



Hereford & Worcester Fire Authority

Efficiency and Productivity Plan

2026-27



Hereford & Worcester
Fire Authority

HEREFORD & WORCESTER
HWFR
FIRE AND RESCUE SERVICE

Hereford & Worcester Fire Authority
Efficiency & Productivity Plan 2026/27

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Background

This Productivity and Efficiency Plan sets out the ongoing financial challenge currently faced by the Authority and illustrates the recent transformation savings that have been delivered by the Service.

The Fire and Rescue National Framework sets a requirement that Fire and Rescue Authorities (FRAs) produce and publish annual efficiency plans and also their plans for increasing productivity.

As part of the 2021/22 Spending Review (SR), the National Fire Chiefs Council (NFCC) and the Local Government Association (LGA) agreed that across Fire and Rescue Services (FRSs) in England, the fire and rescue sector could create 2% of non-pay efficiencies and to increase productivity by 3% by 2024/25. The 2% efficiency target has been maintained locally since the end of the SR period.

This plan is an amalgam of information already provided in the public domain and brings these together to meet the specific requirements of the National Framework.

It sets out the appropriate information as requested, puts this into the local context and sets out the Authority's approach to efficiency and productivity.

Medium Term Financial Plan (MTFP)

The Authority's financial planning strategy adopted over the last 10-15 years has allowed the Service to navigate the uncertainties of Austerity and relatively high inflation whilst maintaining an appropriate level of service to our communities. Within the resource restraints the Authority has always ensured that it protects the future by taking decisions that balance current needs against creating future funding "holes".

In February 2025, the Authority approved a MTFP for the period from 2025/26 to 2029/30. This was based on a series of assumptions about the uncertain position beyond 2025/26, particularly in terms of inflation, pay awards and the extent to which grant settlements would keep pace with inflation.

This was set in the context of a significant reduction in grant compared to the previous year and increased costs from employer National Insurance rates, which were only partially funded by government.

The MTFP was based on a continuation of existing government approaches to local government finance to the extent that this was possible after six years of one-year roll over of grant settlements.

It was necessary to identify £0.8m of in year efficiency savings (£1.2m in full year) to close balance the budget. This Budget MTFP was modified by the Policy & Resources Scrutiny Committee in September 2025 to reflect the pressure of national pay awards and the Budget reductions identified to meet these pressures to produce a balanced budget for 2025/26.

The 2026/27 Settlement included the long awaited "Fair Funding" Review, which indicated a significant switch in resources away from this Authority, which initially was expected to exceed £3m. This was even after the continuation of government's strategy

of switching funding from central to local taxation and is assuming the Fire Authorities will increase precept by £5 in each of the next three years.

Following several rounds of discussion with MHCLG the final settlement was less severe although the extent to which the budget is funded by “special” grant is of concern in the Medium Term. This settlement has a degree of uncertainty around it, as it is a one-year settlement with indicative 2nd and 3rd year figures.

Budget 2026/27

Within the context of the MTFP, and the fact that the funding position was only finalised in late January, the Authority identified a budget for 2026/27 and indicative budgets for later years as set out below (earlier years are also shown for consistency). Although the full MTFP covers the period to 2030/31 it is illustrated only to 2028/29 (as required for this Plan).

Budget (£'000)					
Revenue Expenditure	2024-25	2025-26	2026-27	2027-28	2028-29
Direct Employee	29,054	30,370	31,034	31,696	32,290
Indirect Employee	1,135	995	995	995	995
Transport	671	682	703	725	747
Premises	2,750	2,933	3,024	3,118	3,214
Supplies and Services	7,144	6,673	6,901	7,115	7,334
Capital Financing	2,834	3,016	3,633	3,586	3,786
Other	0	0	0	0	0
TOTAL	43,588	44,669	46,290	47,234	48,366
Revenue Expenditure	2024-25	2025-26	2026-27	2027-28	2028-29
Actual Received from Precept	28,341	30,281	31,975	33,713	35,611
Local Government Finance Settlement	11,052	9,295	8,778	7,709	6,568
Other Grants	1,146	1,885	1,885	1,885	1,885
Income Raised Locally	3,041	3,217	3,652	3,629	3,704
TOTAL	43,580	44,677	46,290	46,936	47,767

Reserves

The Authority holds reserves for a number of reasons and these can be summarised as:

Future Expenditure Reserves: Monies set aside to fund long life equipment (e.g. cutting gear, breathing apparatus, fire control etc.) which negates the need for capital financing costs in the medium term.

Other Specific Reserves: Held to cover the costs of known events where timing is uncertain.

Budget Reduction Reserves: Monies to be used to smooth the transition of significant efficiency measures.

General Reserve: unallocated and held to meet the “unknown unknowns”.

Future Expenditure Reserves will be spent as necessary to meet the costs of the agreed items as they are procured and an anticipated expenditure profile is included in the relevant budget appendices.

The Authority has committed Reserves to fund an “Invest to Improve” programme, aspects of which will allow future savings to be taken as well as improving services.

In approving the strategy in relation to reserves in February 2026, the Authority has confirmed that the Budget Reduction Reserve is available to close the budget gaps in the MTFP period, to allow savings plans to be brought fully on-line. It is recommended that this approach continues.

Although there is no guidance as to the exact level of balances that an Authority should hold, when under the remit of the Home Office, Authorities were asked to explain any general balances above 5% of budget. Since transfer of Fire back to MHCLG there has been no such request. At the end of 2026/27 general balances stood at £1.538m or 3.3% of the 2026/27 Expenditure Need.

The Authority has to be mindful of the opportunity to quickly replenish balances if they are called upon and this becomes much harder in a financial regime where central government controls grants, business rate levels and council tax levels.

Whilst this level of balances is desirable, there is an opportunity cost of holding balances. They could be used to finance one off expenditure or temporarily fund a reduction in the Council Tax precept, (but noting that under the present Referendum/Capping rules the reduction itself is permanent). The risk of using up balances is, however, that any unforeseen expenditure could not be met

A summary of earmarked reserves is given below:

Reserves (£'000)					
	2024-25	2025-26	2026-27	2027-28	2028-29
General Reserves	1,538	1,538	1,538	1,538	1,538
Earmarked Revenue Reserves	9,500	8,060	4,637	2,700	2,310
TOTAL	11,038	9,598	6,175	4,238	3,848

In respect of the budget reduction reserve the strategy is outlined above and arises from two factors

- The Authority has always been at the forefront of cost savings and there is no remaining “low-hanging” fruit, thus savings have to come from more radical reductions which take much longer to deliver.
- The Authority’s experience in 2013/14 when grant cuts forced service reductions that the Authority would not have been able to meet in sufficient time without the opportunity to second staff to other services. An option no longer available.
- Whilst the Authority agreed that it would support up to £0.431m of the 2025/26 gap the expectation was that savings would be made to close the gap without a draw on balances, leaving it available to smooth the impact of any future funding changes. This was achieved.

Efficiency

The efficiency target as set out in the sector Comprehensive Spending Review (CSR) submission (for 2022/23 to 2024/25) was 2% of non-pay budgets, and this Authority maintained those targets as base for future period of the MTFP.

In respect of efficiency there is a certainty that the sector as a whole can achieve further efficiencies, but the degree to which this can be delivered at individual Services varies. There is no doubt that Hereford & Worcester is already an efficient Service. Financial pressures, beginning way before “Austerity” have meant that many things have been done here considerably before they were done in other services.

The table overleaf summarises the efficiencies made over the CSR period and impact into the future. The following efficiencies have been re-invested in supporting the core strategies and are already included in the budget requirement.

	24/25	25/26	26/27	27/28	28/29
	£000	£000	£000	£000	£000
Revenue Operating Budget	42,720	44,669	46,290	47,234	48,366
Less: Total Direct Employee Costs	30,587	31,365	31,238	31,901	32,494
non-Pay Budget	12,133	13,304	15,052	15,333	15,872
<i>Recurring Efficiency Savings</i>					
<u>Direct Employees</u>					
Reduction in Prevent/Protect/Respond	107	559	651	651	651
Reduction in Support Staff		198	549	549	549
<u>Supplies & Services</u>					
Local Procurement Savings	28	389	483	503	553
Capital Financing		198	198	198	198
	135	1,344	1,881	1,901	1,951

The Authority are considering the use of Apprentice Levy gifting to provide training to Operational Staff, this will mean that training takes place at the Fire Service College rather than being provided in-house. This will allow training staff to be re-deployed to other areas of the Authority, and to assist with the overall efficiency of the Service.

Whilst these savings do not immediately impact on staff directly delivering the three Core Strategies, they will have an impact on the speed with which these can be supported.

Furthermore, there are significant “cost-avoidance” savings expected from the joint Fire Control project, over the 7 years from 2025/26, these are estimated to total be between £7-9 million pounds over the period. Representing the difference between the cost of a solo project and the joint approach adopted.

Collaboration

The Authority has always actively engaged in collaboration, where it serves the needs of our communities, primary partners being West Mercia Police and Shropshire & Wrekin Fire Authority. Whilst there is good practical work with West Midlands Ambulance Service, the Trust does not wish to engage at a more strategic level. Many of these collaborations have been in place for some time and they are therefore not available for future efficiencies.

Some examples of this are given below:

- Joint Fire/Police stations at Bromsgrove and Redditch
- Fire HQ moved to Police HQ site in 2018 – saving £0.3m p.a. in capital financing costs
- Fire Control has been located with Police Control in same period.
- Fire operational policy/planning and emergency planning functions are co-located with police and work together to protect our communities
- Police share Peterchurch and Tenbury Wells fire stations
- Wyre Forest Hub is shared with West Mercia Police and Severn Area Rescue Association (*a skilled voluntary body providing water rescue*)
- Fire provide drone cover to police and also assist with missing persons and gaining entry
- Property and facilities management for Hereford & Worcester Fire Authority and West Mercia Police is carried out jointly by the Police & Crime Commissioner.
- The Authority is a full member of the Worcestershire Internal Audit Shared Service.

The Authority embedded approach to procurement is that wherever it is possible (and practical) it will procure with partners in a national/regional/local triage approach. Some examples of this are:

- Replacement Breathing Apparatus with West Midlands, Staffordshire, Warwickshire and Cleveland Fire Services.
- Leading on replacement fire control system with Shropshire, Cleveland and Durham Fire Services identifying £7m of avoidable future costs over next 10 years for this Authority.
- Routine appliances replacement and other vehicles procured from national frameworks

Asset Management & Investment in Technology

As would be expected, staff test and check safety critical operational equipment on an appropriately regular basis. The time this takes varies from station to station dependent on the distribution of special appliances and the number of On-call appliances (there are On-call units at every station).

The Authority has already made efficiencies in On-call pay by having these checks carried out by Wholetime personnel on those stations and the employment of mobile On-call technicians for On-call only stations

As part of the initial “time and motion” study prior to 2022/23 it was identified that on average 11% of Wholetime station personnel time was spent on equipment and inventory checks. There is a current project underway to introduce replace the life expired equipment recording system with a new IT based equipment tracking system. This will reduce time spent on this process (and the project will quantify the expected gain) but it should be recognized that this system will not remove the need for safety critical testing and will only ease the administrative burden.

The Authority has made significant investment in digital technology (it is considered to be at the forefront of all Fire Authorities) including the issue of I-pad devices to all operational personnel (including On-Call). This allows staff to make more efficient use of time.

Resourcing

The Authority has always been a largely On-call service and 81% of appliances are crewed by this method. This is very efficient but the changing socio-demographics of communities mean that this is becoming less cost effective than previously.

Although, in relation to other Fire Authorities with On-Call staff, this Authority has relatively good availability there are areas where changing socio-economic conditions mean it is harder to recruit and retain staff.

During 2025/26 the Authority undertook a Resource Review which removed a number of On-Call appliances which were rarely needed from a response point of view but had significant costs but lower availability. This money was re-invested into Whole-time resource to support Response and to aid Protection and Prevention activity

Wholetime appliances are crewed with watches of 5 or 6 to provide 4 or 5 riders at any one time. The Authority uses a Resilience Register to allow Wholetime and On-call personnel to provide additional shifts to fill any unexpected gaps e.g. arising from sickness. This Register has been in place for many years.

The re-investment in Wholetime resource has Resourcing resulted in significatory lower overtime payments and whilst balanced against the costs of employing more Wholetime staff provides for more efficient and enhanced (riding 5) crewing arrangements.

Income

The table below summarises the income the Service has generated during 2023/24 and 2024/25, and plans to generate in 2025/26:

	23/24	24/25	25/26
	Actual	Actual	Forecast
	Income	Income	Income
	£000	£000	£000
Income generated from charging policies	23	33	6
Income generated from trading operations	0	0	0
Income generated from shared premises	0	0	0
Income generated from interest on investments *	506	698	520
Income generated from other sources	194	389	474
	723	1120	1000

* Income generated from interest on investments is regarded as an offset of capital financing charges for budgetary [purpose and is netted of against expenditure.

An outline of the income delivered within each category is as follows:

- Charging policies – covers a range of services for which the Service charges third parties.
- Interest on Investments – this is generated from a service purchased from Worcestershire County Council under a Service Level Agreement, from the investment of the Service’s cash balances. The income generated is significantly affected by market rates.
- Other sources – ad-hoc income generated throughout the year, for example, costs recovered from seconding officers to other organisations.

In both 2023/24 and 2024/25 the Service significantly overachieved against the income budget, largely driven by interest rates staying higher for longer than forecast, enhancing the interest achieved on investments.

Productivity

The Authority had begun to look at Wholetime productivity prior to the Spending Review target being established and will be pursuing the national target with the caveat that any prior gains may not be counted against this future target.

As the Authority began the journey on productivity before the national target and measure was set it was inevitable that there would be an issue with definition. The main difference being that the Authority regarded the breaks and stand down periods in the nationally agreed Grey Book conditions as being outside it’s influence and was measuring productivity against the balance.

Under the auspices of the Home Office a national Utilization Survey was carried out in December 2022 to establish a base-line position, this was followed up with a further

survey in June 2023 to establish progress: a measure the December 2022 base line was:

	Dec-22	Jun-23
Prevention & Protection	7.97%	10.92%
Operational & Training	38.67%	39.11%
	46.64%	50.03%
Non-productive	19.53%	18.17%
Non-productive-Grey Book	33.83%	31.80%
	53.36%	49.97%

This demonstrated a 3.39% point improvement in productivity and an achievement of the target. There was no subsequent national collection of data by Home Office, or since by MHCLG.

In 2021/22 a study of the activities of Wholetime operational staff was undertaken and it identified, using slightly different definitions, a significant proportion of “un-allocated” time.

- The unallocated time was therefore targeted to provide appropriate training and to undertake Prevention (Home Fire Safety Visits) and Protection (Business Fire Safety Checks) activities.
- Actual activity is monitored against the initial estimates to ensure productivity is maintained as expected. Or to recognise the impact of increased operational activity or training requirements.
- A review of station routines to ensure time allocated to various activities is used effectively and efficiently.
- Investment in technology to reduce administrative time of equipment checking.
- A review of the Authority approach to Unwanted Fire Signals was undertaken to try to reduce attendance and increase time available for prevention and protection activities. The review factored in
 - Current directions from the Fire Authority about what premises it wishes to provide an attendance
 - The increasing number of such installations
 - There is no “repeat offender” problem.

This has been a particular success and has helped increase the number of Home Fire Safety Visits from 3,301 in 2021-22 to 7,505 in 2025/26, as well as an increase in BFSC activity.

The Authority has introduced an electronic station Work Routines module (SWR) to assist with planning and also to record actual activity. This allows a full analysis of activity down to individual watches, shift types and time of day.

This was to be subject to some fine tuning to tie in with an expected national direction from Home Office, but since the move to MHCLG this has not materialised. Therefore, there is still some fine-tuning work to do in respect of definition particularly in respect of Day Crewing Shift patterns, as the current approach marginally under-records productivity.

	SWR part 2023/24	SWR 2024/25	SWR 2025/26
Prevention & Protection	12.86%	11.55%	12.23%
Operational & Training	35.19%	37.46%	36.64%
	48.05%	49.01%	48.87%
All Non-productive	51.83%	50.99%	51.13%

Service Changes and Achievements

What is the service doing differently this year?

During 2025/26, the Service has drafted, consulted on and finalised its new CRMP (2025-30). Linked to these three new Core Strategies for Prevention, Protection and Response have been written, and accompanying enabling strategies for People, Assets and digital and Data have been created. Resources and budgets have been aligned to risk in line with the new CRMP and core strategies.

Sadly, due to reduced funding £1.2m savings was made in 25/26 - this was made up of deletion of vacant support staff roles, creation of non-staff savings and unfortunately some formal redundancies in support staff roles.

Why are these changes being made?

The underlying reasons for having to make £1.2m savings are linked to efficiency requirements. The new CRMP has been based on a comprehensive analysis of risk. Of note – the Service has created its own Definition of Risk for Water (as this is not available via the NFCC). Between January and March 2026, we have been inspected by the HMICFRS – we await the formal report which should be available in June 2026.

What is the service’s biggest success this year?

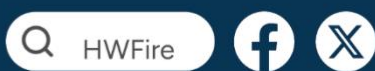
The most significant achievement for 2025/26 is the creation of the new CRMP which sets the strategic vision for the next 5 years. The CRMP is designed to enable the Service to assess all foreseeable fire and rescue related risks; while ensuring it continues to fulfil the legislative requirements placed upon it. The objective of the CRMP is to ensure the appropriate allocation of available resources aligned to Response, Protection and Prevention functions, and to utilise these resources in the most efficient manner to mitigate risk and improve community safety.

The CRMP was supported by 11 core documents, including for example the Strategic Understanding of Risk 2023-24:PESTEL, Foreseeable Risk Assessments and an Equality Impact Assessment.

The CRMP is supported by core and enabling strategies, which in turn translate to departmental business plans, KPI's and ultimately staff appraisal objectives. Each year two key documents are produced to track progress and set objectives for the next year – these are the Annual Service Review and the Annual Service Plan.



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