

TO: Policy and Resources Committee

FROM: Area Commander Operational Support - Callum Faint

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COMPREHENSIVE SPENDING REVIEW UPDATE

1. Purpose

- 1.1 To provide the Policy and Resources Committee with an update of activity completed and proposed actions with regard to the Comprehensive Spending Review (CSR) settlement.

2. Recommendation

- 2.1 The Committee is asked to acknowledge the work undertaken and make comment as they deem appropriate.

3. Risk Assessment

- 3.1 **Political** – the Government has now made fire and rescue services aware of the grant funding settlement for the period 2016 to 2020. This will see Cambridgeshire Fire and Rescue Service (CFRS) require a further total reduction of £2.85 million over that period. However known impactors have been considered (such as inflation and pay awards), making the required total saving £3.87 million. These savings will likely require a number of changes that will impact upon the Service, our staff and communities.
- 3.2 **Economic** – the total reduction in grant funding settlement and assumed costs (inflation and pay awards) is £3.87 million. This has now been confirmed by acceptance of the efficiencies plan submitted to the Home Office.
- 3.3 **Legal** –the Fire and Rescue Services Act (2004) and the Civil Contingencies Act (2004) places a number of requirements on the provision of a fire and rescue service, that service should be able to respond to, mitigate its effect, support actions and continue to provide a service should an emergency occur.

4. Background

- 4.1 Table 1 below shows a breakdown of the savings required in each period of the four year CSR.

Table 1

Financial Year	2016/17	2017/18	2018/19	2019/20	Total
CSR Year	1	2	3	4	
Saving required	£1.2m	£1.44m	£0.755m	£0.475m	£3.87m

5. Update of Activities

- 5.1 The project has been progressing well since the CSR was released by central government in 2015 and this report will provide the Committee with a brief overview of activities conducted to date.
- 5.2 The project team conducted a number of staff engagement events throughout 2016/17. This was to gain staff suggestions as to areas the Service could investigate potential savings and resulted in meeting with over 120 staff and harvesting 250 separate suggestions. Upon analysis, with duplications removed, this showed 71 areas for investigation.
- 5.3 In 2017/18 the project team re-visited staff through further engagement events to feedback progress on the CSR and the staff suggestions. The team ensured that where suggestions had not been progressed the rationale and information as to why, was shared.
- 5.4 The Service is pleased to advise the Committee that the CSR project has now identified the required level of savings for the current CSR period up to 2019/20 although it should be noted that this is based on the following financial assumptions;
- growth in Cambridgeshire and Peterborough continues as predicted,
 - the Authority agrees to proposed council tax precept increases,
 - any pay rises above 1% each year (as agreed by central government via a submitted and approved efficiency plan) will be found outside of the CSR project.
- 5.5 Table 2 shows the identified savings over each of the years covering this CSR period. Whilst Year 3 shows that we have not reached the required levels of savings, Year 4 savings cover this deficiency.

Table 2

Financial year	2016/17	2017/18	2018/19	2019/20	Total
CSR Year	1	2	3	4	
Saving required	£1.2m	£1.44m	£0.755m	£0.475m	£3.87m
Saving achieved	£1.2m	£1.44m	£0.660m	£0.665m	£3.96m
Project Stage	Stage 1		Stage 2		

- 5.6 The tables below give a complete break down for each year of the CSR period and the savings or efficiencies identified.

Table 3

CSR Year 1 – 2016/17	Saving	Running total
Savings already made from previous CSR and previous council tax increase (permitted by central government)	£0.650m	£0.650m
Growth		
Increase of council tax precept by 1.96%	£0.346m	£0.996m
Increase in number of houses within Cambridgeshire and Peterborough paying council tax (growth)	£0.271m	£1.267m
Total	Target for year = £1.2m	Actual = £1.267m
Deficit still to be found		Complete

Table 4

CSR Year 2 – 2017/18	Saving	Running total
Carry forward from Year 1 (extra savings made)	£0.067m	£0.067m
Reduction in group budgets – Operational Equipment	£0.010m	£0.077m
Reduction in group budgets – Training	£0.030m	£0.107m
Reduction in group budgets – Community Fire Safety	£0.025m	£0.132m
Removal of budget – Area Commander Operational Support	£0.030m	£0.162m
Removal of vacant post (part time) – Health and Safety	£0.015m	£0.177m
Removal of Deputy Chief Fire Officer role and reduction in salaries of Chief Fire Officer and Assistant Chief Fire Officer roles	£0.231m	£0.408m
Implementation of staff suggestions (pending business case proving viability and agreement for investment)	£0.027m (estimated)	*£0.435m
Removal of operational contingency budget (previous On-call budget)	£0.301m	£0.992m
Reduction of capital funding from revenue (or short term reserve usage)	£0.100m	£1.092m
Growth		
Increase in number of houses within Cambridgeshire and Peterborough paying council tax (growth)	£0.256m (estimated)	£0.0.691m
Fire Authority approved increase of council tax precept by 1.9%	£0.360m	£1.452m
Total	Target for year = £1.44m	Actual = £1.452m (estimated)
Deficit still to be found		Complete

Table 5

CSR Year 3 – 2018/19	Saving	Running total
Carry forward from Year 2 (extra savings made)	£0.012m	£0.012m
Growth		
Increase of council tax precept by 2%	£0.367m	£0.379m
Increase in number of houses within Cambridgeshire and Peterborough paying council tax (growth)	£0.281m	£0.660m
Total	Target for year = £0.755m	Actual = £0.660m
Deficit still to be found		£0.189m

Table 6

CSR Year 4 – 2019/20	Growth	Running total
Increase of council tax precept by 2%	£0.374m	£0.374m
Increase in number of houses within Cambridgeshire and Peterborough paying council tax (growth)	£0.291m	£0.665
Total	Target for year = £0.475m	Actual = £0.665m
Deficit still to be found		Complete

5.7 Activities have included the following;

- completion of 71 staff suggestion business cases,
- completion of an Operational Command Review (presented to the Overview and Scrutiny Committee in 2016),
- budget analysis, planning and discussions with Heads of Groups,
- completion and submission of efficiency plan, approved by the Home Office,
- Member-led review of the Media and Communication function (presented to the Overview and Scrutiny Committee and Authority in 2016),
- forward budget planning,
- staff engagement events, meeting with over 100 staff across the Service in November/December 2016,
- communications via blogs, email, events and presentations.

BIBLIOGRAPHY

Source Documents	Location	Contact Officer
Operational Command Review 2016	Hinchingbrooke Cottage Brampton Road Huntingdon	Callum Faint 07780 663764 Callum.faint@cambsfire.gov.uk
Member-led Review of CFRS Media and Communication Function	As above	As above