

Circular number	59-2006	Date issued	25 September 2006
This circular is	For action	Respond by	17 November 2006
This circular is	Relevant to the National Framework		
Status	To confirm arrangements for the submission of mid-year update Annual Efficiency Statements (AES) from FRAs by 17 November 2006		

Mid-year update Annual Efficiency Statements – to be submitted by 17 November 2006.

Issued by:

Talia Watson
Fire and Resilience Policy Division

Addressed to:

**The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Combined Fire and Rescue Authority
The Commissioner of the London Fire and Emergency Planning Authority
The Chief Fire Officer**

Please forward to:

**Treasurers
Finance Directors**

Summary

This circular is to inform Fire and Rescue Authorities (FRAs) of supplementary guidance on completing Annual Efficiency Statements (AES) and to request that FRAs, except those who have 'Excellent' status under CPA, submit their mid-year update AESs for 2006/7 by **17 November 2006**. Supplementary AES guidance and the backward and forward look templates for submitting AESs are attached.

For further information, contact:

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1.0 Background

- 1.1 English FRAs are required to complete Annual Efficiency Statements (AES). FRAs submitted their first AES on November 17 2005, a forward look AES for 2006/7 on April 18 2006, and a backward look for 2005/6 on 6 July 2006.
- 1.2 FRAs, except those who have 'Excellent' status under CPA, are required to submit their mid-year update AES for 2006/7, in line with the attached AES guidance, by 17 November 2006. 'Excellent' FRAs are welcome to submit a mid-year AES if they would like to do so. The guidance has been strengthened to reflect feedback from FRAs following the submission of backward look AESs on 6 July 2006. The revisions provide further advice on evidencing procurement efficiency gains and flag the importance of joining-up AESs and notifying DCLG of revised forecasts. A summary of the changes can be found on page 3 of the guidance. Page 2 of the guidance also contains a useful link to a Fire and Rescue discussion forum on the Regional Centres of Excellence website. The forum gives FRAs the opportunity to post questions and exchange information with other FRAs.
- 1.3 For the mid-year update, FRAs are required to complete both the backward and the forward look templates. The former should be used to report efficiency gains achieved in the first six months of 06/07, and the latter to forecast efficiency gains expected in the second half of 06/07.

Guidance

- 1.4 FRAs may find it helpful to refer to the [Local Government Efficiency Technical Note \(ETN\)](#) for more detailed information on the principles for assessing efficiency savings.
- 1.5 This AES guidance has been refined with the assistance of the FRA Efficiency Measurement Working Group, of which FRAs, the Office of Government Commerce (OGC), the Audit Commission, the Local Government Association (LGA) and the Department for Communities and Local Government are members. Please click on www.communities.gov.uk/index.asp?id=1124793 for a summary of FRS circular 33-2006.

Submitting the Annual Efficiency Statements

- 1.6 FRAs, except those who have 'Excellent' status under CPA, are asked to complete both the backward look and forward look Excel AES templates attached and submit them by 17 November 2006, using the attached guidance. Completed AESs should be emailed to Talia Watson.
- 1.7 In addition, FRAs are asked to send a signed hard copy of their AESs by 1 December 2006 to:
- 1.8 The hard copy must be signed by the Chair of the FRA, Chief Fire Officer and Chief Financial Officer.

Talia Watson

Fire and Resilience Directorate