



<b>Meeting</b>	<b>Performance &amp; Resources Board</b>	Agenda Item	13
<b>Meeting Date</b>	31 January 2020	Report Number	
<b>Report Author:</b>	Programme Manager		
<b>Presented By</b>	Director of Innovation, Risk & Future Development		
<b>Subject</b>	<b>On-Call Conversion Cashable Benefits</b>		
<b>Type of Report:</b>	Information		

## **RECOMMENDATIONS**

Members of the Service Leadership Team (SLT) are asked to note the findings of this report showing how the 9.85m of cashable benefits in relation to the On-Call Conversion Programme are profiled and how much of the cashable benefits have been achieved so far.

## **BACKGROUND**

As set out within the Fire and Rescue Plan and the Integrated Risk Management Plan (IRMP) 2016 – 2020, the Service is operating against a backdrop of changing risks and significant financial challenges which require the Service to ensure future activities are financially sustainable, offer value for money through operational efficiency gains, reduce duplication and costs and meet the strategic aims.

## **OPTIONS AND ANALYSIS**

Benefits realisation and property valuations review and update shown in appendix 1. A breakdown of benefit descriptions and status shown in appendix 2.

<b>Benefits Realisation</b>			
			Status
FY 17/18	Converted Clacton- Salary Savings	1,100,000	
	Sold 2 x Dovercourt	330,000	
	1 x Waltham Abbey	335,000	
	<b>FY 18/19</b>	<b>1,765,000</b>	<b>Complete</b>
FY 19/20	Sale of VACANT properties	2,930,000.00	
	<b>FY 20/21</b>	<b>2,930,000.00</b>	<b>Forecast</b>
FY 20/21	Sale of OCCUPIED properties	1,890,000.00	
	16 x DC Relocate - Salary Savings	600,000.00	
	<b>FY 20/21</b>	<b>2,490,000.00</b>	<b>Forecast</b>
FY 21/22	Sale of OCCUPIED properties	2,580,000.00	
	17 x DC Relocate - Salary Savings	600,000.00	
	<b>FY 21/22</b>	<b>3,180,000.00</b>	<b>Forecast</b>
	<b>TOTAL BENEFITS REALISATION</b>	<b>10,365,000.00</b>	

## **BENEFITS AND RISK IMPLICATIONS**

The financial benefits are set out within the appendices and the Strategic Risk which may be realised through any change to core delivery service is SRR150001 – ‘*There is a risk that the Service does not develop and manage its people effectively therefore not delivering a range of activities which save lives, prevent harm and protect our communities due to failure to deliver against the Service’s People Strategy and have the right people, in the right place, with the right skills, at the right time*’, and SRR150018 ‘*The Service does not deliver changes set out in the 2020 programme which identified financial savings and thus cannot deliver against its medium term financial plan*’, sets out the risk consideration specific to not delivering the On-call conversion project.

## **FINANCIAL IMPLICATIONS**

As set out in the attached appendices.

## **EQUALITY AND DIVERSITY IMPLICATIONS**

None specific to this report.

## **WORKFORCE ENGAGEMENT**

The Project team continue to communicate and fully engage with Stations, Station Managers, Group Managers and Rep bodies.

## **LEGAL IMPLICATIONS**

None specific to this report.

## **HEALTH AND SAFETY IMPLICATIONS**

None specific to this report

# Appendix 1

<b>Benefits Realisation &amp; Property Valuations Review &amp; Update - Sept 2019</b>																	
	Occupied	Vacant	Props Owned	<b>SALES for FY 19/20</b>				<b>Benefits Realisation</b>									
Dovercourt	0	2	2	<b>VACANT PROPERTIES</b>								<b>Status</b>					
Waltham Abbey	7	1	8	<b>Station</b>	<b>Est. Value</b>	<b>Props to Sell</b>	<b>BR</b>	<i>FY 17/18</i>	<i>Converted Clacton- Salary Savings</i>	1,100,000							
Great Baddow	3	5	8	Dovercourt	170000	2	340,000		<i>Sold 2 x Dovercourt</i>	330,000							
South Woodham Ferrers	4	2	6	Waltham Abbey	320000	1	320,000		<i>1 x Waltham Abbey</i>	335,000							
	<b>14</b>	<b>10</b>	<b>24</b>	Great Baddow	330000	5	1,650,000		<i>FY 18/19</i>	<b>1,765,000</b>				<b>Complete</b>			
				South Woodham Ferrers	310000	2	620,000										
<b>Justification</b>						<b>10</b>	<b>2,930,000</b>	<i>FY 19/20</i>	Sale of VACANT properties	2,930,000.00							
<i>ME advised properties values have increased by approx 10% since 2017</i>									<i>FY 20/21</i>	<b>2,930,000.00</b>				<b>Forecast</b>			
				<b>SALES for FY 20/21</b>													
Indicative property values agreed with Glen McGuinness 16/09/2019				<b>OCCUPIED PROPERTIES</b>													
				<b>Station</b>	<b>Est. Value</b>	<b>Props to Sell</b>	<b>BR</b>	<i>FY 20/21</i>	Sale of OCCUPIED properties	1,890,000.00							
				Waltham Abbey	320000	3	960,000		<i>16 x DC Relocate - Salary Savings</i>	600,000.00							
<b>Station</b>	<b>Est. Value</b>	<b>Prop Owned</b>		Great Baddow	330000	0	-		<i>FY 20/21</i>	<b>2,490,000.00</b>				<b>Forecast</b>			
Dovercourt	170000	2	340,000	South Woodham Ferrers	310000	3	930,000	<i>FY 21/22</i>	Sale of OCCUPIED properties	2,580,000.00							
Waltham Abbey	320000	8	2,560,000			<b>6</b>	<b>1,890,000</b>		<i>17 x DC Relocate - Salary Savings</i>	600,000.00							
Great Baddow	330000	8	2,640,000						<i>FY 21/22</i>	<b>3,180,000.00</b>				<b>Forecast</b>			
South Woodham Ferrers	310000	6	1,860,000														
			<b>7,400,000</b>	<b>SALES for FY 21/22</b>													
	Minus DCT x 2 at £170k		7,060,000	<b>OCCUPIED PROPERTIES</b>													
	/ 22 = AVG PROPERTY PRICE		320,909	<b>Station</b>	<b>Est. Value</b>	<b>Props to Sell</b>	<b>BR</b>	<b>TOTAL BENEFITS REALISATION</b>				<b>10,365,000.00</b>					
				Waltham Abbey	320000	4	1,280,000										
				Great Baddow	330000	3	990,000										
				South Woodham Ferrers	310000	1	310,000										
						<b>8</b>	<b>2,580,000</b>										
						24	<b>7,400,000</b>										

## Appendix 2

Benefit Description	Type	Benefit Change	How the project will deliver the benefit	Status	Benefit realisation date
Increased availability of OC appliances	Non-Financial	To be defined	Increased number of on-call employees.	In progress	2020/2021
			Improved wider Service delivery.	In progress	2020/2021
Increased on-call employees	Non-Financial	95 x OC Employees	Effective recruitment marketing & campaigns.	In progress	2020/2021 to 2022/2023
			Improved engagement with local businesses.	In progress	
Increased diversity within the Service	Non-Financial	To be defined	Effective recruitment marketing & campaigns.	In progress	2020/2021 to 2022/2023
			Targeted diversity recruitment campaigns.	In progress	2020/2021 to 2022/2023
			Less demanding, more flexible contracts.	In progress	2020/2021 to 2022/2023
Reduction in salaries	Financial	1,100,000	Conversion of 2nd pump at Clacton station from W/T to O/C	Complete	2018/2019
		2,500,000	Conversion of DC stations to O/C stations (33 pax)	In progress	2020/2021
			Savings based on Service's medium-term financial strategy		
			Based on average firefighter cost of £41k pp (Inc. 'on-top' costs)		
Sale of Day Crew houses	Financial	6,250,000	<i>Selling DC houses will release funds (£6.25m - £665k actuals = 24 houses = £233k per property avg.)</i>		
Property valued at 07/2017	Actual	665,000	2 x Dct at £165,000 each / 1 x WB at £335,000	Complete	31/03/2018
	Forecast	932,000	Tranche 1 - WA x 2 / SWF x 2 (Mar - Sept 2020)	In progress	2020/2021
	Forecast	2,330,000	Tranche 1 - VACANT Properties DCT x 2 / GB x 5 / SWF x 2 / WA x 1	In progress	2020/2021
	Forecast	2,330,000	Tranche 2 - Selling remainin properties	In progress	2020/2021
	<b>Total</b>	<b>6,257,000</b>			<b>2020 - 2023</b>