

DEVON & SOMERSET FIRE & RESCUE AUTHORITY



REPORT REFERENCE NO.	RC/10/5
MEETING	RESOURCES COMMITTEE
DATE OF MEETING	8 FEBRUARY 2010
SUBJECT OF REPORT	TARGET SETTING FOR DEVON AND SOMERSET FIRE AND RESCUE AUTHORITY CORPORATE PLAN 2010/11 TO 2012/13
LEAD OFFICER	Director of Corporate Services
RECOMMENDATIONS	<p>(a) <i>That the recommendations for measures and targets contained within this report (RC/10/5) are considered and;</i></p> <p>(b) <i>That the targets are included in the Devon and Somerset Fire and Rescue Authority Corporate Plan 2010/11 to 2012/13. The Corporate Plan will then be submitted to the Devon and Somerset Fire and Rescue Authority in February 2010 for final approval.</i></p>
EXECUTIVE SUMMARY	<p>A key part of any business plan is the setting of targets to demonstrate the level of ambition the organisation wishes to achieve.</p> <p>As in previous years, it is proposed that this Committee discusses and recommends targets for relevant areas of the Corporate Plan before final endorsement by the full Authority in February. Therefore, this paper sets out recommendations for targets under Goal 3 'To provide an effective, efficient and economic service'</p>
RESOURCE IMPLICATIONS	There are no specific financial implications contained within the report.
EQUALITY IMPACT ASSESSMENT	None indicated
APPENDICES	None
LIST OF BACKGROUND PAPERS	Devon and Somerset Fire and Rescue Authority Draft Corporate Plan 2010/11 to 2012/13

1. **INTRODUCTION**

1.1 The draft Devon and Somerset Fire and Rescue Authority Corporate Plan 2010/11 to 2012/13 sets out the ambitions for the Authority for the next three years, as expressed through the following Mission and Goals:



1.2 A key part of any business plan is the setting of targets to demonstrate the level of ambition the organisation wishes to achieve.

1.3 Within the Fire and Rescue Service in previous years there has been the requirement to set targets for the next three years for each of the national Best Value Performance Indicators. However, this requirement no longer exists and therefore there is greater flexibility for the Authority in the setting of targets.

1.4 Nationally the former suite of Best Value Performance Indicators has been replaced with the National Indicator Set which consists of 198 performance indicators covering a wide range of areas in the public sector. The recently renewed Local Area Agreements were required to set targets against 35 of the performance indicators in the National Indicator Set. However, all of the 198 indicators will still need to be measured and monitored on a regular basis. Within the set there are 2 specific indicators where the fire and rescue service is the primary source of the data. They are:

NI 33: Arson Incidents. To be measured as

- a) Number of deliberate primary fires per 10,000 population;
- b) Number of deliberate secondary fires per 10,000 population

NI 49: Number of primary fires and related fatalities and non-fatal casualties (excluding precautionary checks). To be measured as

- 1) Total number of primary fires per 100,000 population;
- 2) Total number of fatalities due to primary fires per 100,000 population;
- 3) Total number of non-fatal casualties (excluding precautionary checks) per 100,000 population

1.5 The Service monitors many measures under each of its Goals that inform the day to day management of the organisation. These measures are regularly reviewed by the Service Management Board and Service Improvement Group. However, there are also measures that reflect the strategic management and progress of the Service. These measures should enable the Authority to focus on the key strategic issues in each of the Goals. Therefore it is the intention to establish a small but discrete set of corporate measures and targets to assist strategic management. The set of measures is not expected to be fixed indefinitely but may be adjusted over time to provide any necessary change in strategic focus.

2. TARGET SETTING FOR GOAL 3

2.1 Within the Draft Corporate Plan there are four outcomes that the Service will be able to demonstrate as a high performing organisation. These outcomes are:

- Our staff and community know what we do, the part they play to improve community and influence future decisions of the service
- All of work is effectively planned, managed and delivers continuous improvement
- Our environmental impact is known and it is reduced through sustainable solutions
- Physical assets are managed for current and future needs

2.2 To ensure that the focus is maintained on the most strategic issues it is not proposed to identify and set multiple corporate measures and targets for each of the outcomes listed above. To provide the necessary strategic focus it is proposed to set targets against the following measures:

- Management of expenditure within budget
- Savings from the combination of the two services
- Results from external assessment

In addition it is proposed to establish a new measure:

- Levels of efficiency achieved

Whilst these corporate measures will be aligned with other measures to the four outcome statements listed above, they will be the key measurements for success towards achieving Goal 3. Each of the measures and associated targets are considered in detail within this report.

2.6 When setting targets it is important to consider:

- The priority and importance of delivering a specific issue
- Current performance and success of existing strategies to deliver the outcomes
- Resources available to undertake the activity required to achieve the target
- Benchmarking of current performance against other Fire and Rescue Services
- The possible impact of the current economic situation on performance. No-one can reliably predict what this impact might be and therefore setting targets in this climate provides a significant challenge in itself.

3. CORPORATE TARGET: MANAGEMENT OF EXPENDITURE WITHIN BUDGET

- 3.1 Prudent management of the service's budget is essential to the effective delivery of the service. The main objective is to ensure spending is within the approved budget levels. If the budget is exceeded then there is an impact on financial reserves and if there is a significant under-spend there is a risk that planned activity has not been completed. The service is striving towards excellence and therefore looks to what is good professional practice in the management of budget. Other local authorities have taken the view that a tolerance of -1% is professionally acceptable (i.e. not overspent and any under-spend is within 1%). Therefore, it is proposed to introduce a corporate target that measures the management of the budget to a tolerance of -1%. In setting this target it needs to be recognised that there may be exceptional circumstances when the tolerance may be exceeded e.g. unforeseen expenditure that will need to be funded from reserves.

The proposed target is:

To manage expenditure within a tolerance of -1%

4. CORPORATE TARGET: SAVINGS FROM THE COMBINATION OF THE TWO SERVICES

- 4.1 A target was set at the combination of the two services to achieve savings of between £1.6m and £3m over five years from 1st April 2007. Currently, cumulative savings to the end of 2009/10 are forecast to be £1.58m and therefore the lower of the target figures has been achieved nearly two years ahead of schedule. These savings exceed those forecast in the original business case for this period by nearly £0.4m and have been principally achieved by:

- Staff changes from a slimmer organisational structure
- Economies of scale in training, procurement, IT and insurance

- 4.2 The savings established from the above factors will continue by providing an ongoing benefit of £1m per annum, delivering a total forecast saving of £3.6m by 2011/12 as identified in a report elsewhere on the agenda (RC/10/2) for the Resources Committee.

- 4.3 The service is now embarking on two significant reviews that focus on service delivery and service support. These reviews are expected to identify improvements that will deliver additional savings. It is proposed later in this paper to introduce an additional measure that will track the savings resulting from these reviews. For a short timescale there will be two measures reporting savings and for this period there must be clarity between those savings that are as a result of combination and those that are a result of business improvement.

Given the present forecast of the savings from combination it is proposed that the existing target is amended to:

Achieve the savings from combining the two services of £3 million over the five years from 1st April 2007

5. CORPORATE TARGET: RESULTS FROM EXTERNAL ASSESSMENT

- 5.1 The service is subject to external assessment from local auditors and the Audit Commission. The results of these assessments provide an independent view of how the organisation is performing across many different factors from internal management to how we work with external partners to improve local areas. It is important to have a target that is based on an independent judgement in order to provide the local community with the confidence that the service it funds is being managed and delivered appropriately.

The proposed targets are:

To achieve a Level 3 Use of Resources result in the 2010/11 assessment
To achieve a Level 4 Use of Resources result in the 2012/13 assessment

6. CORPORATE MEASURE: LEVELS OF EFFICIENCY ACHIEVED

- 6.1 The service is undertaking two significant reviews that focus on service delivery and service support. The purpose of these reviews is to improve our service and increase efficiency. It is important to note that these reviews are separate from the combination of the two services and therefore it is appropriate to measure the resulting efficiencies separately. Consequently, it is proposed to measure and report on the levels of efficiency achieved from the changes introduced; at this stage it is proposed that a target is not set until the future budget circumstances become clear. The criteria that will be measured to show efficiency will be considered and established with any proposed changes resulting from the reviews.

MIKE PEARSON
Director of Corporate Services