



MERSEYSIDE
FIRE & RESCUE
SERVICE

PRODUCTIVITY AND EFFICIENCY PLAN

APRIL 2025 - MARCH 2026



PRODUCTIVITY & EFFICIENCY PLAN 2025/26

This Productivity & Efficiency Plan sets out how Merseyside Fire & Rescue Authority (MFRA) achieved the 2024/25 productivity and non-pay efficiency targets and how MFRA aims to achieve the productivity and non-pay efficiency targets for 2025/26. As part of the Spending Review 2021, the National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) agreed that between 2022/23 and 2024/25, fire and rescue services would increase wholetime firefighter productivity by 3% and create 2% of non-pay efficiency savings. The 2024 Spending Review included a re-commitment to these targets for 2025/26.

BACKGROUND:

Merseyside Fire and Rescue Authority (MFRA) has again been judged as 'Outstanding' in its use of resources by His Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) in 2023. MFRA has an excellent record of delivering outstanding fire and rescue services within the budget we have available to spend on our employees (including our firefighters), equipment and services. Our money comes from grants from Central Government and Council Tax payments, and we make decisions on what we spend based on the Risk, Demand and Vulnerability of our communities. As we do that, we ensure that we provide value for money for the people of Merseyside.

Like other public services, we have faced financial challenges over the years. From 2010 to 2020, the Government implemented an austerity plan to reduce the national debt. A significant element of the plan was to reduce Government funding for local government (this includes fire and rescue authorities). As the Authority had a relatively low council tax base, it relied more on 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. That resulted in unavoidable decreases in the front-line operational services over this period.

In 2010, the Authority:

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

The 2025/26 budget provided for:

- 642 FTE firefighters (36% lower).
- 35 FTE staff in fire control (17% lower).
- 295 FTE support and technical staff (31% lower).
- Appliances;
 - Days: 27 immediately available plus 5 on a 30-minute recall
 - Night: 21 immediately available plus 11 on a 30-minute recall
- 21 fire stations maintained by various demand-led duty cover systems.

The Medium Term Financial Plan (MTFP) for 2025/26 to 2029/30 looks to:

- Increase in fire engine/appliance availability from 32 to 34, enhancing the Authority's resilience and response to foreseeable risk (specialist response),
- Increase in investment in training and assurance (competency) given the Grenfell Tower Phase 2 report, Personal Protective clothing, bespoke equipment and consumables,
- Improved ICT facilities,
- Increased investment in properties, including further station refurbishments to ensure they are welcoming and well managed (contaminants risk)

The investment the Authority has made in the service since 2019/20 has ensured Merseyside Fire and Rescue Service continues to deliver its vision to be the best fire and rescue service in the UK.

The ongoing investment the Authority has made in the Service, and the benefits this brings to Merseyside communities were reflected in the last HMICFRS inspection report. The Authority was congratulated for keeping people safe and secure from fire and other risks. HMICFRS graded the Authority as 'outstanding' in three areas, 'good' in five areas and 'adequate' in three areas. This means Merseyside Fire and Rescue Authority is currently England's highest performing fire and rescue authority.

BUDGET:

The Authority's revenue budget requirement (gross day-to-day revenue spending less fees, specific grants, and other income) is funded approximately 50% from Government and 50% from Council Tax (precept income). A summary of the 2025/26 Financial Plan is set out below:

Expenditure 2025/26	Net Budget £'000
Employee Salary Costs	61,028
Additional Pension Costs	2,020
Other Employee Expenses	279
Premises Costs	4,027
Transport Costs	1,485
Supplies and Services Costs	3,775
Agency Services	7,696
Central Expenses	496
Capital Financing/Int on Balances	7,894
Income (Including Compensation for under-indexing the business rates multiplier and Pension Grant)	-13,491
Corporate Management	639
Contingency for Pay/Price Changes	2,183
Movement In Reserves	165
Efficiency Savings Target	-262
Grand Total	77,934
Funding 2025/26	£'000
Government Funding Assessment	
Local Business Rate Share	-4,691
Top-Up Grant	-17,401
Revenue Support Grant	-16,914
	-39,007
Adjustment for Local Business Rates Income	-122
Collection Fund Surplus	-95
	-217
Council Tax	
Council Tax Precept Income	-38,391
Council Tax Collection Fund Surplus	-319
	-38,710
Grand Total	-77,934

2025/26 – 2029/30 Medium Term Financial Plan

If any organisation wants to be successful, its budget setting and MTFP must allocate resources to support its key strategic aims and priorities. This is a vital consideration when organisations face periods of severe financial challenges. The Authority has maintained a comprehensive rolling five-year MTFP and capital programme for many years.

The 2025/26–2029/30 MTFP can be found on the Authority's website: <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority>

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 ensure the investment decisions are embedded within the 5-year Revenue Budget forecast,
- Ensures the MTFP considers the requirements 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 to determine 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 2025, based on the budget requirement and council tax base.

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

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 four years. The five-year revenue forecast enables effective Service planning by producing a comprehensive financial strategy.

The current MTFP has been updated for the 2025/26 government funding settlement and the Merseyside local authorities' 2025/26 Council Tax Base, Collection Fund, and Business Rate forecasts. All known pay and price inflation increases have been built into the MTFP, and a review of the key assumptions around future funding and cost pressures has been reviewed.

Significant uncertainty exists over the 5-year forecast, as several key assumptions must be made for unknown future costs and funding.

Pay

Inflation remains above the Bank of England target of 2%, The outlook for CPI inflation in the Monetary Policy Report showed it rising above the Monetary Policy's Committee's 2% target reaching around 2.75% by the middle of 2025. This represents a modest near-term increase due to the ongoing impacts from higher interest rates, the Autumn Budget and a projected margin of economic slack. Over the medium term, once these pressures ease, inflation is expected to stabilise around the 2% target. At the Finance Strategy Day in January, Members agreed to maintain the 2025/26 pay award assumption of 2.5% in light of the current inflation forecast and keep future pay award assumptions at 2.5%.

Pensions

Firefighter Pension Scheme(s): - Firefighter Pension Scheme Actuarial review 2020:-

Following the 2020 Firefighter Pension Scheme actuarial review, the Home Office announced a Fire Pension Grant in 2024/25 to cover the increase in employer contribution rates from 28.8% to 37.6%. The impact on the Firefighter Pension Scheme to MFRA was an overall increase in the employer cost of over £2.300m. The Home Office announced a fixed grant of £2.183m (calculation is based on a four-year average) for 2024/25 to cover the increase. At that time the Authority understood that the additional pension grant (as well as other specific grants for fire and rescue services) would be allocated on a one-year basis with future years subject to the Spending Review in the usual way. The current MTFP plan assumed the Authority would receive a contribution in 2025/26 and future years of £1.191m.

The Authority received a similar grant in 2025/26 to that received in 2024/25 and it is proposed the grant will be rolled into the Settlement Funding Assessment in future years. The MTFP has been updated to include a Fire Pension Grant of £2.183m in 2025/26 and assumes the grant will continue at this rate for future years.

Future LGPS Employer Rate – The 2020 actuarial review increased the current employer rate from 17.5% to 17.9% from April 2023. However, the review also identified that the fund has a surplus of past service costs that will be repaid to the Authority. The net impact has resulted in an annual saving of £0.200m from 2023/24 onwards and an additional one-off saving in 2025/26 of £0.286m.

Prices

The outlook for CPI inflation is for it to reach around 2.75% by the middle of 2025. Over the medium term, once pressures ease, inflation is expected to stabilise around the 2% target.

The MTFP has built an increase of £0.771m to uplift the contingency for pay and inflation towards the impact of the inflationary pressures in 2024/25 and the expected 2025/26 inflationary impact.

The budget requirement for 2025/26 is funded by Government Grant and Council Tax. The Authority receives its funding from Central Government as part of the Local Government Financial Settlement, the “**Settlement Funding Assessment**”, (SFA). The SFA can be broken down into two parts;

- **Baseline** – estimated value of retained **local business rates** plus a **Top-Up grant**, and
- **Revenue Support Grant**.

On the 28th November 2024, Minister of State (Minister for Local Government and English Devolution) Jim McMahon announced the publication of the government’s 2025/26 Local Government Finance Policy Statement. The Statement announced that Local Authorities will see an increase in baseline funding levels to reflect the increase in the standard multiplier and that local authorities will be compensated in the usual way for the freeze in the small business rates multiplier via an increase in the under-indexation compensation. The Statement also announced the Revenue Support Grant will also continue to increase in line with September CPI (1.7%) and fire and rescue authorities will have the flexibility to raise council tax by up to £5.00.

For 2025/26 the estimated income from Government Revenue Support funding is £39.007m.

Services Grant

The Government announced a new un-ringfenced “one-off” Services Grant for 2022/2023. The Government stated that this new grant was a one-off, but the intention was to work closely with local government on how to best distribute this funding from 2023/24 onwards. The Authority received a Services Grant of £0.814m in 2023/24 and assumed this would continue in future years in the MTFP. In 2024/25, the Authority received a Service Grant of £0.141m, a reduction of £0.673m. The current MFTP assumed the Services Grant of £0.141m would continue in 2025/26 and future years. The Government removed the services grant entirely from 2025/26, the proposed MTFP has been adjusted to take the reduction into account.

Firelink Grant

The Firelink grant has been reducing over the previous four years, with 2025/26 expected to be the final year when the grant was paid, albeit at a reduced level of £0.054m. The Home Office has taken the difficult decision to end the Firelink grant in 2024/25, therefore there will be no Firelink grant provided in 2025/26. The Authority has reduced the Firelink grant by £0.054m in 2025/26.

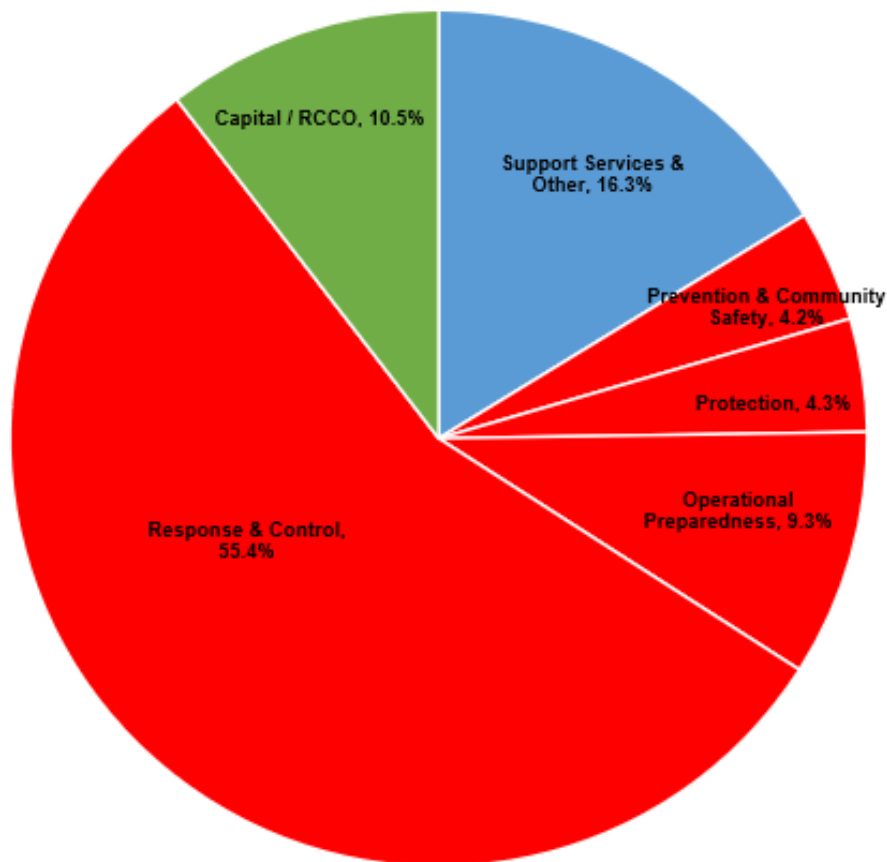
Council Tax Income

The Government has announced that for 2025/26, the maximum increase in Council Tax before holding a referendum will be £5.00 per Band D property. A £5.00 increase for 2025/26 will see the Band D precept increase from £91.25 to £96.25. **The precept increase will raise an additional £1.994m in 2025/26.**

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 Community Risk Management Plan (CRMP) (*which considers the assessed Risks, Demands and Vulnerabilities within the Merseyside communities*) and Authority Leadership message (*particularly the delivery of the Vision and Purpose*).

The Authority has an excellent track record of investing in line with its corporate priorities. The pie chart below outlines that most expenditure, 55.4%, goes on emergency and specialist response. In addition, 9.3% goes on Operational Preparedness and 8.5% on Protection, Prevention & Community Safety. Therefore 73.2% of expenditure is on the "front line" services. The 10.5% on capital costs relates mostly to previous investment in front line assets, fire stations, vehicles and equipment. The remaining 16.3% is on support and operational enabling services.

2025/2026 Net Budget By Service



2025/26 – 2029/30 MTFP Revenue Plan

Considering all the information, the MTFP table below summarises the 2025/26 – 2029/30 revenue forecast.

2025/26 - 2029/30 MTFP					
	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
FORECAST NET SPEND IN 2024/25 MTFP	76,635	77,845	79,445	81,403	81,403
2025/26 MTFP Issues to build in future MTFP:-					
Impact of 2024/25 Grey Book Pay Award (4% - Budget 3%)	450	450	450	450	450
Impact of 2024/25 Green Book Pay Award (£1,290 or 2.5% whichever is greater) = c3.25%	40	40	40	40	40
Increase in Employers National Insurance (15%-13.8% £9,100 - £5,000) (2024 Autumn Budget)	1,000	1,000	1,000	1,000	1,000
Impact of Higher Prices (Indirect NI / Inflation)	771	936	1,016	1,116	1,116
2029/30 Inflation Provision					1,742
Contribution to Capital Reserve to fund Capital Programme and additional Inflationary Pressures	234				
Loss of Firelink Grant in 2025/26	54				
Reverse MRP/Interest additional £400k from 2028/29				-400	-400
Unavoidable Growth	761	856	867	800	800
Efficiency Target (Procurement, Interest Payments, Inflation etc)	-262	-262	-262	-262	-262
Increase in Bus Rates Multiplier s31 compensation grant	-187	-187	-187	-187	-187
Annual Pension Grant (Following 2020 Actuarial Review) 28.8% to 37.6%	-992	-992	-992	-992	-992
LGPS Pension Rebate - Increase Rebate for 2025/26 £286k	-286				
Employers National Insurance Grant 42.5% of NI cost	-425	-425	-425	-425	-425
Reduction in Services Grant (2025/26 £141k to £0)	141	141	141	141	141
TOTAL	1,299	1,557	1,648	1,281	3,023
FORECAST NET SPEND IN 2025/26 MTFP	77,934	79,401	81,093	82,684	84,426
FORECAST FUNDING IN CURRENT MTFP					
<u>Government Funding-Settlement Funding Assessment:</u>					
Top Up Grant	-17,401				
Estimate of Local Business Rate Share	-4,691				
Baseline Funding Level	-22,093				
Baseline Funding 1.14% p.a. increase for 2025/26 then 1% from 2026/27		-22,314	-22,537	-22,762	-22,990
Revenue Support Grant	-16,914				
Revenue Support Grant 1.7% p.a. increase for 2025/26 then 1% p.a. from 2026/27		-17,083	-17,254	-17,427	-17,601
Settlement Funding Assessment	-39,007	-39,397	-39,791	-40,189	-40,591
Assumed Government Funding - Settlement Funding Assessment	-39,007	-39,397	-39,791	-40,189	-40,591
<u>Adjustment forecast Business Rates yield based on NNDR1 returns</u>					
Adjust for Local Business Rate income forecast from Districts	-122	0	0	0	0
Collection Fund (surplus)/deficit	-95				
Adjustment to Local Business Rates income forecast	-217	0	0	0	0
<u>Council Tax -</u>					
Base Precept Income	-35,571	-38,391	-39,355	-40,343	-41,355
Council Tax Base increase of 2.32% in 2025/26 then 0.5% p.a.	-825	-192	-197	-202	-207
Precept Increase of £5.00 in 2025/26, then 2% p.a.	-1,994	-772	-791	-811	-831
Council Tax Collection Fund (surplus)/deficit	-319				
Forecast Council Tax Income	-38,710	-39,355	-40,343	-41,355	-42,393
TOTAL FUNDING	-77,934	-78,752	-80,134	-81,544	-82,984
Forecast (Surplus) / Deficit	0	650	959	1,139	1,442

Capital Programme

Each financial year the Authority produces a capital programme to manage major schemes. Owing to the nature of capital expenditure, a large number of schemes span more than one financial year, so the programme is a rolling programme covering five financial years. The Authority's five-year capital investment programme 2025/26 to 2029/30 totals £43.291m. The programme includes:

- Spending on fire appliances and operational equipment
- Investment in refurbishment and maintenance of Fire Stations and other buildings
- Investment in Information Technology (IT)

Capital Programme 2025/26 to 2029/30

Capital Expenditure	Total Cost £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £
Buildings & Land	9,393,600	3,631,800	2,592,500	1,073,300	993,500	1,102,500
Fire Safety	3,175,000	635,000	635,000	635,000	635,000	635,000
ICT	10,147,820	2,796,960	1,187,660	818,900	2,008,900	3,335,400
Operational Equipment & Hydrants	8,228,800	1,722,800	3,350,000	843,000	1,252,000	1,061,000
Vehicles	12,345,850	4,370,850	2,021,100	2,623,900	690,000	2,640,000
Expenditure	43,291,070	13,157,410	9,786,260	5,994,100	5,579,400	8,773,900
Financing Available	Total £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £
Capital Receipts	1,715,000	1,715,000	0	0	0	0
RCCO	1,875,000	375,000	375,000	375,000	375,000	375,000
Capital Reserves	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Total Non Borrowing	3,590,000	2,090,000	375,000	375,000	375,000	375,000
Unsupported Borrowing	39,701,070	11,067,410	9,411,260	5,619,100	5,204,400	8,398,900
Total Funding	43,291,070	13,157,410	9,786,260	5,994,100	5,579,400	8,773,900

Most of the capital programme is funded by borrowing, £39.701m, and is in line with the Authority's approved prudential borrowing limits and treasury management strategy. The balance is funded by specific funding; capital receipts £1.715m and revenue contributions of £1.875m.

RESERVES:

The Authority has prudently planned to meet its financial challenges over the medium term. The plan the Authority proposes is based upon the key assumptions around changes to grant, pay, tax and pension costs. To protect and safeguard the Authority from unforeseen changes in circumstances, demands or assumptions made in setting the budget the Authority has an established general fund and specific earmarked reserves. The Authority's forecasted reserves as of 31st March 2025 are £13.533m.

General Revenue Reserve £3.7m (just under 5% of the current Revenue Budget)

As a general rule external audit view an appropriate level for a general reserve as 5% of the forecast Net Operating Expenditure. The Authority's general revenue reserve equates to 4.75% of the current forecast Net Operating Expenditure.

Committed (Earmarked) Reserves

The Authority has created these reserves for specific purposes and involves funds being set aside to meet known or predicted future liabilities or risks. The Director of Finance and Procurement has carried out a review of current reserves based on the latest financial review and known planned future use of the Authority's forecast reserves. The reserves for 2025/26 and future years are outlined below;

Committed Reserves															
	Balance C/fwd From 2024/25	Proposed Increase	Revised Balance C/fwd for 2025/26	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	Estimated 2033/34 Use	Estimated 2034/35 Use	Estimated 2035/36 Use	Held to Cover Risk
Emergency Related Reserves	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Bellwin / Emergency Planning Res	222		222												222
Insurance Reserve	534		534												534
Modernisation Challenge															
Smoothing Reserve	1,400		1,400												1,400
Pensions Reserve	300		300		-200	-100									0
Recruitment Reserve	1,814		1,814		-314	-300	-300	-300	-300	-300					0
Collection Fund Reserve	100		100		-100										0
Capital Investment Reserve															
Capital Investment Reserve	1,830	234	2,064		-1,064	-500	-500								0
PFI Annuity Reserve															
PFI Annuity Reserve	1,235		1,235	-69	-69	-69	-69	-69	-69	-69	-69	-69	-69	-69	476
Specific Projects															
Community Sponsorship Reserve	55		55		-55										0
Equipment Reserve	342		342		-342										0
Training Reserve	270		270		-100	-100	-70								0
Health and Wellbeing Reserve	7		7		-7										0
Inflation Reserve	1,200		1,200												1,200
Clothing	90		90		-90										0
Ringfenced Reserves															
Community Risk Management Res	246		246		-121	-125									0
Energy Reserve	111		111		-111										0
New Dimensions Reserve	77		77		-77										0
Forecast Use of Reserves in the year	9,833	234	10,067	-69	-2,650	-1,194	-939	-369	-369	-369	-69	-69	-69	-69	3,832
Total Earmarked Reserves Bal C/fwd	9,833	234	10,067	-69	-2,650	-1,194	-939	-369	-369	-369	-69	-69	-69	-69	3,832
General Revenue Reserve	3,700	0	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Total Reserves	13,533	0	13,767	3,631	1,050	2,506	2,761	3,331	3,331	3,331	3,631	3,631	3,631	3,631	7,532

Reserves and balances can only be used to finance one-off expenditure. They are not able to fund ongoing revenue expenditure. This is underlined by the Auditor's 'Golden Rule' - that "one-off" revenue reserves should not be used to support 'ongoing' revenue expenditure.

PRODUCTIVITY

Merseyside Fire & Rescue Authority (MFRA) are recognised as sector leaders in this area, as evidenced in the 2023/25 HMICFRS report that rated the service as 'outstanding' in 'making best use of resources'. The report also highlighted 'promising practice', stating that:

"The service makes excellent use of the people and resources available."

The service's innovative use of its people and resources, across a diverse range of productive shift systems with well-defined and performance managed worked routines, has yielded exemplar outcomes for the communities of Merseyside.

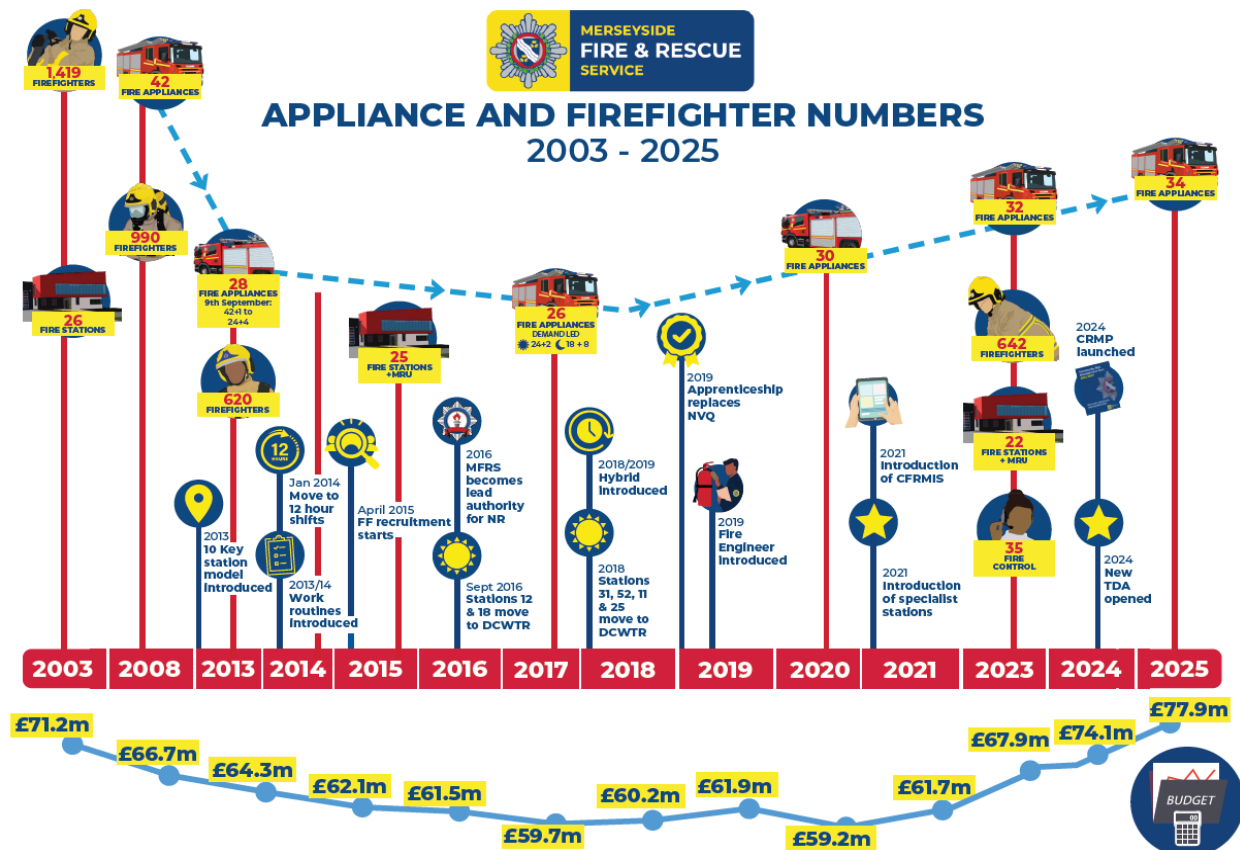
The 2023/24 productivity increases have led to reductions in Accidental Dwelling Fires (ADF's) and a significant increase in operational training and exercising as detailed below in the 2023/24 productivity update. MFRA is also rated 'outstanding' in preventing fires and other risks and responding to major incidents:

- HMICFRS 2023/25 Report: <https://hmicfrs.justiceinspectorates.gov.uk/frs-assessment/frs-2023-25/merseyside-2023-2025/>

MFRA's Community Fire Stations

MFRA's 23 fire stations (21 Fire Stations, Fire Control 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.

MFRA's Investment in Front Line Services



MFRA's Duty Systems

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

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

LLAR – firefighters are available 1000 - 2200hrs on station, then available from accommodation on or near the station during the night.

DCWTR – firefighters are available 12 hrs a day on station then on a 30-minute recall to duty to provide resilience on stations during busy periods.

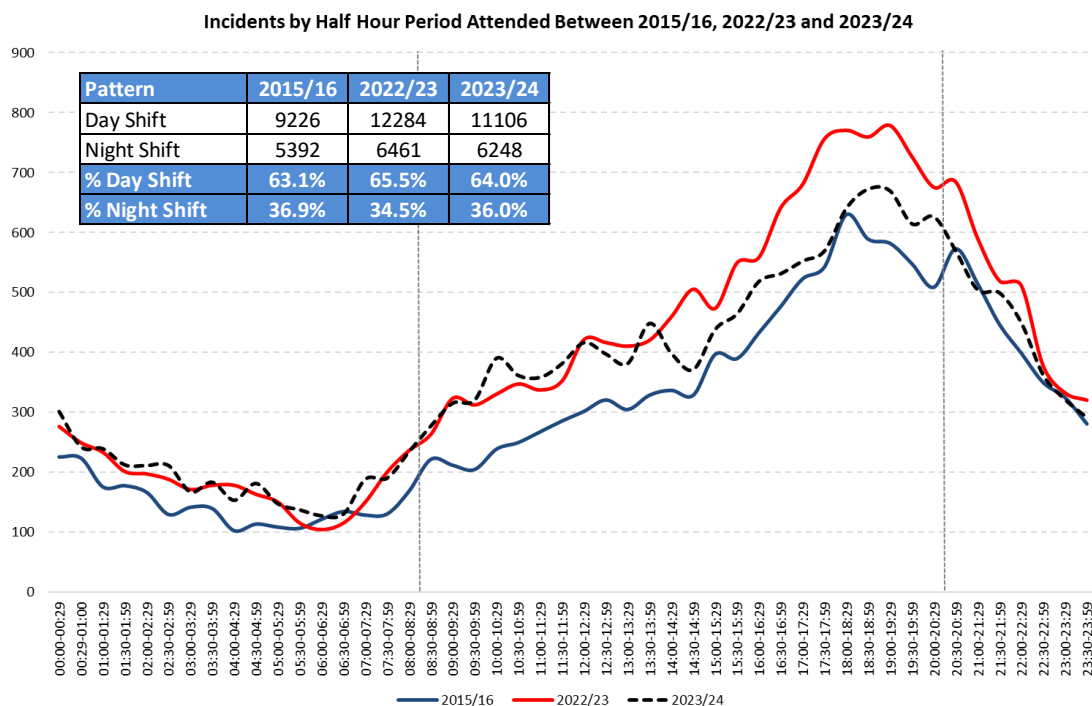
HYBRID – during the day 2 fire engines are available on station with a 3rd available on a 30-minute recall to duty (retained element) and at night 1 fire engine will be available on station with 2 available on a 30-minute recall (retained element) for resilience.

HYBRID LITE – one fire engine available on station with a second available on a 30-minute recall.

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.

MFRA's Demand

The range of duty systems ensure 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.



As a result of this analysis MFRA moved from the traditional 9 hour day and 15 hour night shift model to a 12 hour day and night model in 2014. This has increased daytime productive hours making MFRA duty systems demand led 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

The Service has invested an electronic management information system called CFRMIS (Community Fire Risk Management Information System), which has improved our efficiency and productivity. With the further development of the Prevention, Protection and Operational Intelligence modules and continued departmental collaboration, this has added to the solid measures put in place to ensure the application continues to support the cutting-edge approach to risk management taken by Merseyside Fire and Rescue Service. Success has also been shared with other Fire & Rescue Services, providing our development ideas and code, together with new and improved ways of working that bring an efficient and productive user experience.

The SOFSAs (Simple Operational Fire Safety Assessment), and its associated forms, have moved to a digital process which will provide a more holistic view of risk in the built environment. The Service is looking to further improve productivity in this area by combining SOFSAs and PORIS (Provision of Risk Information System) assessments in a 2025/26 pilot programme.

We will also be embedding the new features to our information technology systems during 2025/26; one will help us respond more quickly to incidents (known as Enhanced Mobilisation) and the other will allow us to use live data to help make even better decisions about where we position our fire appliances (known as AURA). Both changes will mean more time available for firefighters to engage with their communities.

UPDATE ON 2023/24 PRODUCTIVITY GAINS

Working 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 5,554 this year.

MFRA exceeded the proposed productivity gains, achieving over 52,000 HFSC's, delivered by operational personnel, which has led to between 13% and 15% reduction in Accidental Dwelling Fires in what is recognised as one of the most deprived areas of England ¹.

Collecting Information to Improve Firefighter Safety

Understanding the risks in a firefighter's local area is key to firefighter and public safety. We increased productivity in this area significantly during 2023/24, through the new information management system which streamlined how we recorded data. We expected that the number of business premises visited by firefighters would increase by 1,679 this year.

Again, MFRA exceeded the proposed productivity gains, achieving over 1,023 Site Specific Risk Information (SSRi) and over 2,736 Provision of Risk Information System (PORIS) assessments.

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 by carrying out an additional 88 training events.

Once again, MFRA exceeded the proposed productivity gains, achieving a 19.5% increase in training and exercising. The uplift has focussed on both the amount and quality of the training and exercising conducted. Stations train and exercise against specialisms, station risk in line with PORIS scoring methodology and historical incident data. MFRA lead the North West Operations and Resilience Committee, which has significantly increased 'cross border' training, exercising and familiarisation.

The combination of the increased productivity in training, exercising and gathering of risk information (SSRi & PORIS assessments) makes MFRA firefighters the most efficient and effective in England as evidenced through National benchmarking figure:

- Lowest firefighter injuries of metropolitan services at operational incidents based on metropolitan benchmarking².
- HMICFRS 2023/25 'Outstanding' at responding to major incidents.
- MFRA also has the lowest grey book sickness levels of metropolitan services (Up to end of Q3. Source National Fire & Rescue, Sickness Absence Report - compiled by Cleveland FRS).

¹ <https://www.gov.uk/government/collections/english-indices-of-deprivation>

² <https://www.gov.uk/government/statistical-data-sets/fire-statistics-data-tables#workforce-and-workforce-diversity> - table: 0508

UPDATE ON 2024/25 PRODUCTIVITY GAINS

Last year MFRA increased Simple Operational Fire Safety Assessment (SOFSA) targets across all stations in 2024/25, to achieve a circa 4.2% productivity increase.

However, operational crews delivered 2405 SOFSA during 2024/25 and this equates to a 7.9% increase in productivity against the annual target and an increase of 13.9% in productivity against 2023/24 annual target.

SOFSA	2021/22	2022/23	2023/24	2024/25
Target	2112	2112	2112	2230

Out of the total number of SOFSAs completed in 2023/24 crews made 60 higher risk referrals to Protection and so these premises were audited under the RBIP. Consequently, as part of the 2024/25 Protection Functional Delivery Plan (FDP), we conducted a review of the SOFSA methodology and continued development of crews to level 3 fire safety competency. This ultimately resulted in a reduction of the higher risk referrals into Protection by 50% in 2024/25 (30 referrals in comparison to 60 the previous year). This reduction can be attributed to:

1. Confirmation that the RBIP methodology is appropriately targeting lower and medium risk premises for operational personnel.
2. Operational personnel are becoming more effective in how they approach and discharge their SOFSA workstreams because of their level 3 training.

Notwithstanding, it is also acknowledged that the RBIP may require further refinement and as such has been included as a key deliverable for Protection within their 2025/26 FDP.

The productivity increase and wider RBIP methodology and strategy helped to reduce accidental fires in non-domestic premises by 10.75% and deliberate fires in non-domestic premises by 29%.

	2021/22	2022/23	2023/24	2024/25
Number of accidental fires in non-domestic premises	150	136	158	141
Number of deliberate fires in non-domestic premises - omitting crown property	35	50	41	29

The increased productivity was realised / achieved through the embedded use of new technologies and enhanced fire safety training to operational crews.

The evolution of underpinning training for SOFSA, introduced by the Protection Department in 2024/25, has laid the foundations to explore the expansion of premises types in 2025/26, in line with the new RBIP.

The new SOFSA methodology and training has been approved at Community Risk Management Board. Subsequent effectiveness and productivity gains will undergo robust scrutiny and governance through Performance Management Group, Community Risk Management Board, Strategic Leadership Team and Authority.

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 MFRA 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 Community Risk Management Plan 2024/27 and Service Delivery Plan 2025/26 contain more details³.

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
- Encourage MFRS to consider the health, wellbeing and diversity of staff, including avoiding compulsory redundancy where possible
- Prefer to use different duty systems to improve and maintain response times

³ <https://www.merseyfire.gov.uk/media/pn4ft0lo/community-risk-management-plan-crmp-2024-27.pdf>

- Advocate 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
- Expect increased focus on Protection as a result of the Grenfell Tower inquiry and recommendations
- Expect MFRS to maximise its productivity to protect the public
- Would 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)
- Advocate blue light collaboration, not integration
- Support and understand the need to MFRS to deliver a balanced budget in line with its medium-term financial plan

2025/26 PRODUCTIVITY GAINS

In the current financial year (2025/26), MFRS committed to a further 0.5% increase which will see SOFSA outputs rise to 2,240. However, due to developments in CFRMIS, opportunities exist to improve efficiency and create capacity for increased productivity.

Community Fire Risk Management Information System (CFRMIS) was introduced into MFRS in 2021 and, since this date, MFRS has been migrating datasets and workstreams into CFRMIS. For the first time, SOFSA data is held in the same place as the Provision of Operational Risk Information System (PORIS), SSRI data and fire safety inspections and associated activity.

Due to the revised RBIP, formal fire safety training and the integration of multiple data sets, it is proposed that MFRS explore the opportunity of undertaking SOFSA and PORIS during a single visit to a premises (currently, these workstreams are undertaken separately), which provides opportunities to work more efficiency.

This efficiency trial will be undertaken within station areas that have the largest list of premises eligible for a SOFSA. The station areas recommended for the trial are:

- Southport
- Speke
- Birkenhead
- Kirkby
- Newton-Le-Willows

The premises type that forms the focus of the trial is factories and warehouses and the specific premises list will be identified by the following criteria:

1. A SOFSA has not been completed, and
2. A PORIS has not been completed, and
3. There is no existing SSRI, and
4. A fire safety inspection or associated fire safety activity has not been undertaken

Factories and warehouses have been selected because this premises type was the initial focus for SOFSA's and, some station areas still have a large number of this premises type that have not been visited by MFRS. Therefore, the risk to occupants, firefighters and the environment remains unknown. The stations identified for the trial have the highest number of factories and warehouses that have not had a SOFSA completed on them in their respective district.

This trial will expedite visiting and assessing premises that MFRS currently have no understanding of the level of risk to occupants, firefighters and the environment.

The trial will comprise an additional 70 premises to current target, equating to 14 per station area over the trial period. Crews will be engaged in PORIS activity over this period and the efficiency is realised in the negation of visiting premises twice.

The trial will deliver an additional 3.1% uplift in SOFSA activity in addition to the 0.5% which has already been committed to for 2025/26. This equals a total uplift in SOFSA productivity of 3.6%. The associated PORIS assessment conducted will yield significant productivity in 2026/27, if the pilot evaluation proves successful and the initiative is implemented as business as usual.

Productivity has increased against target for year 2024/25 and the further efficiency gains proposed for 2025/26 allow crews to be more effective in delivering against other key performance indicators, without impacting on time and resource allocation.

Departments integrating and working collaboratively to provide a platform for operational personnel to work more effectively offers greater efficiency and improves value for money, as well as creating capacity for other workstreams.

The trial also offers the opportunity for operational crews to consider a premises holistically. The SOFSA allows operational crews to assess the safety of the occupants of the buildings and also the need to gather operational relevant information to assist in keeping firefighters safe and support resolving incidents more effectively.

This proposal supports delivery of the following legislative duties:

- As the enforcing authority of the RR(FS)O 2005.
- The Fire and Rescue Services Act 2004, Section 7(2)(d) states that: "a fire service must make arrangements for obtaining information needed for the purposes of extinguishing fires and protecting life and property in the event of a fire".

During this period, and as a direct result of these visits and enhanced business safety engagement, the level of fire safety awareness within the business community has improved. In addition, relationships with local business owners have been developed, along with an increase in operational crews' knowledge of commercial and industrial risk within their station grounds.

EFFICIENCY SAVINGS

MFRA's 2024/25 Efficiency Savings.

The Authority has met all efficiency savings as set out in the Efficiency and Productivity Plan for April 2024 to March 2025. The main areas in which the efficiency savings have been made are as follows:

- Reduction in support staff. A staffing restructure during the 2024/25 financial year across the Finance and ICT services resulted in the efficiency savings made of £45K.
- Procurement savings have been made during the 2024/25 financial year. These included a saving from the Insurance contract renewal for the Authority of £98K and contract cost savings following the procurement process for the financial management information application and HR and Payroll application which totalled £54K.
- Utility cost savings and digital marketplace procurement savings totalling £135K have been made during the 2024/25 financial year, as per the Efficiency and Productivity plan for 2024/25.
- Non-cashable efficiencies have also been made as the Authority developed and introduced a more efficient electronic overtime payroll claim process during the 2024/25 financial year which has successfully been rolled out to all stations across Merseyside.

The Authority aims to achieve £0.293m Efficiency Savings in 2025/26.

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 £0.293m has been estimated for the 2025/26 financial year. Details are listed in the attached 2025/26 Fire Efficiency Template, but as a summary, it is anticipated the savings will be achieved from:

- Procurement savings through the national framework, primarily from utility contracts.
- Local procurement activities, with contract savings relating to ICT, mobile phones, stationery, operational equipment and training contracts.
- Use of Photovoltaic technology and LED light conversions at various Authority premises.

- Resourcing - vacancy management.
- The Authority conducts a regular strategic review of property asset management plans across the Authority's estate to ensure assets are sustainable, fit for purpose and provide value for money. This review resulted in a reduction in Authority assets during 2024/25. The number of fire stations reduced from 22 to 21 and non-station premises by 3.

Although not assumed in the budget, the Director of Finance & Procurement will work with Treasury Management officers to 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, making additional Minimum Revenue Payments), a permanent cashable saving can be found.

Collaboration

North West Private Finance Initiative

Merseyside Fire and Rescue Authority leads on a North West Private Finance Initiative (PFI) scheme totalling £48m in collaboration with both Lancashire and Cumbria Fire and Rescue authorities. This scheme provided for 16 new fire stations across the three Fire Authorities.

Joint Command and Control Centre

The Joint Command and Control Centre (JCC) is built at the existing Fire & Rescue HQ, and brings police and fire control rooms together under one roof, enabling the emergency services to share facilities and technology in order to improve efficiency and effectiveness. In addition, the JCC premises also provides accommodation, which for the first time allows the co-location of MFRA, Merseyside Police, North West Ambulance Service operational planning teams, and Merseyside Resilience Forum, along with facilities that house purpose built strategic and tactical command suite facilities that service the communities of Merseyside. The co-location increases contact between personnel and enables already productive relationships to grow. It is jointly funded through capital investment from both MFRA and Merseyside Police and all running costs are apportioned. The JCC also houses National Resilience Fire Control (NRFC). This provides the means for specialist and front-line fire and rescue service resources to be centrally coordinated and mobilised in support of significant, serious or catastrophic incidents. As well as supporting requirements within the National Co-ordination and Advisory Framework (NCAF), the NRFC forms part of a tri-partite memorandum of understanding between the National Police Co-ordination Centre (NPoCC) and the National Ambulance Co-ordination Centre (NACC).

Community Fire Stations

MFRA operational personnel work alongside North West Ambulance Service (NWS) operational personnel. MFRA currently share 33% of Community Fire Stations with NWS. The shared estates and assets facilitate closer dialogue between the services and

improves efficiency and effectiveness. Savings are generated through the removal of duplication of property costs, sharing utilities, enabling NWAS the possibility of sale or re-sale of existing sites and properties, and providing MFRA with an income stream. The joint location affords both teams opportunities to enhance joint operational response in accordance with Joint Emergency Service Interoperability Programme (JESIP) principles; the co-location affording greater opportunity for contact between all personnel and enhancing professional relationships at the multi-agency level

Prescot Fire & Police Station

Prescot Fire & Police Station is a jointly funded fire and police station which enabled the closure of two fire stations and a very old, out-dated, police station. This site sees MFRA operational personnel working alongside Merseyside Police (MP) operational personnel. The shared estates and assets facilitate closer dialogue between the services and improves efficiency and effectiveness. It provides both a capital receipt and reduction in running costs. It will also facilitate new and more efficient staffing models for both organisations. Savings are generated through the removal of duplication of property costs and sharing utilities. The joint location affords both teams opportunities to enhance joint operational response in accordance with JESIP principles; the co-location affording greater opportunity for contact between all personnel and enhancing professional relationships at the multi-agency level.

The Budget Requirement assumes an income budget of £13.5m of which a significant proportion, £1.4m, 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 to ensure it obtains quality services and products at the best price. MFRA will utilise National and Regional Procurement Frameworks to ensure MFRA receives value for money from all procurement contracts. 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.

North West Regional Procurement Team

This well-established group meets regularly to identify and progress collaborative opportunities in procurement across the region. The agreed strategy of this team is to share resources through collaboration, improving purchasing power to obtain better products, services and cost savings; avoid duplication of effort within the region; and let regional contracts where it is appropriate in order to leverage spending power and influence in the

marketplace. All participating authorities are able to utilise a number of framework agreements over recent years, notably those for personal protective equipment and operational equipment. The work plan continues to identify this type of opportunity, and a lead procurement professional is allocated along with a lead technical officer to progress each project.

Collaboration Partners include Lancashire Fire & Rescue Service, Cheshire Combined Authority, Greater Manchester Combined Authority, Northern Ireland, Cumbria, Isle of Mann and other FRS's also utilise the resulting North West contracts where it is appropriate. MFRA leads on the groups PPE requirements.

Charging Policy

Fire Authorities are entitled to recover income from a range of discretionary fees and charges. This is in accordance with the schedule of authorised charges issued under the Fire & Rescue Services (England) Order 2004. MFRA may only charge for services as permitted by this Order. The Localism Act 2011 amended the Fire and Rescue Services Act 2004 by allowing MFRA to charge a person or organisation for any action taken by MFRA on a cost recovery basis only.

The Authority raises approximately 1,000 sales invoices per year for fees, charges, contributions and rent. This equates to income of approximately £2.5m and helps balance the annual budget. Any loss or reduction in the amount of budgeted income would require compensatory savings to be made elsewhere in order to balance the budget. Consistent with its strategy for prudent financial management, MFRA will continue to recover income from the permitted range of discretionary fees and charges. MFRA's charging policy formalises those arrangements, provides details about the fees and charges and how they are calculated, and sets out the treatment of Chargeable Special Services at operational incidents. There is an obligation to ensure that discretionary fees and charges are recovered to prevent MFRA becoming the 'supplier of choice' due to providing some services 'free of charge,' in direct competition with businesses providing similar services. This results both in the loss of business for such organisations and for the Authority a loss of revenue to HMRC due to the lack of VAT collected.

Medium Term Financial Plan

The MTFP indicates a potential financial challenge in future years, currently forecast to be £0.650m in 2026/27 rising to £1.442m by 2029/30. Whilst the MTFP is forecasting a deficit from 2026/2027 onwards, uncertainty over government funding, potential changes to the funding mechanism, and future pay awards means substantial uncertainty exists over these forecasts.

The Authority noted the forecast financial challenge at this time, and also noted that the Authority has access to a range of mitigating strategies that could be deployed to close the funding gap without the need for service reductions.

Performance Management

The MTFP prioritises the allocation of resources for the delivery of the CRMP, 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 recommends options for corrective action to keep the Budget and MTFP balanced. The report would also include updates on delivering 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 in Annex A.

Primary Information

BUDGET (£000)			
Revenue Expenditure	2023-2024	2024-2025	2025-2026
Direct Employee	50,083	58,383	61,028
Indirect Employee	2,334	2,370	2,299
Premises	4,019	4,230	4,027
Transport	1,312	1,450	1,485
Supplies and Services	3,201	3,359	3,775
Capital Financing	14,319	8,103	7,894
Other	6,429	10,159	10,617
Total	81,697	88,054	91,125
Income	2023-2024	2024-2025	2025-2026
Actual Received from Precept	34,371	35,571	38,391
Local Government Finance Settlement	33,649	38,470	39,007
Other Grants	11,100	11,578	11,276
Income Raised Locally	2,577	2,435	2,451
Total	81,697	88,054	91,125

RESERVES (£000)					
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
General Reserves	3,000	3,000	3,700	3,700	3,700
Earmarked Revenue Reserves	8,703	8,470	8,003	7,934	6,348
of which MRP reserve	0	0	0	0	0
Earmarked Capital Reserves	8,303	2,141	2,064	2,064	1,000
Other Reserves					
of which revenue	0	0	0	0	0
of which capital	0	0	0	0	0
Total	20,006	13,611	13,767	13,698	11,048

EFFICIENCY DATA (£000)

	EFFICIENCY DATA (£000)					
	Actual 2023-24		Actual 2024-25		Forecast 2025-26	
Opening Revenue Expenditure Budget (Net)	67,921		74,191		77,934	
Less Total Direct Employee Costs	56,542		61,475		64,852	
Non Pay Budget	11,379		12,716		13,082	
Efficiency Target (2% of non-pay budget)	228		254		262	
Efficiency Savings	Recurrent	Non-recurrent	Recurrent	Non-recurrent	Recurrent	Non-recurrent
<u>Direct Employee</u>						
Reduction in Prevention/Protection/Response Staff						
Reduction in Support Staff			45			27
<u>Indirect Employee (e.g. training, travel etc.)</u>						
All Indirect Employee Costs						
<u>Premises</u>						
Utilities					94	
Rent/Rates						
Other Premises Costs					80	
Shared Premises						
<u>Transport</u>						
Fleet						
Fuel						
Other Transport Costs						
<u>Supplies and Services</u>						
National Procurement Savings			152			
Local Procurement Savings			135		32	
Other Technology Improvements	180				60	
Decreased Usage						
<u>Capital Financing</u>						
Revenue Expenditure Charged to Capital						
Net Borrowing Costs	200					
<u>Other</u>						
Other Savings 1 (Please Specify)						
Other Savings 2 (Please Specify)						
Other Savings 3 (Please Specify)						
Total Efficiency Savings	380		332		293	
Efficiency Savings as a Percentage of Non-Payroll Budgets	166.97%		130.54%		111.99%	
Efficiency Savings Target	2.00%		2.00%		2.00%	
Over/(Under)	164.97%		128.54%		109.99%	

INCOME

£000

	Actual 2023-24		Actual 2024-25		Forecast 2025-26	
	Recurrent	Non-recurrent	Recurrent	Non-recurrent	Recurrent	Non-recurrent
Income generated from charging policies	178	112	178	57	178	85
Income generated from trading operations	519	0	560	237	560	119
Income generated from shared premises	893	465	893	254	893	360
Income generated from interest on investments	172	872	300	633	300	450
Income generated from other sources	755	544	755	361	755	453
Total	2,517	1,993	2,686	1,542	2,686	1,465

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