

Item 3 (i)

Minutes of the Meeting of  
the TYNE AND WEAR FIRE AND  
RESCUE AUTHORITY held in the  
Fire and Rescue Service  
Headquarters, Barmston Mere on  
MONDAY 18 FEBRUARY 2013 at  
10.30 am.

**Present:**

Councillor T. Wright in the Chair

Councillors Ahad, Bell, M. Forbes, N. Forbes, Gambling, Haley, Mole,  
Mortimer, Mulvenna, Padgett, Price and Renton.

**Part I**

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors  
McAtominey, Ord and Stephenson.

**Declarations of Interest**

Councillors Ahad, N. Forbes and Renton declared interests in relation to item  
9, "Transfer of Land at Gosforth" as members of Newcastle City Council and  
withdrew from the meeting during consideration of the report.

**Minutes**

65. RESOLVED that:-

- (i) the minutes of the meeting of the Authority, Part I held on 21  
January, 2013 be confirmed and signed as a correct record, subject  
to the inclusion of Councillor Renton within the apologies for  
absence; and
- (ii) the minutes of the meeting of the Policy and Performance  
Committee, Part I held on 28 January, 2013 be noted for  
information.

## **Revenue Budget 2013/2014**

The Chief Fire Officer, Clerk to the Authority and the Finance Officer submitted a joint report to present for consideration and approval by Members:

- the Revenue Estimates for 2013/2014;
- the Authority's Council Tax Requirement for 2013/2014;
- the Precept required to be levied on the District Councils in Tyne and Wear for 2013/2014, and
- an updated Medium Term Financial Strategy Statement (for 2013/2014 to 2016/2017) as the resources position had now been updated in the light of information included within the Final Local Government Finance Settlement for 2013/2014.

The Finance Officer reminded members that he had provided detail of the Provisional Finance Settlement at the meeting in January and the Final Local Government Finance Settlement had now been received (issued on 4 February 2013). Whilst the document was extremely complex, there were only a few marginal changes from the Provisional Settlement and these had now been incorporated into the report as presented.

The Finance Officer reflected on the scenarios previously considered by Members and whilst the Final Settlement was close to the best case scenario, he explained that this was still an extremely challenging budget and the difficult outlook facing the Authority should not be underestimated.

The Final Settlement provided funding of £54.335m in total and represented a 5.50% cash reduction in funding of £3.154m to that received for 2012/2013.

The Finance Officer went on to say, that the Authority faced a reduction in funding from the new system of £2.684m or 8.70% in 2013/2014 after floor damping. If floor damping worth £2.463m had not been retained in 2013/2014, then the Authority would have faced greater cuts in funding of 16.56%, equivalent to a £5.147m reduction.

Members noted that this reiterated that the formula grant methodology which was used as the basis for the Authority's starting point in the new system, had retained most of its inherent unfairness and had further weakened the funding prospects of the Authority in future years as government would scale back its central share to achieve its public spending reduction targets.

Councillor N. Forbes commented upon the overall perspective of the Comprehensive Spending Review, in particular the way in which the share of formula grant had been seriously and unfairly under allocated within Tyne and Wear. He felt that what was even more concerning, was the position was far worse if the floor damping was to be removed. Therefore whilst the current year's budget was both sensible and robust, the magnitude of future years funding reductions should not be underestimated. He went on to say

that as services may need to be reduced, detailed consideration would need to be given to how the Authority balanced service risk in times of diminishing resources. ACFO Brindle advised that this work was already underway.

Councillor P. Mole commented that he would welcome an impact analysis on different parts of the service, being submitted to a future meeting for consideration.

Councillor M. Forbes shared these views and asked whether any evidence could be produced to demonstrate the unfairness of the grant allocation in the form of benchmarking against authorities similar to Tyne and Wear in terms of size, deprivation etc. Councillor M. Forbes felt that this would be a useful way to support lobbying exercises which could be undertaken with all party support.

The Chief Fire Officer welcomed any lobbying undertaken and commented that lobbying within Metropolitan groups had recently had a positive impact in terms of some improvement and that Government had reduced funding allocated to other Metropolitan Authorities in a similar vein. The earlier scheduled Spending Review in 2013 would help establish whether this pattern was to continue.

Section 4.2 of the report showed the total net budget reductions of £4.209m required in 2013/14 which were in addition to the £1.733m of budget reductions already made in setting the 2012/2013 revenue budget.

The Authority had undertaken numerous actions from its IRMP and significant savings of £4.043m had been achieved to help balance the budget in 2013/14. Other efficiencies had also been identified for the year which totalled £0.166m although Members acknowledged that there was still much work to be done in meeting future years continued grant reductions.

Projected savings of £1.112m had already been identified within further IRMP actions and additional savings were also anticipated for 2014/2015 which would address the projected shortfall of £1.619m. Members were referred to the MTFS, at Appendix F of the report, for further detail in relation to projected future years budgets. This now included the updated resources position from the final 2013/14 and 2014/15 indicative finance settlements.

Members noted the significant further savings required to deliver the much reduced budget in forthcoming years. In addition, they acknowledged that that this may unavoidably impact on front line services as the continuation of funding cuts year on year adversely impact upon the Authority's budget.

The Finance Officer referred to the balances and reserves and reminded that whilst this was a positive position for the Authority, reserves were fully earmarked and were being accessed where appropriate and one-off use of these funds was not a permanent solution to budget cuts.

Taking all of the above into account, the Authority was proposing a revenue

budget for 2013/2014 of £53,329,846 and a Council Tax Requirement of £19,009,455.

The Authority was asked to be mindful that the Chancellor had confirmed that public sector cuts would now extend to include 2017/2018 and the next Spending Review would be released in the summer which would cover 2015/2016 to 2018/2019 period.

With regards to precept levels, the Council Tax Base for 2013/2014 was 259,834 and the net deficit on Local Authority Collection Funds passported to the Authority was £67,745. The Authority's local share of business rates totalled £4,015,610. Taking this into account, the Authority would be able to freeze Council Tax in 2013/2014 at the same level as 2012/2013. This would result in a 'basic' Band D Council Tax for 2013/2014 remaining at £73.16.

Councillor N Forbes clarified the position in relation to the Collection Fund deficit by explaining that this was due to a higher than expected number of students within Newcastle living in rented properties.

The Finance Officer acknowledged this and added that the new Local Council Tax Benefit Schemes (like the new Business Rates system) were likely to be challenging therefore Collection fund positions would be closely monitored as figures would directly affect the Authority's budget in future years.

The Chair, on behalf of the Authority, expressed his thanks to both Members and Officers for their continued hard work throughout challenging times.

66. RESOLVED that:-

- (i) the revised estimate for 2012/2013 be noted, as summarised at Appendix A of the report;
- (ii) the proposed Revenue Estimates for 2013/2014 be approved, as summarised at Appendix A of the report;
- (iii) the Projected Pensions Account 2013/2014 detailed at Appendix B of the report, be noted;
- (iv) the position on general and earmarked balances and reserves, the associated risks and their mitigation as outlined at Appendices C, D and E of the report be noted;
- (v) the updated Medium Term Financial Strategy Statement for 2013/2014 to 2016/2017 detailed at Appendix F of the report, be noted;
- (vi) the Council Tax base of 259,834 (known as Item T) for the year 2013/2014 be noted, as notified by the billing authorities within Tyne and Wear in accordance with current regulations;

(vii) the acceptance of the Council Tax Freeze Grant and a Council Tax freeze for 2013/2014 be approved;

(viii) the following amounts for the Authority for the year 2013/2014 which represents a Council Tax freeze for 2013/2014 be approved, in accordance with Sections 42A to 47 of the Local Government Finance Act 1992 as amended:

(i) £65,181,622 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act;

(ii) £46,172,167 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) adjusted for item of the Act;

(iii) £19,009,455 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 42A(4) of the Act, as its Council Tax Requirement for the year, Item R in the formula in Section 42B of the Act;

(iv) £73.1600 - being the amount at (iii) (Item R) above divided by the Council Tax Base (Item T), calculated by the Authority in accordance with Section 42B(1) of the Act, as the basic amount of its Council Tax for the year.

(v) **Valuation Bands**

	£	
<b>A</b>	<b>48.7733</b>	being the amount given by multiplying the amount at (iv) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation and divided by the number which that proportion is applicable to dwellings listed in valuation band D, calculated by the Authority in accordance with Section 47(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
<b>B</b>	<b>56.9022</b>	
<b>C</b>	<b>65.0311</b>	
<b>D</b>	<b>73.1600</b>	
<b>E</b>	<b>89.4178</b>	
<b>F</b>	<b>105.6756</b>	
<b>G</b>	<b>121.9333</b>	
<b>H</b>	<b>146.3200</b>	

- (ix) under Section 52ZB of the Local Government Finance Act, it be noted that the Authority's relevant basic amount of council tax for 2013/2014 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum is required).
- (x) in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £19,009,455 for the financial year beginning 1<sup>st</sup> April 2013, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

### **Capital Programme 2013/2014 Including Prudential Indicators for 2013/2014 and 2015/2016**

The Chief Fire Officer, Clerk to the Authority and the Finance Officer submitted a joint report to present to members the proposed Capital Programme for 2013/2014, including the Prudential Indicators for 2013/2014 to 2015/2016.

Members were referred to Appendix A of the report and noted that the Capital Programme and Vehicle Replacement Programme totalled £3,448,090.

In summary, £2,804,490 had been allocated to continuing projects and £447,600 to projects commencing in 2013/2014 and future years. The funding assigned to individual projects was included within Appendix A.

The Finance Officer advised that the Vehicle Replacement Programme had been reviewed and updated and totalled £196,000 for 2013/2014.

With regards to Treasury Management, there were no proposed changes to the approach currently adopted which was described as both prudent and robust and a more detailed report would be presented to the Authority in March.

Members were asked to approve the Prudential Indicators and set the Authorised Limit for External Debt at £55.383m and the Operational Boundary for External Debt at £50.383m for 2013/2014, detailed within Appendix B.

In addition to this, the report sought approval of the Annual Minimum Revenue Provision Statement, set out in Appendix 1.

67. RESOLVED that:-

- (i) the Capital Programme and Vehicle Replacement Programme for 2013/2014, as set out in Appendix A, be approved;
- (ii) the Prudential Indicators for the years 2013/2014 to 2015/2016 as set out in Appendix B, and specifically the Authorised Limit for External Debt of £55.383m and the Operational Boundary for External Debt of £50.383m for 2013/2014 be approved; and

- (iii) the Annual Minimum Revenue Provision Statement set out in Section 2.12 of Appendix 1, be approved.

### **Fire and Rescue Services Efficiencies Review**

The Chief Fire Officer submitted a report to brief Members on a recently announced national review of Fire and Rescue Service efficiencies.

Assistant Chief Fire Officer (ACFO) Brindle reminded Members that in December 2012, the Department for Communities and local Government (CLG) announced a national review of efficiencies and operational improvements in the delivery of Fire and Rescue services in England.

Sir Ken Knight had been commissioned to undertake the review, which would run for approximately three months and report in the Spring.

Members were advised that the review intended explore the detail around efficiencies, understand the thinking together with the options to go further. The aim of this being to promote greater transparency.

The report detailed the cross section of FRAs chosen to take part in the review and it was reported to Members that although Tyne and Wear did not feature in this selection, they had been invited to make a submission and intended to do so.

ACFO Brindle reminded Members that the Service was always open to, and already sought, ideas from colleagues to make its activities more efficient and effective. The findings of the review would be reported to members in due course.

Councillor Haley welcomed a submission from Tyne and Wear and commented that others could learn from the good practice within the service.

It was felt likely, that the generic findings from the review may be used to inform the Spending Review planned by Government for the Spring.

As a result of this, Councillor N. Forbes felt it imperative that the Authority include detail within its submission about being cautious of making sweeping generalisations across the board as different FRAs cover very different areas therefore sweeping generalisations may not always be appropriate.

Councillor M Forbes agreed and was hopeful that findings would be compartmentalised in order that expectations were not made that were inappropriate for their area.

The Chief Fire Officer explained that the findings would be analysed to determine whether or not they could suitably be applied to Tyne and Wear. Whilst welcoming the review, he did have concerns over the short timescale in which it was to be

carried out and also hoped it was backed up with sufficient evidence. He did however feel that Tyne and Wear could benefit from this work.

68. RESOLVED that:-

- (i) the contents of the report be noted; and
- (ii) the outcome of the review be reported to the Authority in due course.

### **Integrated Risk Management Plan 2013-16**

The Chief Fire Officer, Finance Officer and Clerk to the Authority submitted a joint report to present feedback from staff and representative bodies on the proposed Integrated Risk Management Plan (IRMP) reviews for 2013-16, and to seek Member approval to commence proposed reviews.

Assistant Chief Fire Officer (ACFO) Brindle reminded Members of the 5 additional actions approved in October 2012 covering the period 2013-16. The five actions included:-

- Review the fire cover response model
- Review Diversionary activities
- Build on staffing flexibility
- Review cleaning and catering
- Consider the business case for setting up a trading company

Feedback on proposals had been invited from staff and representative bodies. This was achieved via a series of presentations, including individual sessions with every watch which was felt to promote dialogue and ensure everyone had a chance to comment. A total of 29 responses were received which equated to a 45% response rate.

ACFO Brindle explained that overall, staff were well aware of the likely financial situation and the need to make further significant reductions in spending, however expected an opportunity for detailed consultation on any options which arose. Assurance was given that this would take place along with public consultation once options had been developed through the review process.

Verbatim comments were available for Members if they wished to examine them. The report summarised findings in relation to each of the proposals.

Members were advised that the review of the fire cover response model attracted much discussion and a number of responses mostly expressing concern. The review of diversionary activities attracted fewer comments and there was a general agreement that these activities should be reviewed.

ACFO Brindle went on to say that the building on staffing flexibility attracted the largest number of comments with many respondents supportive of the use of Swap a Shift which was felt to be effective in increasing flexibility without major shift pattern changes. All staff expressed a willingness to continue to work flexibly.



A number of comments were also received in relation to the review of cleaning and catering proposal and overall it was felt that this review needed to take place.

The potential for establishing a trading company generated significant debate and a number of comments in relation to this were received.

Members were then referred to section 5.1 of the report which set out a précis of comments from the Fire Brigades Union (FBU). Members noted that it was their professional opinion that should any reduction in the fire cover occur then TWFRS would be placing an intolerable burden upon supervisory managers and operational crews.

ACFO Brindle acknowledged that the FBU were keen to be further involved in the consultation process and this request had also been made by Members.

Councillor Mole expressed his gratitude to the FBU for forwarding their full report to members for information.

Councillor M. Forbes commented upon the difficulty in evaluating diversionary activities and asked what evidence in relation to assessing impact was available.

ACFO Brindle responded by advising that there was a close connection between diversionary activities and anti-social behaviour and positive evidence of schemes within this area, for example the Phoenix Project. This was however a specific cohort of people, therefore although a positive impact was seen it was often difficult to make broad evaluations and assumptions.

The Chief Fire Officer referred to the concerns raised about the number and type of appliances in particular the replacement of fire appliances with 4X4s or transit vans. The Chief Fire Officer explained that part of this fundamental review was to challenge the need for the use of larger appliances in situations where a smaller vehicle could be used to get to locations more quickly or even carry out more focused work.

69. RESOLVED that:-

- (i) the five reviews set out in section 2.4 commence, with detailed timescales set by review leads;
- (ii) in depth and detailed consultation be carried out with staff, the public and partners as appropriate during the review process (as agreed at Authority 15 October 2012); and
- (iii) full reports be brought to members on each of the reviews so that decisions could be made on any specific proposals.

(Signed) T. WRIGHT  
Chairman

**Note:**

The above minutes compromise those relating to items of business during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.