 Use	Held to Cover Risk
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Emergency Related Reserves												
Bellwin / Emergency Planning	222											222
Insurance Reserve	499											499
Modernisation Challenge												
Smoothing Reserve	1,000											1,000
Pensions Reserve	590		-375	-215								0
Recruitment Reserve	1,750		-300	-300	-300	-300	-300	-250				0
Invest to Save / Collaborations	282		-282									0
Collection Fund Reserve	250											250
Capital Investment Reserve												
New TDA & Station	6,316	-6,316										0
Other	1,987	0	-1,890	-150	0							-53
PFI Annuity Reserve	1,373	-69	-75	-80	-90	-100	-110	-120	-130	-140	-150	309
Specific Projects												
Community Sponsorship	55		-55									0
Equipment Reserve	195		-195									0
Community Engagement	2		-2									0
Training Reserve	200		-200									0
Health and Wellbeing	0											0
Inflation Reserve	1,650											1,650
Clothing	90		-90									0
Ringfenced Reserves												
Community Risk Management	305		-155	-150								0
Energy Reserve	201	68										269
New Dimensions Reserve	39		-39									0
Forecast Use of Reserves	17,006	-6,317	-3,658	-895	-390	-400	-410	-370	-130	-140	-150	4,146
Earmarked Reserves Bal C/fwd	17,006	10,689	7,031	6,136	5,746	5,346	4,936	4,566	4,436	4,296	4,146	4,199
General Revenue Reserve	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Reserves	20,006	13,689	10,031	9,136	8,746	8,346	7,936	7,566	7,436	7,296	7,146	7,199

More details on what the reserves are held for can be found in the MTFP. Effective use of reserves can contribute to cashable efficiencies by avoiding capital borrowing; reducing the base budget if specific risks are covered by reserves (uninsured risks, investments, collection fund deficits); buying time to re-engineer the organisation in light of financial challenges (avoiding compulsory redundancies) and funding unforeseen events.

Authority Members understand that reserves and balances can only be used once and any ongoing financial challenges can only be tackled by taking action to reduce underlying expenditure.

MTFP / Budget Requirement

The Authority has a legal requirement to approve a balanced revenue budget for the coming year (2023/2024). This means the forecast **Budget Requirement** (*Gross Expenditure less Income {fees, charges, specific grants & reserves}*) must be fully funded by the **Settlement Funding Assessment, SFA**, (*Revenue Support Grant plus Retained Business Rates & Business Rates Top-Up Grant*) and **Council (Precept) Tax**.

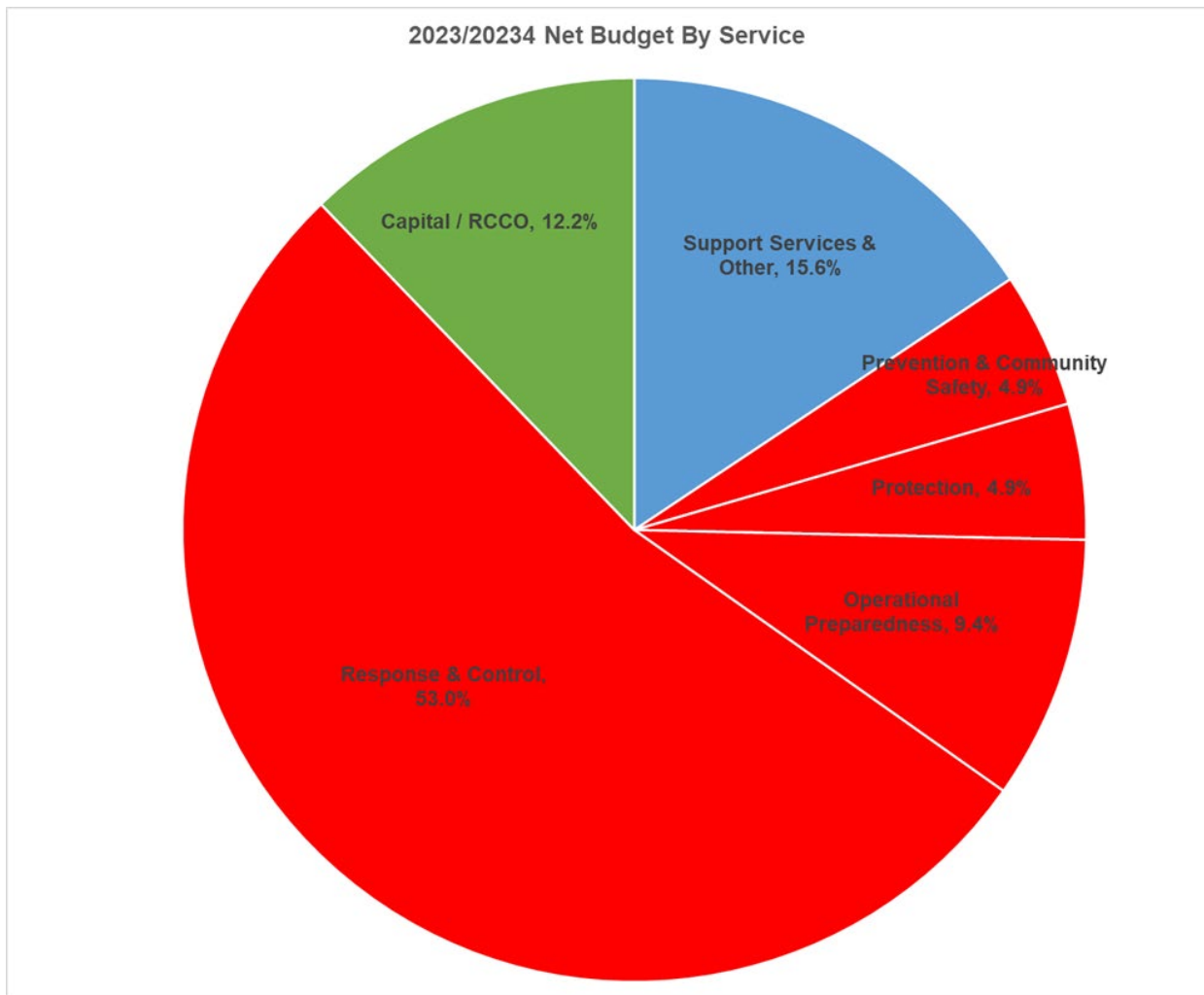
The MTFP forecasts the revenue position for the new budget year to allow the Authority to approve a legal balanced budget, but it also produces a revenue forecast for a further 4-years. The 5-year revenue forecast enables effective Service planning by the production of a comprehensive financial strategy.

Significant uncertainty exists over the 5-year forecast, as a number of key assumptions must be made for unknown future costs and funding. The key assumptions are for future pay increases; the SFA; Council Tax Precept referendum limits; and Council Tax Base changes. The table below summarises the key assumptions in the current MTFP.

		2023/24	2024/25	2025/26	2026/27	2027/28
Pay						
	Annual Pay Awards	5.0%	2.5%	2.5%	2.5%	2.5%
	Fire Pension Employer Rate		3.0%			
Funding						
	SFA	n/a	2.5%	1.0%	1.0%	1.0%
	Precept Increase		3.0%	2.0%	2.0%	2.0%
	Council Tax Base Increase		0.5%	0.5%	0.5%	0.5%

The revenue forecast is prepared on an incremental budget basis plus all known changes (specific grants or unavoidable growth pressures). Resources **are allocated in line with the Authority’s corporate priorities**, particularly to fund the proposals within the **IRMP** (*which considers the assessed Risks, Demands and Vulnerabilities within the Merseyside communities*) and Authority **Leadership message** (*particular the delivery of the Vision and Purpose*).

The pie chart overleaf outlines that most resources, 72% goes on frontline services (53.0%, goes on emergency and specialist response; 9.4% goes on Operational Preparedness; and 9.8% on Protection, Prevention & Community Safety). Note that the 12.2% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 15.6% is on support and operational enabling services that without these enabling services the Authority and Service could not continue.



Collaboration

The Budget Requirement assumes an income budget of £14m of which a significant proportion, £1.3m, comes from collaboration arrangements for allowing blue light partners to be based in the Service’s property portfolio. The Authority also works with its neighbouring local authorities to enhance community outcomes and deliver value for money services by outsourcing functions to partners.

Procurement Strategy

The Authority has invested significant resources in its Procurement Service and developed a comprehensive Procurement Strategy in order to ensure it gets quality services and products at the best price. Over the years this has allowed the non-employee budget to contain some inflationary pressures within the approved base budget, and not require any drawdown from the inflationary provision. This has resulted in significant permanent cashable savings from the inflation provision over the years.

Council Tax Precept 2023/2024

It was clear during the development of the 2023/2024 MTFP that the 2022/2023 – 2023/2024 inflationary pressures facing the Authority, both in terms of non-pay and pay

inflation, meant the Authority would be facing a significant financial challenge if funding increases failed to match price and pay increases. The 2022/2023 SFA increase was 1.1%, although the Authority did receive an increase in some specific grants. In 2022/2023 CPI rose to a peak of 11.1%, and the cost of goods and services increased significantly (energy costs doubled) and Pay settlements for Authority employees increased by 7%. Therefore, 2022/2023 funding increases failed to keep pace with rising costs.

The expectation is that in 2023/2024 non-pay inflation at the beginning of the year will be close to 10% and will not fall back significantly until towards the end of the year, and Pay inflation is likely to exceed 5%. Although the 2023/2024 SFA settlement / grant increased by 10% as this only makes up 50% of the budget requirement funding it only increased available funding by 5%. The Authority was given the option to increase the Council Tax Precept by £5 (Band D) in 2023/2024 which equated to a 6% increase.

The Authority chose to take the offer of a £5 precept increase in order to meet the cumulative inflationary cost pressures it was facing and to avoid having to consider cuts to frontline services.

Despite the increase in the SFA and Council Tax Precept, the Authority still faced a 2023/2024 **budget deficit of £0.380m**. The Fire Sector/ NFCC proposed a 2023/2024 efficiency target of 2% of non-pay for all standalone FRAs as part of the discussions with the Home Office about the 2023/2024 SFA settlement. The Authority's estimated non-pay inflation provision for 2023/2024 was £1.7m, and a 2% non-pay efficiency target equates to £0.335m for the Authority. Section G of the MTFP outlines the background to the 2023/2024 revenue estimates and the required efficiency savings. In order to balance the 2023/2024 Budget, the Authority's **needed to identify £0.380m of cashable efficiency savings, £0.045m above the 2% national target.**

Achievement of the £0.380m Efficiency Saving

Historically the Authority has delivered savings on the non-pay inflation provision by having an effective procurement strategy and professional procurement team that delivers competitive prices for services and goods. Throughout the budget year Finance staff work pro-actively with budget managers to deliver savings within cost centres that can then be used to cover inflationary pressures. Based on the success of Procurement, Finance and Budget Managers in curtailing the impact of inflation on non-pay budgets, a saving of £0.380m has been assumed on the required inflation provision. The 2023/2024 inflation provision for price increases has been reduced by £0.4m from £1.7m to £1.3m, and this will deliver a permanent £0.4m cashable saving for the Authority. This saving meant the Authority's 2023/2024 budget was balanced and legal. If pay or price inflation increases exceed those anticipated, then the Authority would have to drawdown funds from the inflation reserve and identify permanent compensating cashable savings.

Although not assumed in the budget, the Director of Finance & Procurement will work with Treasury Management officers to look deliver savings on the £7m revenue budget that services costs associated with capital borrowing. It is hoped that through effective treasury management (delaying / reducing external borrowing via the use of internal cash, additional MRP payments) a permanent cashable saving can be found. The Senior Leadership Team will review the 2023/2024 5-year capital programme and review current

asset lives, in an attempt to reduce the level of planned borrowing in the current 5-year capital programme. These reviews will hopefully deliver additional permanent cashable savings in 2023/24 and future years and can then be used towards any future efficiency saving.

2023/2024 – 2025/2026 Revenue Plan

Taking into account all the information in the MTFP the table overleaf summarises the 2023/2024 – 2027/2028 revenue forecast, *(note the MTFP Appendix A outlines the full revenue expenditure and available funding for 2023/24)*:

2023/24 - 2027/28 MTFP					
	2023/24	2024/25	2025/26	2026/27	2027/28
FORECAST NET SPEND IN CURRENT MTFP	64,201	66,750	68,190	69,666	69,666
2023/24 MTFP Issues to build in future MTFP:-					
Impact of 2022/23 Pay Awards above 2.5% assumption;					
Uniform 7%	1,706	1,706	1,706	1,706	1,706
Non-Uniform (£1,925)= 6.5% pay bill increase	465	465	465	465	465
Assume 5% Pay Awards in 23/24 (increase of 2.5%)					
Uniform 5%	729	972	972	972	972
Non-Uniform 5%	310	310	310	310	310
Reduction In Employers NI (1.25%)	-336	-336	-336	-336	-336
Reduction in Services Grant £1.388m to £0.814m	574	574	574	574	574
Impact of Higher Energy / Price inflation 22/23;					
Energy (22/23 increase - assumed increase reduction from 2026/27)	850	850	850	400	400
Contracts / Other	250	250	250	250	250
General Inflation impact	232	232	232	232	232
2027/28 Inflation provision					1,600
MRP/Interest - inflationary impact on cost of capital goods	0	100	100	150	150
Loss of Firelink Grant over 2023/24 - 2025/26	110	161	216	270	270
Increase in Bus Rates Multiplier s31 compensation grant	-1,500	-1,500	-1,500	-1,500	-1,500
Provision for increasing Control and Operational establishment to improve resilience, training and response	334	334	334	334	334
Provision for review of Establishment to meet recruitment/retention challenges	300	300	300	300	300
Efficiency Target (Procurement, Interest Payments, Inflation, other)	-380	-380	-380	-380	-380
Copyright Licensing Fee/ Agile Working / Ops ICT / POD ICT	77	57	57	57	57
Innovation Budget based on Firefighter Safety requirements	50	50	50	50	50
Reverse 2023/24 planned Collection Fund Reserve use	89				
Additional Bus Rates compensation funding	-140	-250	-250	-250	-250
	3,720	3,895	3,950	3,604	5,204
FORECAST NET SPEND IN PROPOSED MTFP	67,921	70,645	72,140	73,270	74,870
FORECAST FUNDING IN CURRENT MTFP					
Government Funding-Settlement Funding Assessment:					
Top Up Grant	-16,428				
CLG Estimate of Local Business Rate Share	-4,462				
Baseline Funding Level	-20,890				
Baseline Funding- Assume 2024/25 increase by Sept CPI 024, (pay assumption) then 1% from 2025/26		-21,412	-21,626	-21,842	-22,060
Revenue Support Grant	-12,759				
RSG assume 24/25 by 2.5% (sept 24 CPI) then 1%		-13,078	-13,209	-13,341	-13,474
Assumed Government Funding-Settlement Funding Assessment	-33,649	-34,490	-34,835	-35,183	-35,534
Adjustment forecast Business Rates yield based on NNDR1					
Adjust for Local Business Rate income forecast from Districts	400	100	0	0	0
Collection Fund deficit	-197				
Adjustment to Local Business Rates income forecast	203	100	0	0	0
Council Tax -					
Base Precept Income	-31,689	-34,371	-35,572	-36,458	-37,365
Council Tax Base increase of 2.35% p.a. in 2023/24, then 0.5% p.a.	-743	-172	-178	-182	-187
Precept Increase of just £5 (=6%) in 23/24, then 3% in 24/25, then 2% p.a.	-1,939	-1,029	-708	-725	-744
Council Tax Collection Fund (surplus)/deficit	-104				
Forecast Council Tax Income	-34,475	-35,572	-36,458	-37,365	-38,296
TOTAL FUNDING	-67,921	-69,962	-71,293	-72,548	-73,830
Forecast (Surplus) / Deficit	0	683	847	722	1,040

Due to the uncertainty over the future funding and expenditure beyond 2023/2024, the Authority agreed to note any future financial challenge until the future Government funding had been confirmed. The 2024/2025 year has a £683k financial challenge that the Authority will deal with in the 2024/2025 budget process once the position has been confirmed.

Performance Management

The MTFP prioritises the allocation of resources for the delivery of the IRMP, Leadership Vision and Purpose, and the achievement of the Service and Function Plan objectives. The Authority receives quarterly reports on the performance against these key targets during the year. The Service Plan and progress reports are available on the Authority's website <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority/>

The Authority also receives quarterly financial review reports to update it on the progress of the MTFP and any variations to the approved plan or deviation from the key assumptions. If needed the financial review report would recommend options for corrective action in order to keep the Budget and MTFP balanced. The report would also include updates on the delivery of any approved efficiency savings.

Home Office Efficiency Template

The Home Office has issued an efficiency template that they have asked all FRAs to complete. A copy of the completed MFRA return is attached to this Plan at Appendix A.

PRODUCTIVITY

MFRA's 23 fire stations (22 Fire Stations and the Marine Rescue Unit) are strategically placed across Merseyside and the stations are staffed using a variety of shift patterns (working arrangements) to make sure we can provide an efficient and effective response to any incident.

The shift patterns range from Wholetime, LLAR (Low Level Activity and Risk), Day Crewing Whole Time Retained and Hybrid (more details can be provided on request).

WHOLETIME - crewed 24 hours a day, 7 days a week

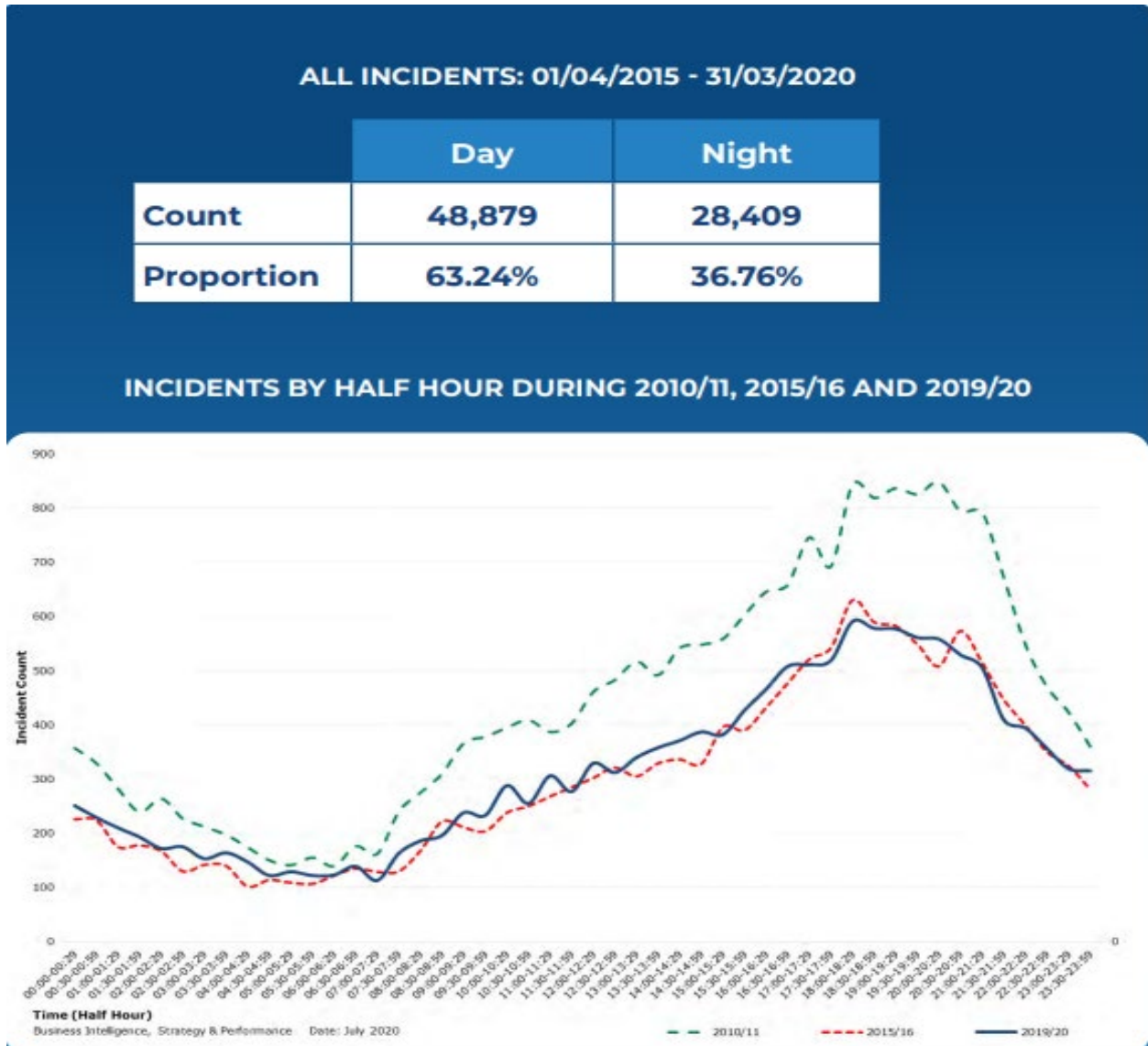
LLAR (LOW LEVEL ACTIVITY AND RISK) – firefighters are available 1000- 2200hrs on station, then available from accommodation on or near the station during the night

DAY CREWING WHOLE TIME RETAINED – firefighters are available 12 hrs a day on station then on a 30-minute recall to provide resilience on stations during busy periods

HYBRID - during the day 2 fire engines are available on station with a 3rd available on a 30-minute recall to duty (retained element) and at night 1 fire engine will be available on station with 2 available on a 30-minute recall (retained element) for resilience.

This innovative system allows a flexible working approach for the staff that work within the system and allows the Fire and Rescue Authority to have more resources to call upon when needed at busy times or when we are dealing with a major incident.

It also ensures that the Service is at its most productive, as operational crews are very much more productive during the day than they are at night given the availability of the public and businesses.



These duty systems are demand led and as such have been developed to drive productivity and efficiency.

Our firefighters carry out a range of activities every day (Prevention, Protection, Response and Preparedness) including, responding to emergencies, home and business safety visits, training and exercising against a wide range of risks all of which help to keep our communities safe.

With further productivity gains secured through innovative duty systems and technological advancements (see below) we are planning for significant increases in productivity in the

following areas during the year, which will exceed the 3% improvement asked for by the Government.

Investment in technology to improve our services to the public

We will be introducing new features to our information technology systems during 2023/24; one will help us respond more quickly to incidents (known as Pre-Alert) and the other will let us to use live data to help us make even better decisions about where we position our fire appliances (known as Dynamic Cover). Both changes will mean more time available for firefighters to engage with their communities.

The Service has invested an electronic management information system which has improved our efficiency and productivity. The HFSC (home fire safety check) and its associated forms have moved from a paper process to digital.

PRODUCTIVITY GAINS

Working in with our most vulnerable people and communities – to prevent fires and reduce death and injury

The investment in technology and the streamlining of processes allows firefighters to spend more time directly engaging with the public, increasing the number of visits to homes of the most vulnerable people in our communities by 5554 this year

Collecting information to improve firefighter safety

Understanding the risks in a firefighter's local area is key to firefighter and public safety. We will increase productivity in this area significantly during 2023/24. By the new information management system to streamline how we record data; we expect that the number of business premises visited by firefighters will increase by 1679 this year.

Training and exercising our plans – to improve our response to emergencies

As well as visiting premises to gather risk information, it is important that firefighters train and exercise at those locations to make sure that if an emergency does happen, they can respond safely and effectively. The Service intends to increase the number of off-fire station training exercises and events carrying out an additional 88 training events.

Managing our performance

Activity is recorded and data is analysed to help us manage performance and ensure that targets are met. Performance against our targets is reviewed daily by station management teams, every month by Service managers and four times a year by the Fire and Rescue Authority, to make sure we are doing what we have said we will do.

Firefighters in MFRS work a number of different shift patterns that match the types of risk and demand in different areas. If you want to know more about these, or find out about our plans and performance, MFRS's Integrated Risk Management Plan 2021/24 and Service Delivery Plan 2023/24 contain more details. You can find them both [here](#).

Our planning principles

We have a set of Planning Principles (below) agreed with the public during our Community Risk Management Planning engagement meetings. While developing this Efficiency and Productivity Plan we have considered these principles again to ensure our proposals accord with the public given the increase in council tax.

We are confident that our proposals reflect the ambition of the public and as such we are confident that the public would support these proposals.

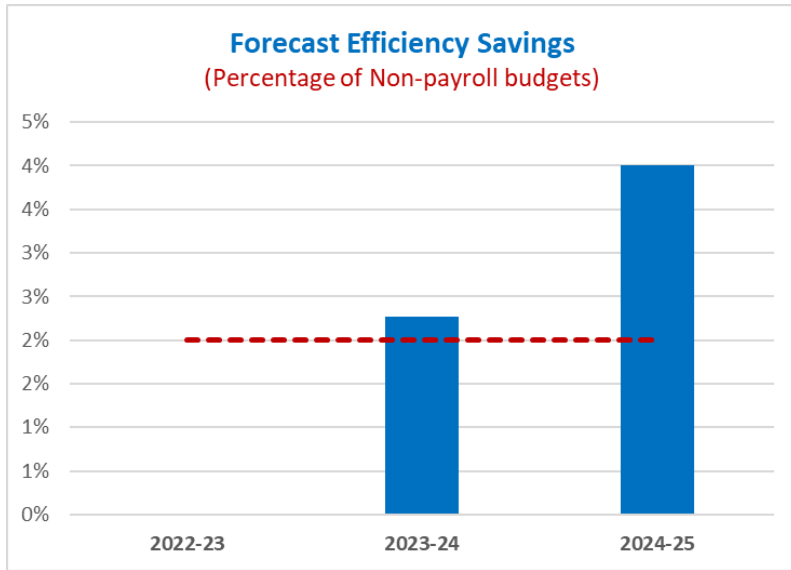
The public and Fire Authority would:

- like MFRS to maintain a standard 10-minute response to all life-risk incidents across Merseyside, rather than have some areas fall outside of that standard
- prefer MFRS to use wholetime (full-time) firefighters to protect its communities rather than retained firefighters
- like MFRS to secure long-term solutions that protect staff moving forward • wish to avoid compulsory redundancy
- prefer to keep stations open using different duty systems than close stations unless response times can be improved or maintained
- want performance against the response standard to be a determining factor when implementing change
- expect MFRS to resource to meet the demands placed on the service
- increased focus on Protection as a result of the Grenfell Tower inquiry and recommendations
- expect MFRS to maximise its productivity to protect the public
- like MFRS to keep prevention at the forefront of its work
- support MFRS assisting the ambulance service when it is facing a surge in demand, like that experienced through the pandemic (whilst maintaining response to fires/other emergencies)
- like to see blue light collaboration not integration • understand the need for MFRS to deliver a balanced budget in line with its medium-term financial plan.

Appendix A

Home Office Efficiency Template

	Budget			
	2021-22	2022-23	2023-24	2024-25
Revenue Support Grant	-11,241	-11,584	-12,759	-13,078
Retained income from Rate Retention Scheme	-20,251	-19,667	-20,490	-21,312
Settlement Funding Assessment (SFA) Total	-31,492	-31,251	-33,249	-34,390
Specific and special grants inside AEF	-5,237	-6,890	-7,956	-7,956
Appropriations to(+)/ from(-) reserves	-4,476	-18,313	-6,317	0
Other Income	-6,481	-6,693	-5,992	-5,992
Sub-Total	-16,194	-31,896	-20,265	-13,948
Collection fund surplus (-)/ deficit(+)	2,836	1,147	-301	0
Council Tax Base	373,099	379,001	387,892	389,831
Band D Precept (£)	82.00	83.61	88.61	91.26
Increase in Council Tax Base		1.58%	2.35%	0.50%
Increase in Band D Precept		1.96%	5.98%	2.99%
Council Tax Requirement	-30,594	-31,688	-34,371	-35,572
Total Income and Funding	-75,444	-93,688	-88,186	-83,910
Opening Revenue Expenditure Budget		75,444	93,688	88,186
Investment/Cost Pressures				
<u>Direct Employee</u>				
Pay Awards		1,658	3,954	1,396
Employers Pension Contributions		-167		1,020
<u>Indirect Employee (e.g. training, travel etc.)</u>				
All Indirect Employee Costs		21		
<u>Premises</u>				
Utilities		54	979	
Rent/Rates			-2	
Other Premises Costs		10		
<u>Transport</u>				
Fuel		2	-2	
Other Transport Costs		-11	74	
<u>Supplies and Services</u>				
Increased Usage/Enhanced Provision		56		
Other Non-Pay Inflation (not included in other lines)			974	207
<u>Capital Financing</u>				
Revenue Expenditure Charged to Capital		15,257	-14,047	-6,316
Net Borrowing Costs		881	2,447	100
<u>Other</u>				
Other Costs 1 (non-pay inflation)		244		
Other Costs 2 Agency, Central Expenses & Corporate costs		239	501	
Total Cost Pressures		18,244	-5,122	-3,593
Efficiency Savings				
<u>Supplies and Services</u>				
Other Technology Improvements			-180	
<u>Capital Financing</u>				
Net Borrowing Costs			-200	
<u>Other</u>				
Other Savings 3 TO BE IDENTIFIED IF REQUIRED				-683
Total Efficiency Savings		0	-380	-683
Closing Revenue Expenditure	75,444	93,688	88,186	83,910
Check	0	0	0	0
Efficiency Savings as a Percentage of Revenue Expenditure		0.00%	0.41%	0.77%
Non-Payroll Budgets (please overwrite with correct figures)		14,345	16,731	17,066
Efficiency Savings as a Percentage of Non-Payroll Budgets		0.00%	2.27%	4.00%
Efficiency Savings Target		2.00%	2.00%	2.00%



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