

**AGENDA ITEM:**

<b>REPORT TO:</b>	<b>POLICY AND FINANCE COMMITTEE</b>
<b>DATE:</b>	<b>27<sup>TH</sup> JULY, 2006</b>
<b>REPORT NO.</b>	<b>CFO/143/06</b>
<b>REPORTING OFFICER:</b>	<b>CHIEF FIRE OFFICER</b>
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<b>OFFICERS CONSULTED:</b>	<b>CORPORATE LEADERSHIP TEAM</b>
<b>SUBJECT:</b>	<b>BACKWARD LOOKING EFFICIENCY STATEMENT 2005/06</b>

Purpose of Report

1. To present the Authority's latest efficiency statement.

Recommendation

2. That the report be noted.

Introduction

3. Fire Services have been subject to the Efficiency Agenda and nationally have been set a target of £105m gross cashable efficiency savings by 2007/08. This is compared to a base of 2004/05 and represents 5.18% of budgeted net national current expenditure (FSC 48/05).
4. The Authority prepared its first efficiency statements in November 2005. These were a forward looking statement for 2005/06 and a retrospective look at 2004/05.
5. The Authority has subsequently submitted its forward looking statement for 2005/06 in April 2006 (in line with FSC 14/06).
6. The Authority is now required to submit its retrospective backward looking efficiency statement for 2005/06. This will assess the level of efficiency actually achieved in 2005/06.
7. The statement is included as Appendix A. Total efficiencies that have been identified are :

£8.3m from 2004/05  
£4.0m in 2005/06.

8. Many of these efficiencies have been reinvested in new services. The total represents 16.7% of budgeted net expenditure in 2004/05.

#### Equality and Diversity Implications

- 9.

#### Financial Implications

10. In a tight financial framework, efficiency is vital to generate resources that can be redistributed into improvement as well as to deliver cash savings.

### **BACKGROUND PAPERS**