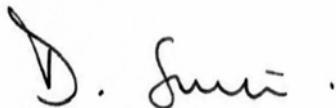


This matter is being dealt
with by: Kate Cuthbert
Ext: 561 7881
Direct Line: 0191 561 7881
Your Ref:
Our Ref: KLC/LB
Date: 17 February 2011

Dear Councillor,

You are summoned to attend a meeting of the Authority to be held in the Main Authority Room, Fire and Rescue Headquarters, Barmston Mere on Monday, 28th February, 2011 at 10.30 a.m. when it is proposed to transact the business set out below.

Yours sincerely,

A handwritten signature in black ink, appearing to read "D. Smith". The signature is written in a cursive style with a large initial "D" and a period following it.

Dave Smith,
Clerk to the Authority

AGENDA

PART I

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Note:

Local Government (Access to Information) (Variation) Order 2006

The reports contained in Part II of the Agenda are not for publication as the Authority is considered likely to exclude the public during their consideration of the reports as they contain exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information) or information relating to consultations/negotiations in connection with any labour matter arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 3 and 4).

PART II

13. Minutes

- | | | |
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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, 24 JANUARY 2011 at 10.30 am.

Present:

Councillor T. Wright in the Chair

Councillors Bell, Charlton, Clark, M. Forbes, Haley, Huscroft, Jordan, Renton, D. Trueman and Woodwark.

At the start of the meeting the Authority held one minutes silence in memory of former Member Councillor Doreen James who had sadly passed away.

Part I

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Boyes, Clare, Essl and Mole.

Declarations of Interest

Councillors Bell, Charlton and Haley declared a personal interest in relation to items 9 (FireControl Update) and 15 (FireControl Closure – HR Issues) as Members of the RCC (Regional Control Company).

Minutes

62. RESOLVED that:-

- (i) the minutes of the meeting of the Authority, Part I held on 20 December 2010, be confirmed and signed as a correct record subject to the inclusion of Councillor M. Forbes' apologies for absence; and
- (ii) the minutes of the meeting of the Policy and Performance Committee, Part I, held on 10 January 2011, be noted for information.

Revenue Budget 2010/2011 – Third Review

The Chief Fire Officer and the Finance Officer submitted a joint report advising Members of issues relating to the 2010/11 Revenue Budget position and providing an updated statement of balances.

The Finance Officer outlined the report which estimated an underspend of £1,227,000. The following areas were drawn to Members' attention:-

- The low level interest rates had enabled the Authority to restructure its debt portfolio which would in turn, lead to lower borrowing costs than originally anticipated of £200,000.
- Slippage arising on capital projects of £125,364 would result in a reduction to the drawdown from earmarked reserves.
- An estimated underspend in the leasing budget of £64,000. Consideration would therefore be given to funding the remainder of the Vehicle Replacement Programme through outright purchase using anticipated underspend on the Revenue Budget.
- Recruitment freeze generating savings and also no ill-health early retirements realised savings of £83,000.

Members referred to Appendix A of the report and noted the estimated level of balances at £3,070,000 (as at 31 March 2011).

It was:-

63. RESOLVED that the Revenue Budget position for 2010/11, including the updated statement of balances, be noted.

Capital Programme 2010/11 – Third Review

The Chief Fire Officer and the Finance Officer submitted a joint report to review the current year's Capital Programme and reflecting changes from that presented to the Authority as a consequence of the Second Capital Programme Review, on 22 November 2010.

The Finance Officer spoke to his report and drew the following areas to Members' attention:-

- The Carbon Management Plan had slipped by £125,364.
- The contract for the Non PFI Station Refurbishment had now been awarded and as the tender price was lower than anticipated, it was envisaged that there would be savings.
- Funding for Positive Pressure Ventilation (PPV) equipment (£15,500) was now being classed as capital due to it being in excess of the Authority's de-minimus level of £10,000 for fixed asset equipment.

It was:-

64. RESOLVED that the revised Capital Programme for 2010/11 be approved.

Provisional Local Government Finance Settlement 2011/12

The Chief Fire Officer and the Finance Officer submitted a report to set out details of the Local Government Finance Settlement for 2011/12 and to provide a draft set of comments that could be used as a basis for a response to the Government's consultation on their provisional Local Government Finance Settlement proposals.

The Finance Officer reminded Members that the two year Settlement, announced on 13 December was consistent with the Government's Spending Review announcements with the exception that they had increased formula grant funding by £30m and had also introduced a new transition grant of £85m for 2011/12 and £14m for 2012/13 to ensure that no Authority would incur a reduction in its Revenue Spending Power of more than 8.9% in 2011/12. The Government also announced that the Settlement would see an average reduction of 4.4% in the overall funding to Local Government nationally.

Formula grant was to be reduced nationally by 9.9% however the Fire Service Settlement only showed reductions of 5.8% in 2011/2012 and 0.7% in 2012/13. If Fire Authorities were to receive 25% less formula grant funding over the entire Spending Review period and grant reductions were to be 'back loaded', the fact that the first 2 year grant Settlement was showing only a total combined reduction of 6.5% meant that in the last two years (2013/14 and 2014/15) Fire Authorities would face a further grant reduction of 18.5% over the two years.

The Finance Officer went on to explain that the Government had confirmed its intention to fund a Council Tax freeze in 2011/12. The grant would however, in cash terms, significantly benefit high tax base Authorities i.e. generally the more affluent areas of the country. This impact was seen as inequitable.

Members noted that the Authority had received an overall reduction in its spending power in 2011/12 of £2.783m equivalent to a 4.69% reduction in its overall resources.

The Authority's formula grant allocation for 2011/12 had reduced in cash terms by £3.379m to £32.191m which represented a reduction of 9.5%. These reductions would have been significantly worse had the floor protection not been put in place (these illustrations were shown in Appendix 1 of the report).

The Chief Fire Officer added that he had attended a meeting where, in the absence of the Fire Minister, he had spoken with Civil Servants regarding the funding settlement. During this meeting the Chief Fire Officer expressed the view that the Settlement was unfair for TWFRAs and also voiced his concerns in relation to the impact this would have on the service. Members acknowledged that if large cuts were necessary in years 3 and 4 of the Settlement, then tough decisions would need to be made with regard to front line services.

Having then given consideration to the draft comments on the Settlement, as detailed within section 6 of the report, it was:-

65. RESOLVED that the report be noted and the proposed comments in response to the consultation on the provisional Revenue Support Grant Settlement for 2011/12, be approved.

Draft Revenue Budget 2011/2012

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Chief Emergency Planning Officer submitted a joint report outlining the financial position facing the Authority for 2011/2012 and 2012/13, in light of the recent provisional Revenue Support Grant Settlement for 2011/2012, 2012/2013 and related matters.

Members were referred to the revised summary Medium Term Financial Strategy (MTFS) as set out at Appendix A of the report and were advised of the following:-

- Efficiency savings on delegated budgets had been built into the MTFS.
- The Inception of the Public Private Partnership Scheme had realised savings of £956,730.
- The IRMP 2011/2012 included a series of reviews which could generate efficiencies and the potential impact had been built into the MTFS.

- There had been no ill health early retirements to date.
- Ongoing discussions were taking place at a local level to identify the most appropriate methods of apportioning shared regional costs relating to the Firelink Project, and
- The Chief Fire Officer continued to undertake a full review of the Authority's operational staffing profile and associated salary structure.

With regards to the Emergency Planning Unit, Members were advised that the budget for 2011/2012 had been prepared on the basis of a 10% reduction equating to a budget of £462,490, followed by a standstill position for 2012/2013 to 2014/2015.

Taking account of the level of risk, the retention of a minimum level of general fund balances of approximately £3 million was considered at that stage, to be appropriate.

With regards to Council Tax increase, the Government had retained capping and reserve powers but planned to introduce powers for residents to veto 'excessive' Council Tax increases through a local referendum which was included in its proposed Localism Bill.

The Settlement also confirmed that the Government was to provide £650m nationally to fund the implementation of a Council Tax freeze in 2011/2012.

It was:-

66. RESOLVED that:-

- (i) the contents of the report and the draft Revenue Budget position for 2011/2012 and 2012/2013 be noted;
- (ii) the revised MTFs attached at Appendix A be noted; and
- (iii) the provisional budget proposals be reported to a future meeting.

Schedule of Precept Instalments 2011/2012

The Finance Officer submitted a report explaining that the Billing Authorities required that payments should be made by twelve equal monthly instalments, commencing in April, payable on the last working day of each month, to continue with practice adopted in 1993-94.

The proposed dates were as follows:-

Thursday	28 th April 2011
Tuesday	31 st May 2011
Thursday	30 th June 2011
Friday	29 th July 2011

Wednesday 31st August 2011
Friday 30th September 2011
Monday 31st October 2011
Wednesday 30th November 2011
Friday 30th December 2011
Tuesday 31st January 2012
Wednesday 29th February 2012
Friday 30th March 2012

It was:-

67. RESOLVED that under paragraph 4(4) of the Local Authorities (Funds) (England) Regulation 1992 the schedule of instalments proposed, be agreed.

FiReControl Update

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Personnel Advisor to the Authority submitted a joint report to update Members with regard to the FiReControl Project and to outline the anticipated next steps that would be undertaken.

Deputy Chief Fire Officer Hindmarch referred Members to Appendix A which detailed the statement to the House of Commons, formally announcing the closure of the FiReControl Project.

Members were advised that as a result of this decision, the Department for Communities and Local Government (DCLG) had notified all Fire and Rescue Authorities that all funding for work would cease. Action would therefore have to be taken to ensure that the Authority had a viable plan in place to replace the current command and control system by 2014.

DCLG were about to commence a full consultation process to consider what the future of fire control mobilising infrastructure and systems may look like. The consultation process will run for twelve weeks, ending in early April 2011.

Deputy Chief Fire Officer Hindmarch informed the Authority that the Chief Fire Officer would be considering the questions posed within the document, when it was published. The proposed response, would in turn be submitted to the Authority for approval by Members.

It was:-

68. RESOLVED that:-

- (i) the contents of the report be noted;
- (ii) the actions taken to date be endorsed; and
- (iii) further reports be received, as appropriate.

Review into the Suitability of the Low Activity Staffing Model (LASM)

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Personnel Advisor to the Authority submitted a joint report to inform Members of the findings of the review into the potential use of a Low Activity Staffing Model (LASM) within the Service, undertaken as part of the Integrated Risk Management (IRMP) Annual Action Plan 2009/2010, and seeking approval to the recommendations resulting from the review.

Assistant Chief Fire Officer Tom Capling outlined the report explaining that the LASM incorporated a two-stage duty system comprising a period of working hours followed by a period of standby hours for staff who resided on, or near to, the fire station for the duration of their 'on call' duty period. This ensuring that operational response times remained broadly the same, but costs were reduced significantly. This system however, could only effectively be deployed at stations where level of risk was deemed to be low.

Taking this information into account, a review team undertook a careful examination of the data relating to Sunderland South and Gateshead South Community Fire Stations in relation to the viability of introducing a LASM.

With regards to Sunderland South, Chart 1 of the report highlighted that this station was one of the least operationally active stations in the Service. Furthermore the number of operational incidents within this area had fallen significantly (20% reduction).

In relation to Gateshead South, again this was one of the least operationally active fire stations in the Service and incident rates were also falling (39% reduction). The Chief Fire Officer was therefore of the opinion that both fire stations could operate effectively utilising a LASM. Due to the duration of the shifts that firefighters would be required to work, both locations would require dedicated accommodation to be provided.

Councillor Haley asked how confident the Fire Service were that they had the capacity to operate this model. Assistant Chief Fire Officer Capling responded by advising that relatively low levels of staff were required to work this pattern and early indications suggested that a sufficient number of staff would be willing to do so.

Councillor Haley then went on to ask questions in relation to the consultation process and was advised that consultation would be part of the process and that information would be made available reiterating that the level of service for the public will remain exactly the same.

Councillor Woodwark referred to the graph detailed within the report and commented that given such low levels of activity at these stations and the required to finding significant savings, the proposals were logical and necessary.

Upon detailed discussion, it was:-

69. RESOLVED that:-

- (i) the contents of the report be noted;
- (ii) the commencement of work towards the implementation of a low activity staffing model at Sunderland South and Gateshead South Community Fire Stations be approved; and
- (iii) further reports be received as appropriate.

Investors in People (IIP) Achievement of Gold Award Standard

The Chief Fire Officer submitted a report informing Members of the outcome of the Investors in People (IIP) re-accreditation audit undertaken in November 2010.

The Independent Assessment Team visited the organisation for approximately two weeks, during which time they undertook a comprehensive audit against the IIP Framework. The Chief Fire Officer was pleased to report that the Authority had been successful in gaining accreditation at Gold Award Standard, thereby becoming the first Fire and Rescue Authority in the country to achieve this.

Following further discussion with IIP North East, it had been identified that the Authority qualified for 'champion' status. This would provide the Authority with additional recognition as a 'role model organisation' enabling the Service to share best practice with other organisations at a local and national level.

Members acknowledged that this Award represented a significant achievement for the Authority and it served as a testament to the work of Members and staff in establishing excellent management practices and, most importantly, it recognised the efforts of all the staff who had embraced the considerable change that had been necessary to move the Authority forward.

It was:-

70. RESOLVED that:-

- (i) the Authority note that the IIP Gold Award Standard had been awarded;
- (ii) staff of the Core Work Team be congratulated and thanked for their assistance in this achievement; and
- (iii) further reports be received as appropriate.

LGA Annual Fire Conference – 8th and 9th March 2011

The Chief Fire Officer submitted a report to propose Authority representation at the fourteenth Annual Fire Conference of the Local Government Association (LGA), scheduled to be held in Gateshead on 8th and 9th March.

Members were advised that the theme for the Conference was 'The Future of Fire' which had been planned to address the issues surrounding the unprecedented financial pressures that Authorities would be subject to in the coming months and years.

The cost of the Conference was £360 per person for LGA Member Authorities which covered the main Conference and Workshop Seminars.

The Chairman commented that as the Conference was in the local area it would be beneficial for as many Members as possible to take advantage of the offer. The Chief Fire Officer agreed and advised that contact would be made with each Member of the Authority to determine whether or not they were able to attend.

It was:-

71. RESOLVED that the invitation to attend the LGA Fire Conference be extended to all Members of the Authority.

Correspondence List for Information

The Chief Fire Officer submitted a list of items of correspondence that had been received since the last meeting of the Authority, and were not subject to a separate report.

72. RESOLVED that the correspondence list be received for information.

Local Government (Access to Information) (Variation) Order 2006

73. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it contains exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information) or information relating to consultations/negotiations in connection with any labour matter arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 3 and 4).

(Signed) T. WRIGHT,
Chairman.

Note:

The above minutes comprise 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.

CIVIL CONTINGENCIES COMMITTEE

Minutes of the meeting of the CIVIL CONTINGENCIES COMMITTEE held in the Authority Rooms, Fire and Rescue Service Headquarters, Nissan Way, Barmston Mere, Washington on MONDAY, 31 JANUARY 2011 at 10.30 a.m.

Present:

Councillor Bell in the Chair

Councillors Charlton, Mole, Renton, Trueman and Wright.

Apologies for Absence

An apology for absence was received from Councillor Clark.

Declarations of Interest

Councillor Wright disclosed a personal interest in Item 10 as he was a member of GMB

Minutes

24. RESOLVED that the minutes of the last meeting held on 25 October 2010 be confirmed and signed as a correct record.

Update of Northumbria Community Risk Register

The Committee considered a report by the Chief Emergency Planning Officer on the update of the Northumbria Local Resilience Forum (LRF) Community Risk Register (CRR).

(For copy report – see original minutes).

The CRR was an important document produced following extensive work by partners within the LRF area. It provided a basis for local responders to consider which emergency plans were required, and whether any existing plans should be modified in the light of continuing risk assessment. It was also used to determine priorities for the LRF annual training and exercising calendar.

The risks identified in the CRR were prioritised into the following four categories:-

- Very High
- High
- Medium and
- Low

This allowed organisations to develop control measures, and plans and response arrangements for the highest risks.

The Very High risks in the Northumbria Register were:-

- Industrial Accident – involving large toxic release e.g. of Chlorine,
- Flooding – coastal/tidal, fluvial (river), and
- Influenza – pandemic and epidemic

These all had specific emergency response plans prepared for them; on-site and off-site plans for the industrial accident site (under the Control of Major Accident Hazard Regulations 1999), the LRF Multi Agency Flood Plan, and an LRF Influenza Plan.

In reply to a question from Councillor Mole regarding joint emergency planning arrangements, the Chief Emergency Planning Officer reported that Newcastle Airport played an active role in emergency planning. The Civil Aviation Authority required a live exercise to be held every two years and in addition to this, the Airport also held a multi-agency table top exercise every other year to ensure the integrity of emergency planning arrangements.

The update of the Northumbria LRF CRR, developed by the Northumbria Local Resilience Forum Risk Assessment Working Group (RAWG), had been duly published. It provided the basis to determine priorities for the LRF annual training and exercising calendar for 2011.

25. RESOLVED that the publication of Version 6 of the Northumbria LRF Community Risk Register be noted.

Northumbria Local Resilience Forum Multi-Agency Flood Plan

The Chief Emergency Planning Officer submitted a report on the current status of the Northumbria Local Resilience Forum (LRF) Multi-Agency Flood Plan.

(For copy report – see original minutes).

There continued to be significant activity in relation to flooding, both locally and nationally.

New responsibilities had been placed upon some organisations by the Flood and Water Management Act 2010, in particular Councils such as the Tyne and Wear Authorities had been designated as ‘Lead Local Flood Authorities’ and given responsibility for developing flood risk mitigation strategies for their area in conjunction with partner organisations.

The Multi-Agency LRF Flood Plan Group continued to develop response arrangements, to address any significant flooding events which occurred in the future.

The LRF Flood Plan had been updated to address:-

- additional information indicated by Defra,
- surface water flooding information provided by the Environment Agency,
- issues identified in the ‘Walk Through’ exercise of July 2010,
- the updated Flood Plan Guidance, and
- the revised Flood Warning codes devised by the Environment Agency.

Councillor Mole suggested that representations be made by the Flood Group on the need to emphasise prevention in relation to flood defences.

26. RESOLVED that Members note that the Northumbria Local Resilience Forum Multi-Agency Flood Plan had been updated to include the improvements/changes detailed in the report.

Great North Run 2010

The Committee considered a report on the detailed planning of the safety aspects of the 2010 Great North Run, the involvement of Newcastle, Gateshead and South Tyneside Councils and the Tyne and Wear Emergency Planning Unit in the development and implementation of these arrangements.

(For copy report – see original minutes).

The scale of the event demanded significant detailed planning and organisation and for this purpose a number of working groups, overseen by the Safety Advisory Group, had been established.

The 'Medical Working Group' was responsible for the planning of all aspects of medical provision in relation to the event extending to such matters as the provision of first aid/medical treatment, Field Hospital provision, casualty and fatality procedures.

The comprehensive safety planning arrangements for the event had aided in the delivery of a successful 30th Great North Run.

A wide-ranging de-brief process was now underway which would help inform further improvements in the planning arrangements for next year's event.

27. RESOLVED that the collaborative arrangements in place for ensuring the effective planning and management of safety for the Great North Run be noted.

Dame Hines Pandemic Influenza Review Recommendations

The Chief Emergency Planning Officer (CEPO) submitted a report (copy circulated) on the summary of the recommendations of the review by Dame Deidre Hines of the United Kingdom's response to the 2009 influenza pandemic.

(For copy report – see original minutes).

The implementation of these recommendations largely relied on the publication of a revised version of the document 'Pandemic Flu: A national framework for responding to an influenza pandemic' in 2011. Local responders and the LRF collectively would be the key means of implementation at local level. The Northumbria LRF Multi-Agency Pandemic Influenza Plan would be a key document to aid local responders in adapting to changes in policy and guidance.

The LRF Health Theme Group, once formally established, would disseminate the wider issues identified, such as the use of social media and communications with the media, back to the LRF Communications Theme Group for consideration.

28. RESOLVED that:-

- (i) the report be noted, and
- (ii) the Committee agrees to receive any further updates as necessary.

Performance Against Targets – Quarter 3 2010/11

The Committee considered a progress report by the Chief Emergency Planning Officer on performance against targets for the financial year 2010/11 as detailed in the Emergency Planning Unit Business Plan for 2010/11.

(For copy report – see original minutes).

The report provided information on the work completed in quarter 3 of the financial year 2010/11 by the Emergency Planning Unit.

Due to changes in the structure of the Local Resilience Forum (LRF), it was anticipated that some of the LRF roles and responsibilities allocated to Emergency Planning Unit staff would change over the coming weeks. The Emergency Planning Unit would continue with current duties on behalf of Councils until these changes were formally implemented.

The report detailed both work areas that were completed and also those which had commenced and were ongoing pieces of work.

29. RESOLVED that the report be noted.

Local Government (Access to Information) (Variation) Order 2006

At the instance of the Chairman, it was:-

30. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a disclosure of information relating to consultations/negotiations in connection with any labour relations matter arising between the Authority and employees of the Authority (Local Government Act 1972) Local Government (Access to Information) (Variation) Order 2006, Schedule 12A, Part I, Paragraph 4.

(Signed) J. BELL,
Chairman.

Note:-

The above minutes comprise only those relating to items during which the meeting was open to the public.

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

CONSULTATION WITH INDUSTRIAL AND COMMERCIAL INTERESTS

Notes of the meeting held in Authority
Room No. 1 at Barmston Mere Fire and Rescue
Service Headquarters on WEDNESDAY, 9TH
FEBRUARY, 2011 at 10.30 a.m.

Present:-

Representing Tyne and Wear Fire and Rescue Authority

Councillor T. Wright	-	Chairman of the Authority
Councillor N. Forbes	-	Vice-Chairman of the Authority
Mr. I. Bathgate	-	Chief Fire Officer
Sonia Tognarelli	-	Representing the Finance Officer
Miss K. Cuthbert	-	Principal Governance Services Officer

Representing the North Eastern Chamber of Commerce, Trade and Industry

Mrs. Rachel Anderson	-	NECC
Johnathon Walker	-	NECC

Budget Consultations 2011/12

The Chairman welcomed the representatives of the Chamber to the consultation meeting, the purpose of which was to provide industrial and commercial interests with the formal opportunity to comment on the budget and the proposed precept level of the Authority for the coming financial year in accordance with provisions of Section 134 of the Local Government Act 1988. To this end, the representatives of the Chamber had been supplied with copies of the Authority's various papers in relation to the:-

- (i) Provisional Local Government Finance Settlement 2011/12; and
- (ii) Draft Revenue Budget 2011/2012.

The Chairman opened the meeting by inviting the business sector to contact the Authority at any time, should they have any issues they wished to discuss.

Representatives of the Chamber of Commerce welcomed this approach and in turn, extended the invitation for the Authority to attend their Committee meetings if they wished to raise awareness of any issues, in the local areas.

Sonia Tognarelli, representing the Finance Officer, outlined the findings of the recent Spending Review. In doing so, she explained that in October 2010 a potential reduction in funding of 25% was announced and it was anticipated that this would be backloaded i.e. the more significant reductions being seen within the final years of the settlement.

On 13th December 2010, the provisional report for the 2011/2012 and 2012/2013 Revenue Support Grant Settlement was issued. The announcement provided provisional funding allocations for the next two financial years only and a second two year settlement was expected to follow.

The overall funding for the Fire Service nationally had reduced by an average of 6.5% over a two year period. However, due to the detrimental effect of the changes to the formula grant distribution mechanism, TWFRAs grant allocation for 2011/12 had reduced by 9.5% and by 3.4% in 2012/13, after the application of floor damping. Without floor damping, the grant reductions 2011/12 and 2012/13 would have been 19.3% and 12.0% respectively. These representing the largest reductions of any Fire and Rescue Authority.

The Authority was then facing further significant grant reductions in 2013/14 and 2014/15 equating to a core reduction of at least 18.5%. However depending upon the new formula grant distribution mechanism, this reduction could be greater.

The Chief Fire Officer expressed his concerns and explained he felt that the Authority was hugely disadvantaged when compared to other parts of the country removing any sense of "all in it together".

As a result of the future reduction in funding the Authority would be left with no other option than to reconsider staffing levels and also the number of appliances, in the forthcoming months.

In response to a question asking how the reduction in personnel would be managed, the Chief Fire Officer advised that a recruitment freeze had already been implemented and was realising savings. In addition, it was hoped that the size of the workforce could be reduced via natural wastage, without the need for compulsory redundancies.

When questioned whether this was likely to result in an ageing workforce the Chief Fire Officer advised that this was not too great a concern for operational staff and that it was the reduction in the number of corporate staff which may be the more challenging issue to manage.

A discussion then ensued in relation to the Capital Programme and the Chamber of Commerce were informed of the recent decision to end the FireControl Project. CLG had agreed to distribute the remaining funds allocated to the project however this would be distributed based on submission of a business case. As the Authority would have to have Command Control in place by 2014, a contingency had been set aside to implement this.

Rachel Anderson then asked for information relating to future plans for the Capital Programme and was advised that although nothing had been put on hold to date, careful monitoring was taking place. Plans were in place to replace Rainton Bridge, Fulwell and Hebburn Fire Stations and there would be an overhaul of the Vehicle Replacement Programme.

Johnathon Walker referred to precept levels and questioned whether they were likely to be increased to meet the budget shortfall. Sonia Tognarelli responded by advising that if the Authority chose not to increase the precept and 'freeze Council Tax' then a 2.5% grant would be received amounting to a sum of £576,000. The Government had further introduced a veto on levels in which Council Tax could be raised by, which also limited capacity. Rachel Anderson then asked whether there was any evidence to suggest that the economic downturn had resulted in an increase in the number of call outs. The Vice-Chairman of the Authority responded to the question and explained that the Policy and Performance Committee considered statistics on a quarterly basis and throughout the economic downturn, a continuous reduction in the number of call outs had been seen. It was felt that this may be due to less people smoking and drinking for example, than in more affluent times.

The Chief Fire Officer agreed and commented that this could also be a result of the preventative work currently being carried out. Work was also ongoing with Local Authorities on the causes of secondary fires. The Chief Fire Officer expressed his concerns that cutbacks in the services provided by the Local Authority could in turn have negative impacts on the Fire Service.

In response to a question relating to LAA's, the Chief Fire Officer advised that although no formal targets were required, the Authority continued to collect data in order to inform best practice. The Vice-Chairman added that dismantling the LAA's could pose a future problem for the Authority when working with five Local Authorities who could potentially be operating different frameworks.

Rachel Anderson then asked whether there were any submissions to DCLG the Chamber of Commerce could provide support with. The Chief Fire Officer welcomed any support from the Chamber of Commerce in lobbying the views of the Authority, in particular the difficulties to be faced by the North East region.

The Vice-Chairman added that as the Authority already had an efficiency programme in place which was linked to the IRMP and in turn, influenced financial decisions, savings had already been made wherever possible yet the Authority was still to be penalised further.

The Chamber of Commerce acknowledged this feeling of unfairness for Tyne and Wear and agreed to draw up a plan to actively support the Authority. In addition, a discussion would be held with their Tyne and Wear Members and they would endeavour to ensure that local businesses received accurate information in relation to the pressures the Service was faced with.

The Chairman, on behalf of the Authority, thanked the Chamber of Commerce for their much valued input to the budget consultation process.

MEETING: 28TH FEBRUARY 2011

EXTENSION OF TERM OF OFFICE – MR. G. COOK

REPORT OF THE CLERK TO THE AUTHORITY

1. INTRODUCTION

- 1.1 The purpose of this report is to consider an extension to the existing term of office of Mr. G. Cook, Chairman of the Governance Committee, until such time as the arrangements in respect of the Standards regime are reviewed.

2. BACKGROUND

- 2.1 Members will be aware that the Coalition Government is making proposals to overhaul the Standards regime.
- 2.2 Under the current arrangements, at least 25% of the Members of the Governance Committee must be independent members. In making appointments to the Committee the Authority is required to have regard to guidance from Standards for England. The guidance provides that independent members should serve no more than a total of eight years after which new Members should be recruited. Ordinarily, appointments to the Committee are made at the Annual Meeting, however, Mr Geoff Cook, the Chairman of the Committee, will have served in excess of eight years by the next Annual Meeting in June. A number of Authorities have expressed concern that, given the current uncertainty regarding the future of the Standards regime, it may be preferable to retain those who had been trained and understand their role rather than try to recruit, appoint and train new Members for what may be a very short term.
- 2.3 Standards for England have advised that, in the circumstances and as long as the original appointment was carried out in accordance with the correct legal requirements at the time, an Authority can extend the term of appointment for a further period. However, this can only be done during the term of office of an existing independent member. Once the independent member's term has expired, the full recruitment procedures must be followed again.

3. RECOMMENDATIONS

- 2.4. In the circumstances, it is therefore recommended that the Authority agrees to extend the existing term of office of Mr. G. Cook until such time as the Authority reviews its arrangements in respect of the standards regime, in the light of the Coalition Government's proposals.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY**MEETING: 28TH FEBRUARY 2011**

SUBJECT: REVENUE BUDGET 2011/2012**JOINT REPORT OF THE CHIEF FIRE OFFICER, CHIEF EMERGENCY PLANNING OFFICER, CLERK TO THE AUTHORITY AND FINANCE OFFICER**

1. INTRODUCTION

1.1 Initial consideration was given to the draft Revenue Budget for 2011/2012 by the Authority at its meeting held on 24th January 2011. The purpose of this report is to present for consideration and approval by Members, the Revenue Budget for 2011/2012, including the precept required to be levied on the District Councils in Tyne and Wear.

2. FINAL REVENUE SUPPORT GRANT SETTLEMENT 2011/2012 AND PROVISIONAL SETTLEMENT 2012/2013.

2.1 On 31st January 2011, the government released the details of the Final local government finance settlement for 2011/2012 and the Provisional Settlement for 2012/2013. This follows on from the consultation on the Provisional Settlement for 2011/2012 and Indicative Settlement for 2012/2013 which ended on 17th January 2011 (the details of which were released on 13th December 2010). As previously reported the government has made changes to the formula grant system that have had a significant detrimental effect on the Authority's grant entitlement for 2011/2012.

2.2 The government claims the settlements ensure a fair distribution between different parts of the country – north and south, rural and urban, and metropolitan and shire areas. It has created four new grant bands or 'floors' with different limits that protect those most dependent on grant against potentially steeper grant reductions and Council Tax must be a strictly zero increase in order to qualify for the Council Tax Freeze Grant in 2011/2012, but this measure was not introduced for the fire service.

2.3 The government has generally ignored most of the comments made by the Authority to its Provisional Grant settlement for 2011/2012 in the final settlement announced and any national changes have been fairly minor in nature in comparative terms across the settlement.

2.4 The grant of £32.191 million, remains unchanged from the figure announced previously, and represents a decrease in formula grant of 9.5% for 2011/2012.

3. REVENUE BUDGET 2011/2012

- 3.1 The Revenue Budget for 2011/2012 has been set taking full account of the significant Formula Grant reductions facing the Authority this year and also takes into account ongoing implications set out in the Spending Review 2010 (SR10) period (2011/2012 – 2014/2015).
- 3.2 Indicative Formula Grant of £31.096m has been released for 2012/2013, which show a further grant reduction of 3.4%. The finance settlement for the two years beyond 2012/2013 remains uncertain as a new distribution mechanism is to be introduced in 2013/2014. However, as the cuts in the first two years represented 6.5% of the national 25% reduction announced in the emergency budget, it is anticipated that the reduction for these years could be at least 9.25% per year.
- 3.3 In recent years, the Authority has set comparatively low increases in its precept, with increases in 2008/2009 of 2.4%, an increase of 1.24% in 2009/2010 and 0.91% in 2010/2011. These increases were the lowest (in 2008/2009, 2009/2010 and 2010/2011) for all Fire Authorities. The 2011/2012 Revenue Budget has been set taking account of the national commitment undertaken by the coalition government to freeze council tax for 2011/2012. This will enable the authority to access a Council Tax Freeze Grant of £597,578, which equates to a 2.5% precept increase. This grant will be payable to the Authority annually for the remainder of the SR10 period, however it is not clear if this funding will remain beyond 2014/2015.
- 3.4 Accordingly, the Chief Fire Officer has undertaken a base budget review of all delegated budgets with the intention of ensuring resources are directed at key strategic priorities in terms of developing and improving the service as informed by the Strategic Community Safety Plan, the Medium Term Financial Strategy (MTFS) and the Integrated Risk Management Plan (IRMP). The review also ensures that opportunities for generating efficiency savings are maximised.
- 3.5 Appendix A shows the summary position for the Authority and the detailed budgets, which, it is proposed, will also appear in the Strategic Community Safety Plan 2011-2015. The proposed revenue budget for 2011/2012 totals £56.730 million. The presentation of the budget information is determined by the requirements of the Best Value Accounting Code of Practice as it defines best professional practice in terms of financial reporting.
- 3.6 The proposed budget makes provision for the following:

Integrated Risk Management Plan 2011-2015

- 3.7 Members will be aware that the Integrated Risk Management Plan for the period April 2011 to March 2015 was approved at the Authority meeting held on 22nd November 2010. It was considered appropriate to bring the IRMP in line with the Medium Term Financial Strategy to cover the whole of the spending review period.
- 3.8 The IRMP 2011-2015 includes a series of reviews which, will generate efficiencies and the potential impact of has been built into the Medium Term Financial Strategy. These efficiencies will need to be substantial however in order to address the

significant funding reductions announced in the Local Government Finance Settlement for 2011/2012 (final) and 2012/2013 (provisional).

Firefighter Pensions

Ill Health Early Retirements

- 3.9 Members will be aware that, under the funding arrangements for the Firefighter Pension Scheme, authorities retain responsibility for meeting the cost of ill health pension awards. Investment in health awareness and intervention measures through the Occupational Health Unit has brought about a reduction in the number of ill health early retirements, with no such retirements occurring in 2008/2009, 2009/2010 and in 2010/2011 to date. Prudent assumptions have been included in the updated MTFS for ill health retirements.

Other Spending Pressures

- 3.10 A number of spending pressures were identified within the MTFS 2011/2012 to 2014/2015, as reported to Authority on 22nd November 2010, including:
- Pay – taking into account the current economic position, prudent provision for salary costs has been made within the MTFS for all employee groups, which will be subject to the outcome of national pay agreements. SR10 assumes a two year pay freeze for 2011/12 and 2012/13;
 - General price increases – provision has been provided for general price inflation at 2% within the MTFS at this stage;
 - Energy prices – whilst some of the significant volatility in the energy and fuel markets over recent years has receded, prudent provision for energy and fuel increases has been included in the MTFS;
 - LGPS deficiency payments – a prudent approach has been adopted within the MTFS for further stepped increases in the deficiency contribution to the Local Government Pension Fund. Recommendations arising from the Triennial Review undertaken at 31st March 2010 are awaited from the Actuary and Pensions Authority. As discussed at Authority meetings previously, consideration will be given to the option of making a lump-sum contribution to the Pension Fund at some point in the future to reduce the annual revenue payments;
 - Fire Control – the Fire Minister has called a halt to the project as the requirements cannot be delivered to an acceptable timeframe. Although the project was fully funded by CLG, there may be additional pressures due to seconded staff returning to their substantive posts in the Authority (please see also paragraph 3.11 to 3.13);
 - Firelink – detailed information is beginning to emerge in relation to this project and it appears, at this stage, that the position will be cost neutral to the Authority (please see also paragraph 3.14 and 3.15).

National and Regional Initiatives

Regional Control Centre (Fire Control)

- 3.11 On 20th December 2010 the Fire Minister called a halt to the Regional Control Centre (RCC) project as the project requirements cannot be delivered to an acceptable timeframe.
- 3.12 CLG have stated they will consult with the fire and rescue community on the future of control room services in England. This will be based on the principles of localism and will feedback on the best use of FiReControl assets.
- 3.13 At this stage the known implications for Tyne and Wear FRA are that permanent staff who were seconded and funded by the RCC project will return to their substantive posts within the Authority. As yet the impact of this has not been quantified but will be reported to Members as soon as this information becomes available and the MTFs will be revised accordingly.

Firelink Project

- 3.14 The Government will continue to meet the capital costs of the new system, however, following installation of the Firelink radio system, it is expected that the ongoing revenue costs will place an additional net overall burden on FRAs, although this has not been quantified at this stage, as the final stage of the project is yet to be completed.
- 3.15 Ongoing discussions are being carried out at a local level to identify the most appropriate method for apportioning shared regional costs, and the position will continue to be monitored to ensure that there is no adverse impact for this Authority.

New Dimensions Assets

- 3.16 The government has announced a two year grant allocation for New Dimensions capabilities. The Authority will receive £985,000 in 2011/2012 and an indicative amount of £987,000 in 2012/2013. The level of grant awarded allows the Authority to continue to support the Assurance function over the two year period.

Regional Collaborative PFI Scheme - NEFRA

- 3.17 Members will be aware that this project is now complete and the new joint Tynemouth Community Fire Station opened in June 2010. The Medium Term Financial Strategy has been adjusted accordingly, taking account of this Authority's share of the costs, as well as efficiencies previously identified and captured in relation to the new facility and the supporting staffing arrangements.

Human Resources

- 3.18 The MTFs takes full account of the wide range of human resources developments, plans and strategies, succession planning, establishment review and the review of the operation staffing profile.

Interest on Investments

- 3.19 Given the significant, sustained, reductions in the base rate, the Revenue Budget for 2011/2012 has been revised accordingly, and will be kept under review

throughout the financial year.

Capital Programme

Capital Financing – Revenue Contribution to Capital and Fire Capital Grant

- 3.20 A Revenue Contribution to Capital Outlay has been provided for in the Revenue Budget for 2011/2012, which will continue to provide flexibility within the funding arrangements of the Authority's Capital Programme.
- 3.21 The 2011/2012 Capital Programme is presented for Members attention elsewhere on the Agenda. In addition to the Revenue Contribution, a contribution of £200,000 is required from the Fire Capital Grant, with the remainder of that grant being transferred to a Capital Grant Reserve in order to meet the cost of future prioritised capital schemes.

Revenue Implications

- 3.22 The Capital Programme has been reviewed in order to identify any revenue implications arising, although it has been identified that any such increases are minimal, and can be contained within the Revenue Budget as presented.
- 3.23 The Estates Development Strategy outlines a number of proposals for future development of the Authority's estate portfolio and it is possible that there will be revenue implications arising from these developments. Whilst these will become clearer as individual proposals are developed, at this stage the planning assumption is that the revenue implications will, in overall terms, be resource neutral.

General Balances and Earmarked Reserves

General Balances Policy

- 3.24 In considering a prudent minimum level of balances, the Authority considers:
- known commitments against balances in future years;
 - volatile elements of service delivery, which make accurate prediction of expenditure more difficult;
 - financial risks faced by the Authority and the measures in place to mitigate them or meet them financially, as outlined in the Financial Risk Analysis at Appendix C.
- 3.25 Taking account of the level of risk within this Authority, the retention of a minimum level of general fund balances of between £3 million and £3.5 million is considered, at this stage, to be appropriate after taking into consideration the following:
- the impact of future general grant funding reductions on the Fire and Rescue Authority;
 - a significant modernisation programme which brings with it both financial and change management risks;
 - funding required to support the Estates Development Strategy;
 - the uncertainty regarding price and pay inflation, including energy prices and the impact of potential further changes in base rates;

- uncertainty regarding the future funding for national projects;
- the Financial Risk Analysis included at Appendix C.

Minimum Level of General Fund Balances

3.26 The estimated level of General Fund Balances as at 31st March 2011 and 31st March 2012 is set out at Appendix D, taking into account all uncommitted general balances. It can be seen that uncommitted general balances are estimated to be approximately £3.070 million by 31st March 2011, representing just over 5% of the proposed revenue budget for 2011/2012 and within the minimum range specified. Based on the Financial Risk Analysis attached to this report, this level of uncommitted general balances is considered appropriate.

Earmarked Reserves

3.27 The Authority retains an appropriate level of earmarked reserves as determined by the Authority's MTFS and Risk Analysis. A Statement of the Earmarked Reserves and Provisions is provided at Appendix E which have been fully reviewed.

4. MEDIUM TERM OUTLOOK

4.1 An updated MTFS is set out at Appendix F and has been prepared taking account of all supporting Strategies and Plans and the following main areas:

- National Context – announcements regarding future funding, settlements, precept expectations and national projects;
- Local Funding Position:
 - the budget decisions made in finalising the 2011/2012 Revenue Budget;
 - the position and policies in relation to General Fund Balances and Major Reserves;
- Spending Commitments;
- Spending Pressures – including the impact of modernisation strategies and plans;
- the revenue implications associated with the implementation of the IRMP;
- the revenue implications of the capital programme, including the provision of a Revenue Contribution to Capital Outlay.

4.2 The projected budgets in 2012/2013 and future years are based on a series of assumptions. However there is a degree of uncertainty regarding a number of factors including:

- the level of government grant support beyond 2012/2013;
- the impact of the ongoing review of Formula Grant;
- any changes to specific grants, e.g. transfer to general grant funding or cessation;
- the level of pay awards;
- the level of inflation;
- the impact of national projects;
- the impact of the implementation of the Single Status Agreement;
- the level of the Council Tax base in each district over the short to medium-term, which will, potentially, continue to be affected by the current economic

position.

4.3 There are a range of options to be explored and, if necessary, implemented, to meet the demands placed on the budget, including:

- reducing the base budget through the generation of further efficiency savings, implementing alternative financing options, incurring capital expenditure on an invest to save basis, or reducing services on a risk assessed basis;
- utilisation of balances to meet cost pressures and through other means to offset costs;
- generating additional income, including maximising resources through external funding streams;
- working with the other Fire and Rescue Authorities to increase collaboration, co-operation and agree actions that will lead to improvements in efficiency and generate cost savings;
- identifying areas of priority for additional investment if resources are available.

4.4 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Finance Officer to report upon the robustness of the estimates and the minimum level of reserves. In making the statement, the Finance Officer places reliance on information provided to him by other officers of the Authority as part of the budget setting process. This process involves reasonable checks and other verification, which are undertaken in accordance with the overall system of internal control to validate the information provided.

4.5 A full risk analysis has been undertaken on the level of general balances and reserves held by the Authority. Further information is given in Appendices C, D and E regarding the adequacy of general balances and reserves.

4.6 The Finance Officer states:

'Based upon the information used in determining this Revenue Budget 2011/2012 report, including specifically:

- the Risk Analysis set out at Appendix C;
- the Statement of General Balances set out in Appendix D;
- the Earmarked Reserves and Provisions set out at Appendix E;
- the Medium Term Financial Position set out at Appendix F.

the Revenue Budget is considered robust and the level of reserves is considered to be sufficient for 2011/2012 after an assessment of the financial risks faced by the Authority has been taken into account.'

5. TYNE AND WEAR EMERGENCY PLANNING UNIT (TWEPU) - REVENUE BUDGET 2011/2012

- 5.1 Members received a report in January 2010 outlining that a review of all Joint Service arrangements within Tyne and Wear is currently underway. This includes a review of the resilience arrangements within each of the five local authorities covering the Tyne and Wear area and the associated relationships between the individual local authorities and the Tyne and Wear Emergency Planning Unit (TWEPU), which is currently hosted by the Fire and Rescue Authority.
- 5.2 The outcome of the review is that it was agreed that the Emergency Planning function should be delivered across Tyne and Wear using a Local Authority based approach.

Financial Agreement 2011/2012

- 5.3 As the exact date of the implementation of the review is not yet known and to allow service delivery to continue, the Tyne and Wear Leadership Group has agreed with the Head of the TWEPU a budget of £462,490 for 2011/2012, which takes into account an efficiency saving equivalent of 10%.
- 5.4 The breakdown of the budgets to be charged to local authorities in Tyne and Wear for 2011/2012 is set out below:

Local Authority	TWEPU Budget £
Newcastle	121,987
Sunderland	117,985
Gateshead	79,839
North Tyneside	75,974
South Tyneside	66,705
Total	462,490

6. CONSULTATIONS WITH REPRESENTATIVES OF BUSINESS RATEPAYERS

- 6.1 In compliance with the Authority's statutory obligations, Members and Officers met with representatives of the North East Chamber of Commerce at the Brigade Headquarters on 9th February 2011.
- 6.2 The notes of the meeting and any response of the Chamber of Commerce will be tabled at the meeting of the Authority.

7. COUNCIL TAX

- 7.1 With regard to precept levels, the government has retained its 'Capping and Reserve powers' but plans to introduce powers for residents to veto 'excessive' council tax increases through a local referendum which is included in its proposed Localism Bill.
- 7.2 The government has also emphasised that it will use capping powers if necessary and it is to issue its capping principles once budgets have been set.
- 7.3 The settlement also confirms that the government is to provide £650m nationally to fund the implementation of a Council Tax freeze in 2011/2012 (equivalent to a council tax increase of 2.5%). This funding will be provided over the next 4 years to compensate councils for not increasing their council tax in 2011/2012.
- 7.4 Since the Draft Revenue Budget for 2011/2012 was presented to Members in January, final adjustments have been made to budgets and figures have been received in relation to Council Tax Bases and the Collection Fund positions of each of the billing authorities.
- 7.5 With regard to the estimated balances at the year ending 31st March, 2011 on the billing authorities' Council Tax Collection Funds, these are as follows:

	£
Gateshead	1,000
Newcastle	(17,827)
North Tyneside	1,611
South Tyneside	22,658
Sunderland	30,844
TOTAL	38,286

- 7.6 The Authority's net expenditure, after the above deductions, will be recovered by precepting the five District Councils in proportion to their relative Council Tax bases as follows:

Gateshead	59,242
Newcastle	78,257
North Tyneside	64,147
South Tyneside	44,912
Sunderland	80,167
TOTAL	326,725

- 7.7 In setting the proposed revenue budget of £56.730 million, the Authority will precept the five District Councils which would mean a Band D Council Tax of £73.16.

- 7.8 Based on the revenue estimates, as attached, the precepts set out below would be levied on the District Councils in proportion to their tax base as follows:

	£
Gateshead	4,334,145
Newcastle	5,725,282
North Tyneside	4,692,995
South Tyneside	3,285,762
Sunderland	5,865,018
TOTAL	23,903,202

8. RECOMMENDATIONS

- 8.1 The Authority is requested to: -

- (a) note the revised estimate for 2010/2011, as summarised at Appendix A;
- (b) approve the Revenue Budget for 2011/2012, as summarised at Appendix A;
- (c) note the Projected Pensions Account 2011/2012 detailed at Appendix B;
- (d) note the position on general and earmarked balances and reserves, the associated risks and their mitigation as outlined at Appendices C, D and E;
- (e) note the Medium Term Financial Strategy detailed at Appendix F;
- (f) note the Council Tax base of 326,725 for the year 2011/2012, as notified by the billing authorities within Tyne and Wear;
- (g) agree that the following amounts now be calculated by the Authority for the year 2011/2012 which represents a Council Tax freeze for 2011/2012,

in accordance with Sections 43 and 44 of the Local Government Finance Act 1992:

- (i) £63,591,361 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 43(2)(a) to (d) of the Act;
- (ii) £7,459,373 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 43(3)(a) to (b) of the Act;
- (iii) £56,131,988 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 43(4) of the Act, as its budget requirement for the year;
- (iv) £32,228,786 - being the aggregate of the sums which the Authority estimates will be payable for the year into its Authority Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant and additional grant, and as increased by the net surplus on the Billing Authorities' Collection Funds.
- (v) £73.1600 - being the amount at (iii) above, less the amount at (iv) above all divided by the amount in paragraph 7.4 above, calculated by the Authority in accordance with Section 44(1) of the Act, as the basic amount of its Council Tax for the year.

(vi) **Valuation Bands**

- A 48.7733 being the amount given by multiplying the
- B 56.9022 amount at (v) above by the number which, in the
- C 65.0311 proportion set out in Section 5(1) of the Act, is
- D 73.1600 applicable to dwellings listed in a particular
- E 89.4178 valuation and divided by the number which that
- F 105.6756 proportion is applicable to dwellings listed in
- G 121.9333 valuation band D, calculated by the Authority in
- H 146.3200 accordance with Section 36(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.

REVENUE ESTIMATES 2010/11

SUMMARY OF ESTIMATES

Actual 2009-10 £'000	Original Estimate 2010-11 £'000	Revised Estimate 2010-11 £'000		Original Estimate 2011-12 £'000
8,974	10,131	10,274	Community Safety	9,931
41,686	49,437	48,696	Fire Fighting & Rescue Operations	48,744
0	0	0	Fire Service Emergency Planning	0
0	0	0	Management & Support Services	0
314	335	335	Corporate & Democratic Core	337
482	11	11	Non Distributed Costs	10
(112)	(120)	(120)	Interest on Balances	(220)
0	661	485	Contingencies	183
(911)	(933)	(933)	Strategic Review of Fire (PFI)	(957)
			Capital Financing Costs:	
1,733	1,518	1,866	- Debt Charges	1,781
(1,980)	(1,800)	(2,351)	- Reversal of Capital Charges	(2,575)
			Pensions FRS17:	
31,030	1,130	1,130	- Pension Interest Cost and Expected Return on	680
			Pensions Asset	
(21,643)	(550)	(550)	- Contribution to FRS 17 Pension Reserve	(927)
<hr/> 59,573	<hr/> 59,820	<hr/> 58,843		<hr/> 56,987
(659)	(455)		522 Transfer to/(from) Reserves and Balances	(257)
0	0		0 Council Tax Freeze Grant	(598)
<hr/> 58,914	<hr/> 59,365	<hr/> 59,365		<hr/> 56,132
			Less:	
6,598	4,510	4,510	Revenue Support Grant	7,601
28,586	31,060	31,060	National Non-Domestic Rates	24,590
92	46	46	Collection Funds Net Surplus	38
<hr/> 35,276	<hr/> 35,616	<hr/> 35,616		<hr/> 32,229
23,638	23,749	23,749	To be met from Precept	23,903
323,282	324,619	324,619	Council Tax Base	326,725

COMMUNITY SAFETY

Actual 2009-10 £'000	Original Estimate 2010-11 £'000	Revised Estimate 2010-11 £'000		Original Estimate 2011-12 £'000
5,219	6,296	6,388	Employee Expenses	5,967
312	394	385	Premises Related Expenditure	370
82	121	178	Transport Related Expenditure	201
1,155	1,585	1,381	Supplies and Services	1,280
730	226	273	RCCO	217
2,353	2,390	2,574	Support Services	2,577
9,851	11,012	11,179	Total Expenditure	10,612
877	881	905	Less Income	681
8,974	10,131	10,274	Total Budget	9,931

FIRE FIGHTING & RESCUE OPERATIONS

Actual	Original	Revised		Original
2009-10	Estimate	Estimate		Estimate
£'000	2010-11	2010-11		2011-12
	£'000	£'000		£'000
23,630	32,427	31,560	Employee Expenses	30,990
1,923	1,845	1,811	Premises Related Expenditure	1,800
962	1,530	1,034	Transport Related Expenditure	1,136
5,304	6,875	6,867	Supplies and Services	6,600
3,953	1,222	1,477	RCCO	1,178
10,258	10,135	10,870	Support Services	10,979
46,030	54,034	53,619	Total Expenditure	52,683
4,344	4,597	4,923	Less Income	3,939
41,686	49,437	48,696	Total Budget	48,744

FIRE SERVICE EMERGENCY PLANNING

Actual 2009-10 £'000	Original Estimate 2010-11 £'000	Revised Estimate 2010-11 £'000		Original Estimate 2011-12 £'000
454	479	479	Employee Expenses	397
53	44	44	Premises Related Expenditure	47
7	6	6	Transport Related Expenditure	8
51	41	41	Supplies and Services	63
565	570	570	Total Expenditure	515
567	570	570	Less Income	485
(2)	0	0	Total Budget	30
2	0	0	Appropriation: Contribution to/from FRS17 Pensions Reserve	(30)
0	0	0	Total Budget	0

MANAGEMENT & SUPPORT SERVICES

Actual 2009-10 £'000	Original Estimate 2010-11 £'000	Revised Estimate 2010-11 £'000		Original Estimate 2011-12 £'000
9,963	10,079	10,368	Employee Expenses	10,133
148	208	207	Premises Related Expenditure	175
712	631	655	Transport Related Expenditure	635
2,096	1,660	1,927	Supplies and Services	1,628
1,980	1,800	2,351	Capital Charges	2,575
14,899	14,378	15,508	Total Expenditure	15,146
14,899	14,378	15,508	Less Income	15,146
0	0	0	Total Budget	0

CORPORATE & DEMOCRATIC CORE

Actual 2009-10 £'000	Original Estimate 2010-11 £'000	Revised Estimate 2010-11 £'000		Original Estimate 2011-12 £'000
143	151	151	Supplies and Services	150
125	134	134	Cost of Member Services	133
46	50	50	Support Services	54
314	335	335	Total Expenditure	337
0	0	0	Less Income	0
314	335	335	Total Budget	337

Projected Pensions Account 2011/2012

EXPENDITURE	£	INCOME	£
Ongoing Pensions	17,180,779	Employers Contributions	5,300,864
Current and projected 2009/2010 retired firefighter pension costs		New Employers contributions, dependent upon which scheme, based on percentage of firefighter pay	
Lump Sum Payments	4,382,838	Employees Contributions	2,832,666
Lump sum amount paid to firefighters on retirements projected to occur in 2011/2012		Current firefighter contributions, dependent upon which scheme	
Ill Health Lump Sums	256,195	Ill Health Contributions	
Lump sum amount paid to firefighters retiring on ill health grounds		From 2006/2007 onwards, the Authority is required to contribute 4 x pensionable pay for higher-tier ill health retirements and 2 x pensionable pay for lower-tier retirements	
		Ill Health Contributions (2009/2010) -	
		Higher Tier	-
		Lower Tier	-
		Ill Health Contributions (2010/2011) -	
		Higher Tier	49,989
		Lower Tier	33,326
		Ill Health Contributions (2011/2012) -	
		Higher Tier	51,239
		Lower Tier	34,159
Transfers Out	-	Transfers In	247,298
Where firefighters transfer out of the firefighters pension scheme to another pension scheme, a cash transfer value is paid across to reflect the value of pension rights accrued		New recruits can transfer into the firefighters pension scheme and a sum to reflect the value of their existing pension rights earned is paid to the Authority upon transfer	
		Top Up Grant	13,270,271
		Grant to be received from the DCLG to balance the Pension Account	
	21,819,812		21,819,812

Medium Term Financial Strategy – Financial Risk Analysis

Inflation

Risk is that pay and price increases may exceed the levels provided for within the budget.

This is very unlikely to occur due to the realistic provisions made:

- prudent provision has been made for all salary costs;
- the government has proposed a two year pay freeze in 2010/2011 and 2011/2012 for key public service workforces;
- currently, RPI is 4.7%, RPIX is 4.7% and the Consumer Price Index (CPI) is 3.3% and the inflation outlook (CPI) for the year ahead is within the 1.7% to 3.5% banding;
- expenditure in respect of most of the budget heads can be either influenced or controlled;
- separate provision has been made for fuel and utility costs, which have been subject to significant price variations over the last year.

Debt Charges

Risk is that Debt Charges will be greater than budgeted.

This is very unlikely to arise due to:

- the current level of variable rate debt is low in comparison to the fixed-rate level of debt;
- the impact of any interest rate changes is negligible in context of the overall financial position of the Authority;
- no new borrowing is currently programmed to be required.

Investment Interest

Risk is that income generated will not match budget provision

This is unlikely to arise in relation to investment income as the base budget has been adjusted and a prudent rate of return has been included in the budget, which reflects the investments made to date, the prevailing market conditions and the economic forecasts for the year ahead.

Other sources of income are small in the context of the overall budget.

Contingencies

Risk is that the contingency provision will be insufficient to meet the needs identified.

This is unlikely to occur due to:

- prudent estimates included in respect of each category of contingency provision;
- specific contingencies have been created for all known spending pressures in 2011/2012;
- the total contingency provision is deemed sufficient in the context of the net revenue budget;
- past experience suggests an underspending against the contingency provision.

Risk Management

Risk is that all risks have not been identified and that major financial consequences may result.

This is very unlikely to occur due to:

- existence of the Bellwin Scheme;
- a corporate risk profile in place, which is regularly and formally reviewed, and action is taken to mitigate and manage risks;
- Authority risk management action plans are maintained;
- comprehensive self and external insurance arrangements are in place;
- there is an adequate self insurance fund;
- risk management practices are assessed as part of the CAA process and have been found to be robust.

Financial Planning

Risk is that a major liability or commitment currently exists but has not been taken into account in the financial planning of the Authority.

This is unlikely to arise due to:

- the existence of a comprehensive Medium Term Financial Strategy process with regular updates during the year;
- benchmarking and networking with other senior finance staff in other Authorities who are likely to identify similar liabilities.

Revenue Budget - Budgetary Control

Risk is that the budget will be overspent in the year.

This is very unlikely to occur due to:

- monthly budget monitoring in place;
- quarterly Revenue Budget Budgetary Control reviews are undertaken, reported to the Authority and corrective action agreed or set in train;
- Financial Procedure Rules relating to delegated budgets provide for virement and carry forward of under / over spending to be used / met in the following financial year;
- clear budget management responsibilities are in place;
- demonstrable track record.

Capital Programme Implications

Risk is that funding will not be available as planned or that over spending may occur.

This is unlikely to happen due to:

- prudent level of capital receipts retained;
- quarterly Capital Programme Budgetary Control reviews are undertaken through the Asset Management Group, reported to the Authority and corrective action agreed or set in train;
- budgeted revenue contributions to fund capital expenditure and the prudential regime gives added flexibility in terms of financing the Capital Programme.

Reductions to the Revenue Budget

Risk is that planned reductions to the Revenue Budget will not occur or are unachievable.

This is unlikely to occur due to:

- the reductions to budgets planned have all been subject to due diligence and there are no significant barriers to implementation;
- the budgetary control processes that are in place will identify any shortfall and remedial action will be taken;
- contingencies exist to safeguard against the non-realisation of some of the efficiency reductions.

Impact of the Economic Downturn

Risk is that the impact of the economic downturn is so severe and so deep as to have a significantly greater impact on the authority's financial position than currently envisaged.

The length of, and continuing impact of, the economic downturn is unknown at this stage, but the issue and its effects on the Authority's financial position will be kept under constant review so that remedial action can be taken at the earliest opportunity.

Availability of Other Funds

Risk is that the Authority could not call on any other funds to meet unforeseen liabilities.

This is very unlikely as the Authority has a range of other funds, which, whilst earmarked, are not wholly committed including the Development Reserve, which could be used in an emergency.

Appendix D

Statement of General Balances

	£'000
Balance as at 1st April 2010	3,070
First Review 2010/2011:	
- Underspend on Leasing Budget	256
Second Review 2010/2011:	
- Underspend on Employee Budget	861
- Underspend on Premises Budget	60
- Underspend on Supplies and Services Budget	39
- Underspend on Leasing Budget	124
- Overspend on RCCO Budget	(5)
- Under recovery of Income Budget	(108)
- Estimated Provision for purchase of vehicles	(1,227)
Third Review 2010/2011:	
- Underspend on Debt Charges	200
- Underspend on Supplies and Services Budget	15
- Underspend on Leasing Budget	64
- Underspend on RCCO Budget	110
- Transfer to Earmarked Reserves	(125)
- Estimated Provision for purchase of vehicles	(264)
Estimated Balance as at 31st March 2011	3,070

Statement of Earmarked Reserves and Provisions

Title and Purpose of Earmarked Reserve / Provision	Opening Balance (1.4.10)	Estimated Movement in 2010/2011	Estimated Balance (31.3.11)
	£000	£000	£000
<p>Insurance Reserve</p> <p>Reserve held to protect the Authority from unexpected volatility from changes in legislation that could be retrospective, unknown exposures that may arise in the future, and to cover a possible shortfall in the eventual settlement in respect of MMI.</p>	707	0	707
<p>Development Reserve</p> <p>Reserve created to fund medium term and long term capital and revenue developments.</p>	14,703	(48)	14,655
<p>Early Retirements Reserve</p> <p>Reserve to cover future compensatory added years payments associated with an early retirement during 2002/2003. This ensures no ongoing revenue implications.</p>	44	(3)	41
<p>PFI Smoothing Reserve</p> <p>Reserve established to smooth the impact of the PFI scheme on the Authority's revenue budget over the 25 year life-span of the scheme.</p>	4,794	327	5,121

Title and Purpose of Earmarked Reserve / Provision	Opening Balance (1.4.10)	Estimated Movement in 2010/2011	Estimated Balance (31.3.11)
	£000	£000	£000
<p>Contingency Planning Reserve</p> <p>Reserve to enable appropriate contingency arrangements to be put in place to ensure continued service delivery.</p>	2,250	0	2,250
<p>Budget Carry Forward Reserve</p> <p>Reserve established to fund the slippage of specific items of revenue expenditure.</p>	795	(470)	325
<p>New Dimensions Reserve</p> <p>Reserve to be used in future years to provide for any adverse effect of potential changes in grant arrangements and to provide resources to support delivery of the Urban search and Rescue response.</p>	363	(103)	260
<p>Community Safety Reserve</p> <p>Reserve to deliver community safety initiatives in future years.</p>	250	0	250
<p>Civil Emergency Reserve</p> <p>Reserve to enable the Authority to respond to a catastrophic event, locally or nationally.</p>	200	0	200
<p>Regional Control Centre (RCC) Reserve</p> <p>Reserve to provide a means of offsetting any costs associated with the RCC Project on the basis that the CLG position does not provide an absolute assurance to the Authority that all additional costs will be funded by CLG.</p>	350	0	350
<p>Carbon Management Plan Reserve</p> <p>Reserve to develop a Carbon Reduction Plan in order to make future savings in carbon emissions and energy bills.</p>	600	(141)	459

Title and Purpose of Earmarked Reserve / Provision	Opening Balance (1.4.10)	Estimated Movement in 2010/2011	Estimated Balance (31.3.11)
	£000	£000	£000
<p>Equality and Diversity Reserve</p> <p>Reserve to support the Authority's commitment to achieve higher equality and diversity recruitment targets.</p>	200	(98)	102
<p>Insurance Provision</p> <p>The provision covers the value of known insurance risks.</p>	438	0	438

MEDIUM TERM FINANCIAL STRATEGY 2011/2012 TO 2014/2015

	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Approved Budget	59.36	59.36	59.36	59.36	59.36
Inflation:					
- Firefighters Pay Growth		(0.48)	0.09	0.71	1.34
- APT&C Pay Growth		(0.01)	0.10	0.21	0.32
- Prices Growth (incl. Energy)		0.46	0.94	1.43	1.94
Turnover					
- Firefighters		(0.72)	(0.72)	(0.90)	(0.90)
- APT&C		(0.02)	(0.04)	(0.06)	(0.08)
Ill Health Early Retirements Protection Adjustment		(0.20) (0.08)	(0.20) (0.08)	(0.20) (0.08)	(0.20) (0.08)
LGPS Deficiency Payments		0.02	0.04	0.06	0.08
New Fire Pension Scheme		(0.08)	(0.08)	(0.08)	(0.08)
NEFRA Collaborative PFI Scheme		0.13	0.16	0.16	0.16
Contingencies		1.72	0.32	0.00	0.00
Efficiency Savings					
- IRMP efficiencies		(2.73)	(3.22)	(4.54)	(8.38)
- Delegated Budgets		(0.26)	(0.26)	(0.26)	(0.26)
- Recruits Course / Additional Development		(0.38)	(0.38)	(0.33)	0.00
Efficiencies Reserve		0.00	0.00	(2.13)	(2.53)
Indicative Budget	59.36	56.73	56.03	53.35	50.69
Percentage Decrease over Previous Year's Budget		-4.43%	-1.23%	-4.78%	-4.99%

MEETING: 28TH FEBRUARY 2011

SUBJECT: CAPITAL PROGRAMME 2011/2012 INCLUDING PRUDENTIAL INDICATORS

JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY, FINANCE OFFICER AND THE CHIEF EMERGENCY PLANNING OFFICER

1. Introduction

1.1 The purpose of this report is to present for consideration and approval of Members, the Capital Programme for 2011/2012, including the Prudential Indicators.

2. Capital Resources

2.1 The Authority receives grant support towards borrowing costs through the Revenue Support Grant Settlement. The Authority is also able to supplement the capital programme with:-

- the 'usable' part of any capital receipt;
- a contribution from revenue resources;
- supported capital expenditure;
- specific capital grant;
- operating leases.

3. Capital Programme 2011/2012

3.1 Since the 2010/2011 Capital Programme was reported to Members on 24th January 2011 which included a provisional programme for 2011/2012, the capital requirements of the Authority for 2011/2012 have been reviewed by the Chief Fire Officer, through the Authority's Asset Management Group and is reflected in the 2011/2012 Capital Programme at Appendix A; which totals £3,370,967 (including vehicle replacement programme (£2,161,500)).

Commitments from 2010/2011

3.2 Commitments, in terms of slippage from 2010/2011 to 2011/2012, have been included in the 2011/2012 Capital Programme, as previously reported to Members. The slippage is already funded as part of the Capital Programme 2010/2011 and the consequential adjustments to financing will be made as part of the final accounts process for 2010/2011.

Proposed New Starts for 2011/2012

- 3.3 The Capital Programme for 2011/2012 includes provision of £852,182 to fund proposed New Starts, in addition to £357,285 which is required to fund Continuing Projects. The proposed Capital Programme and Vehicle Replacement Programme for 2011/2012 are attached at Appendix A. The Vehicle Replacement Programme will be subject to a full review in light of the funding issues arising from the Spending Review and subsequent Grant settlements. Included within New Starts is provision for the following capital schemes:

IT Equipment (£340,000):

- New and Replacement Hardware (£117,000) – includes ongoing hardware refresh of the Authority's PC, Server and associated infrastructure;
- Network and Communications Infrastructure Development (£120,000) – includes replacement of digital radios;
- New Software and Supporting Systems (£103,000) -

Operational Equipment (£70,500):

- Includes a replacement programme for equipment in order to provide the most up to date safety equipment for firefighters.

Estates (£441,682):

- Appliance Bay Doors/Lighting Programme (£122,700) – includes the replacement of door operations and associated lighting systems due to incidents where doors and appliances have been damaged;
- Temperature Control System for Hot Fire Structures (£123,000) – includes the replacement of the current system which monitors temperature during hot fire training as this had become unreliable and could cause health and safety implications;
- Station 24 West Denton – General Refurbishment/Decoration (£40,000) – includes the commencement of a two year programme for necessary works which were previously delayed. This was due to uncertain future use of the building as a result of the potential transfer of the control room function to the Regional Control Centre (RCC). As the RCC project has now ended and the control room will remain at West Denton for the foreseeable future, these necessary works can now go ahead;
- Other schemes less than £100,000 (£155,982) – includes replacement of a faulty fire alarm at West Denton, installation of a security fence at Wallsend and works prioritised by the Dignity and Respect Working Group to improve station facilities for female firefighters, for which a Diversity and Equality Grant was previously awarded.

Resourcing

- 3.4 It is proposed that the Capital Programme for 2011/2012 of £1,209,467 be resourced as follows:
- Revenue Contribution to Capital Outlay - £974,985 (of which £257,285 will be met from earmarked reserves);
 - Fire Capital Grant - £200,000;
 - Diversity and Equality Grant - £34,482
 - Borrowing – nil.
- 3.5 With regard to the Vehicle Replacement Programme, option appraisal will be undertaken, where leasing finance is available, to determine whether leasing or outright purchase represents the best option on a value for money basis. It is proposed that where possible future vehicle replacement is funded via outright purchase using the Authority's existing resources, this will enable future revenue savings to be made compared to leasing costs. Where appropriate budget provision has been included within the Revenue Budget for 2011/2012.

Fire Capital Grant

- 3.6 The Authority will receive a Fire Capital Grant allocation of £1,512,753 in 2011/2012. This grant represents new money with no attached conditions, with the exception of a requirement that the grant only be used for capital expenditure set out in the indicative capital programme for 2012/2013 and 2013/2014.
- 3.7 Paragraph 3.4, above, identifies that a contribution of £200,000 from the 2011/2012 Fire Capital Grant allocation is required to contribute towards funding the 2011/2012 Capital Programme. The remainder of the grant will be transferred to a Capital Grants Reserve in order to meet the cost of future prioritised capital schemes.

Future Years

- 3.8 Appendix A includes an indicative Capital Programme for 2012/2013 and 2013/2014. As referred to at paragraph 3.1, the Chief Fire Officer has undertaken a review of the capital requirements for 2011/2012 and this included a review of the requirements for 2012/2013 and 2013/2014. The provision for future years will be kept under close review to consider any emerging priorities. This will ensure that the Authority's investment in its assets delivers best value for money. Further updates will be provided to Members through the established quarterly monitoring process.

4. Prudential Framework for Local Authority Capital Expenditure

- 4.1 One of the principal features of the Local Government Act 2003 was to provide the primary legislative requirements to introduce a new prudential regime for the control of Local Authority capital expenditure. The regime

relies upon both secondary legislation in the form of regulations, and a prudential code which has been published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 4.2 Under the prudential framework, local authorities are free to borrow without specific government consent if they can afford to service the debt without extra government revenue support. The basic principle is that authorities are free to invest as long as their capital spending plans are affordable, sustainable and prudent. As a control mechanism, to ensure this occurs, all authorities must follow the Prudential Code published by CIPFA. This involves setting various prudential limits and indicators that must be approved by the Authority before the start of the relevant financial year as part of their budget setting process. The prudential indicators have been prepared and all matters specified in the code have been taken into account. Regular monitoring will take place during the year and, where appropriate, reports on the indicators will be made to the Authority as part of the quarterly capital review reports.

5. The Prudential Code and Prudential Indicators

- 5.1 The Local Government Act 2003 gives statutory backing to the CIPFA Prudential Code for Capital Finance. The regulations specify that it is this Code to which authorities must have regard when setting and reviewing their affordable borrowing limits. The Prudential Code was reported to the Authority in March 2004.

The Department of Communities and Local Government issued revised investment guidance which came into effect from 1 April 2010. There are no major changes required over and above the arrangements that the Authority already has in place and were included in the revised CIPFA Treasury Management Code of Practice 2009 that the Authority fully complies.

The following indicators, previously included in the Prudential Code, now form part of the CIPFA Treasury Management in the Public Services Code of Practice but have been included alongside the Prudential Code indicators set out in Appendix B for ease of reference:

Indicator	Appendix B Reference
Upper limit on fixed interest rate exposure.	P10
Upper limit on variable interest rate exposure.	P11
Upper limit for the maturity structure of borrowing.	P12
Lower limit for the maturity structure of borrowing.	P12
Prudential limit for principal sums invested for periods longer than 364 days.	P13

All of the above indicators are detailed in Appendix B in full compliance with the revised code.

- 5.3 In setting or revising the required Prudential Indicators, the Authority must have regard to a number of matters:
- affordability e.g. implications for the Council Tax precept;
 - prudence and sustainability;
 - implications for external borrowing;
 - value for money e.g. option appraisal;
 - stewardship of assets e.g. asset management planning;
 - service objectives and strategic planning;
 - practicality, e.g. achievability of the planned capital investment.
- 5.4 To aid transparency, wherever possible, indicators for previous years are based on information contained in the published Balance Sheet of the Authority. The Code does not include any suggested limits or ratios, as these will depend on each Authority's circumstances. The indicators are not designed to make comparisons between Authorities.
- 5.5 In order to ensure that the Authority is in a position to set its prudential indicators for 2011/2012, the preparation of the Capital Programme for 2011/2012 has required estimates of capital expenditure to be prepared over a three year period through to 2013/2014.

6. The Annual Minimum Revenue Provision Statement

- 6.1 Regulations came into force on 31st March 2008 revoking secondary legislation relating to the requirement to make a Minimum Revenue Provision (MRP) to repay borrowing over time, and replacing it with a new regulation containing a duty for local authorities, each year, to determine for the current financial year, an amount of MRP that it considers prudent. CLG provided statutory guidance on the methodology to use, which local authorities 'must have regard to'.
- 6.2 The guidance recommends that authorities must submit to the Authority an annual statement of its policy on making a MRP in respect of the following financial year and highlight which of the various options set out in the guidance will be followed.
- 6.3 The four options for calculating MRP which were set out in the guidance can be summarised as follows:
- Option 1 – Regulatory Method: applying the statutory formula set out in the 2003 Regulations before it was revoked in 2008.
 - Option 2 – Capital Financing Requirement (CFR) Method: multiplying the CFR at the end of the preceding financial year by 4%.
 - Option 3 – Asset Life Method: amortising expenditure over an estimated useful life for the relevant assets created. An assessment must be made of the asset life at the outset of the capital scheme and MRP is charged to revenue in either equal annual instalments or by

an annuity method over the estimated life of the asset. The MRP charge will commence in the financial year following the one in which the asset comes into service.

- Option 4 – Depreciation Method: making charges to revenue in accordance with the standard rules for depreciation accounting for the particular asset being created or enhanced.

- 6.4 For 2011/2012, having considered all of the options available, it is proposed that the Authority uses Option 1 (the regulatory method) for government supported borrowing. This approach has been adopted since the new regulations were enacted and is a continuation of the method previously used by the Authority (under the existing regulations 28 and 29 of the Capital Finance Regulations and the Local Government Act 2003) where MRP is calculated with regard to the 'credit ceiling' of the authority. This takes into account all loan advances and repayments through the Authority's consolidated advances and borrowing pool with MRP being calculated at 4% of the opening 'credit ceiling' balance and also recognises the formulae used by the government in calculating revenue support grant as its basis and therefore better reflects the actual funding provided by government.
- 6.5 The draft regulations also recommend consideration of two options for any future borrowing under the prudential system for which no government support is being given and is therefore self-financed. The Authority currently has no plans to undertake unsupported borrowing and, therefore at this stage, it is not proposed to include a proposed policy in relation to this category of borrowing.
- 6.6 In summary, it is recommended that the Authority approves the following Annual Minimum Revenue Provision Statement for 2011/2012:
- For all government supported borrowing the Authority will adopt Option 1 as set out in the government's guidance, which is a continuation of the basis upon which the Authority currently calculates MRP as set out in paragraph 6.3 above.
 - For MRP payments in relation to finance leases and PFI contracts previously held off-balance sheet but now included on-balance sheet to comply with IFRS requirements, the amount of MRP to be made will be set to ensure that the finance charge and MRP for finance leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets.

7. Recommendations

7.1 Members are requested to:

- approve the Capital Programme and Vehicle Replacement Programme for 2011/2012 as set out at Appendix A;
- approve the Prudential Indicators for the years 2011/2012, 2012/2013 and 2013/2014 as set out in Appendix B;
- approve the Annual Minimum Revenue Provision Statement set out in Section 6;
- approve the amendments to the Prudential Indicators for 2010/2011 in respect of the Authority's Authorised Limit for External Debt to £45.408 million and to its Operational Boundary for External Debt to £40.408 million;
- approve the Prudential Indicators for the years 2011/2012, 2012/2013 and 2013/2014 as set out in Appendix B.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY
CAPITAL PROGRAMME 2011/2012 TO 2013/2014

SUMMARY

Project Description	Gross Cost £	Expenditure to 31.3.10 £	Estimated Payments		
			2011/12 £	2012/13 £	2013/14 £
FIRE SERVICE					
Continuing Projects	1,112,916	427,896	357,285	267,735	60,000
Projects Commencing 2011/2012 and Future Years	3,384,864	0	852,182	1,983,082	549,600
	4,497,780	427,896	1,209,467	2,250,817	609,600
EMERGENCY PLANNING	0	0	0	0	0
	4,497,780	427,896	1,209,467	2,250,817	609,600
VEHICLE REPLACEMENT PROGRAMME					
Fire Services-Vehicles	3,985,000	0	2,161,500	663,500	1,160,000
TOTAL CAPITAL EXPENDITURE	8,482,780	427,896	3,370,967	2,914,317	1,769,600

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

CAPITAL PROGRAMME 2011/2012 TO 2013/2014

Project Description	Gross Cost £	Expenditure to 31.03.2011 £	Estimated Payments		
			2011/12 £	2012/13 £	2013/14 £
Continuing Projects					
Estates					
Works arising from Stock Condition Survey	258,582	78,582	60,000	60,000	60,000
Non PFI Station Refurbishment	345,000	275,000	70,000	0	0
Carbon Management Plan	509,334	74,314	227,285	207,735	0
	1,112,916	427,896	357,285	267,735	60,000
Projects Commencing 2011/2012 and Future Years					
IT Equipment					
New and Replacement Hardware	431,000	0	117,000	117,000	197,000
Network & Comms Infrastructure Development	232,000	0	120,000	0	112,000
New Software & Supporting Systems	283,000	0	103,000	80,000	100,000
Replacement Command and Control System	1,000,000	0	0	1,000,000	0
Operational Equipment					
Operational Equipment	279,700	0	70,500	68,600	140,600
Estates					
Appliance bay doors/lighting programme for all Stations	122,700	0	122,700	0	0
Temperature Control System - Hot Fire Structures	246,000	0	123,000	123,000	0
West Denton - General refurbishment/decoration	300,000	0	40,000	260,000	0
Low Activity Station Project	300,000	0	0	300,000	0
Other schemes (less than £100,000)	190,464	0	155,982	34,482	0
	3,384,864	0	852,182	1,983,082	549,600
	4,497,780	427,896	1,209,467	2,250,817	609,600

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

CAPITAL PROGRAMME 2011/2012 TO 2013/2014

Project Description	Gross Cost £	Estimated Payments To be leased		
		2011/12 £	2012/13 £	
VEHICLE REPLACEMENT PROGRAMME				
SLIPPED FROM 2009/2010 PROGRAMME				
2 Operational Support Units	300,000	300,000		
1 Special Rescue Tender	200,000	200,000		
2011/2012 PROGRAMME				
5 Water Tenders	875,000	875,000		
1 Aerial Ladder Platform	600,000	600,000		
1 Staff Car	17,500	17,500		
3 vans/cars (small)	25,500	25,500		
2 Vans/Cars (large)	24,000	24,000		
1 Van/Car (specialist)	12,500	12,500		
1 Minibus	22,000	22,000		
3 Panel Vans (small)	60,000	60,000		
1 Panel Van (large)	25,000	25,000		
2012/2013 PROGRAMME				
4 Water Tenders	525,000		525,000	
1 vans/cars (small)	8,500		8,500	
9 Vans/Cars (large)	108,000		108,000	
1 Minibus	22,000		22,000	
2013/2014 PROGRAMME				
6 Water Tenders	1,050,000			1,050,000
2 Minibus	50,000			50,000
4 Vans/Cars (large)	60,000			60,000
	3,985,000	2,161,500	663,500	1,160,000

Prudential Indicators 2011/2012

Local Authorities are required to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003. The key objectives of the code are to ensure that the capital investment plans of Local Authorities are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice.

It should be noted that all of the prudential indicators fully reflect the requirements of International Financial Reporting Standards (IFRS) which were introduced from 1st April 2010. Should any of the Authority's prudential indicators be exceeded during the year they will be reported to Authority at the next meeting following the change.

The indicators that must be taken into account are shown below:

- P1 The actual capital expenditure that was incurred in 2009/2010 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Capital Expenditure				
	2009/2010 £000 Actual	2010/2011 £000 Estimate	2011/2012 £000 Estimate	2012/2013 £000 Estimate	2013/2014 £000 Estimate
Fire and Rescue Service	4,688	1,936	1,209	2,251	610
Emergency Planning Unit	0	0	0	0	0
Total Spend	4,688	1,936	1,209	2,251	610

The provision for capital expenditure from 2010/2011 onwards is based on the Capital Programme 2011/2012, reported to Authority on 21st February 2011.

- P2 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2009/2010 are:

Ratio of financing costs to net revenue stream				
2009/2010 Actual	2010/2011 Estimate	2011/2012 Estimate	2012/2013 Estimate	2013/2014 Estimate
6.19%	6.12%	6.49%	6.70%	7.13%

The estimates of financing costs include current commitments and the proposals in this capital report. The forecast shows an increase in anticipated ratios for 2011/2012 onwards as a result of the current economic downturn, leading to lower interest rates on investments. It should be noted that ratios will vary

depending on the interest rates obtained on investments and the level of investments.

The level of financing costs is considered to be affordable and has been taken into account when assessing the Medium Term Financial Strategy (please see the report on the Revenue Budget 2011/2012 elsewhere on today's agenda).

- P3 Estimates of the end of year capital financing requirement for the Authority for the current and future years and the actual capital financing requirement as at 31 March 2010 are:

	Capital financing requirement				
31/03/10	31/03/11	31/03/12	31/03/13	31/03/14	
£000	£000	£000	£000	£000	
Actual	Estimate	Estimate	Estimate	Estimate	
38,473	39,154	39,137	40,071	39,289	

The Capital Financing Requirement measures the Authority's underlying need to borrow for a capital purpose. In accordance with best professional practice, Sunderland City Council, on the Authority's behalf, does not associate borrowing with particular items or types of expenditure. The Authority has an integrated Treasury Management Strategy, which has been prepared in accordance with the CIPFA Code of Practice for Treasury Management. There are, at any point in time, a number of cash flows, both positive and negative, and the treasury position in terms of its borrowings and investments is managed in accordance with the approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions taking account of the Authority's needs, and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the Authority's underlying need to borrow for a capital purpose.

- P4 CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The Authority had no difficulty meeting this requirement in 2009/2010, nor is any difficulty envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this report.

- P5 In respect of its external debt, it is recommended that the Authority approves the following authorised limits for its total external debt gross of investments for the

next three financial years and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary.

The limits separately identify borrowing from other long term liabilities such as PFI schemes and finance leases. The Authority is asked to approve these limits and to delegate authority to the Finance Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the Authority. Any such changes made will be reported to the Authority at its next meeting following the change. The figures below have been calculated by reference to the overall Authorised Limit for Sunderland City Council which covers all separate bodies, including the Fire and Rescue Authority, which is subject to the Prudential Code

	Authorised Limit for External Debt			
	2010/2011	2011/2012	2012/2013	2013/2014
	£000	£000	£000	£000
Borrowing	25,113	25,622	27,270	27,200
Finance Lease	62	56	50	44
Other long term liabilities	20,233	20,685	21,067	21,437
Total	45,408	46,363	48,387	48,681

The Finance Officer reports that these authorised limits are consistent with the Authority's current commitments, existing plans and the proposals in this report on the Capital Programme for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Finance Officer confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with, in addition, sufficient headroom over and above this, to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

In taking its decisions on the Revenue Budget and Capital Programme for 2011/2012, the Authority is asked to note that the authorised limit determined for 2011/2012, will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

- P6 The Authority is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit but reflects directly the estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the authorised limit to allow, for example, for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

The Authority is also asked to delegate authority to the Finance Officer, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Authority at its next meeting following the change.

The operational boundary limit will be closely monitored and a report will be made to Authority if it is exceeded at any point. In any financial year, it is generally only expected that the actual debt outstanding will approach the operational boundary when all of the long-term borrowing has been undertaken for that particular year and will only be broken temporarily as a result of the timing of debt rescheduling.

	Operational boundary for external debt			
	2010/2011	2011/2012	2012/2013	2013/2014
	£000	£000	£000	£000
Borrowing	20,113	20,622	22,270	22,200
Finance Lease	62	56	50	44
Other long term liabilities	20,233	20,685	21,067	21,437
Total	40,408	41,363	43,387	43,681

P7 The Authority's actual external debt at 31 March 2010 was £17.655 million (calculated on the basis that all Authority debt is classed as external), comprising £17.593 million borrowing and £0.062 million in respect of a finance lease. The Authority does not plan to take out any long term liabilities but has included an element for this in its calculation of the operational and authorised boundaries to allow flexibility over future financing. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary, since the actual external debt reflects the position at one point in time and allowances need to be made for cash flow variations.

P8 The estimate of the incremental impact of new capital decisions proposed in the Revenue Budget report, over and above capital investment decisions that have previously been taken by the Authority are:

For the Band D Council Tax Precept		
2011/2012	2012/2013	2013/2014
£0.25	£0.45	£0.72

The estimates show the revenue effect of all capital expenditure arising from all schemes commencing in 2010/2011 and the following two financial years. The impact on the Band D Council Tax Precept detailed above takes account of estimated government grant funding through the Revenue Support Grant and the Authority's share of the nationally pooled Non – Domestic Rates.

These forward estimates are not fixed and do not commit the Authority. They are based on the Authority's existing commitments, current plans and the capital plans detailed in Appendix A. The cumulative effect of full-year debt charges will have an additional impact of £0.85 in 2014/2015. There are no known significant

variations beyond this timeframe that would result from past events and decisions or the proposals in the budget report.

- P9 Sunderland City Council, on the Authority's behalf, has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. This original 2001 Code was adopted on 20th November 2002 by the full Council and the revised Code was adopted on 3rd March 2010.
- P10 It is recommended that the Council sets an upper limit on its fixed interest rate exposures of £105 million in 2011/2012, £125 million in 2012/2013 and £145 million in 2013/2014.
- P11 It is further recommended that the Council sets an upper limit on its variable interest rate exposures of £60 million in 2011/2012, £60 million in 2012/2013 and £50 million in 2013/2014.
- P12 It is recommended that the Authority sets upper and lower limits for the maturity structure of its borrowings, consistent with Sunderland City Council's policy, as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period:

	Upper limit	Lower limit
under 12 months	50%	0%
12 months and within 24 months	60%	0%
24 months and within 5 years	80%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

- P13 It is proposed that the Fire and Rescue Authority funds may be invested for over 364 days within the limits set by the Sunderland City Council as set out in the Treasury Management Strategy.

The objective of the Code is to provide a framework for local authority capital finance that will ensure for individual local authorities that:

- (a) capital expenditure plans are affordable
- (b) all external borrowing and other long term liabilities are within prudent and sustainable levels
- (c) treasury management decisions are taken in accordance with professional good practice

and that in taking decisions in relation to (a) to (c) above the local authority is

- (d) accountable, by providing a clear and transparent framework.

Further, the framework established by the Code should be consistent with and support:

- (e) local strategic planning
- (f) local asset management planning
- (g) proper option appraisal.

In exceptional circumstances the objective of the Code is to provide a framework that will demonstrate that, where there is a danger of not ensuring the above, the Authority can take timely remedial action.

MEETING: 28 FEBRUARY 2011

SUBJECT: INTEGRATED RISK MANAGEMENT PLAN 2011-2015

**JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY,
THE FINANCE OFFICER AND PERSONNEL ADVISOR**

1 INTRODUCTION

- 1.1 The purpose of this report is to present the findings of public, partner and staff consultation on the proposed Integrated Risk Management Plan (IRMP) for 2011-15, and to seek Member approval to begin implementation of the IRMP from April 2011.

2 BACKGROUND

- 2.1 The IRMP is the vehicle we use to make significant changes to the shape of the service, ensuring that services are planned, designed and delivered in a way that balances efficiency and community risk.
- 2.2 In November 2010, Members agreed a draft IRMP for 2011-15, for consultation with the public, partners and staff. This was developed through consideration of the risks facing the community; service objectives and performance; statutory duties and the wider local and national context in which we work.
- 2.3 A key part of the context at the current time is the significant (25% over 4 years) reduction in Government grant to FRAs under the Spending Review, the consequences of which are detailed in the proposed capital and revenue budgets included on today's agenda. Members will be aware that the Spending Review impact on TWFA is more challenging than originally expected, due to changes to the formula for allocating grant between FRAs.
- 2.4 The IRMP is a key part of how we will manage the impact of the Spending Review, along with continued good financial management and ongoing work to improve efficiency, procurement and effective use of assets and other resources.
- 2.5 The draft IRMP makes a clear distinction between actions we definitely propose to take, which should be deliverable in a way that minimises impact on the frontline service; and two potential actions which could impact on the quality of service experienced by the public, or our ability to deliver shared objectives through collaboration. These potential actions- reducing/ceasing diversionary activity, and reviewing frontline appliances- would only be considered should circumstances make this unavoidable.
- 2.6 The consultation covered all actions and we therefore have a view from consultees on the acceptability or otherwise of all the proposals.

3 SUMMARY OF PROPOSED IRMP ACTIONS 2011-15

- 3.1 The draft IRMP action plan contains the following proposals. Appendix A, which is based on the paper Members agreed in November 2010, gives more detail on each. If these actions are agreed, separate reports will be brought to Authority prior to the implementation of each.

Proposed new actions

- Review of Management Structure
- Review of Protection and Technical activities
- Review of staffing profiles
- Review of Aerial Ladder Platform provision and crewing
- Review of Mobilising

Actions to implement the 2010/11 IRMP

- Review of Prevention and Education activity (agreed by Authority December 2010).
- Review of the retained appliance at Station 13 (Gateshead East) Community Fire Station (on today's agenda)
- Review of potential for a low activity staffing models at some less busy stations (Agreed by Authority January 2011)
- Review of back office functions

4 FURTHER AREAS FOR CONSIDERATION

- 4.1 Because significant spending reductions in these areas may have direct service impact, it is not proposed to include them as proposed actions in the IRMP at this time, but to include them as potential actions should the need arise. Any proposals to implement these actions in the future will be subject to further reports to Members.

- **Potential Action A – Cessation of specific diversionary and education activities**
- **Potential Action B – Review of the type, number and location of Category 01 and 02 appliances**

5 CONSULTATION PROCESS

5.1 Following Member approval in November 2010, a twelve week consultation period commenced, supported by a short summary document and presentation. These set out our overall priorities (protection, prevention, response and resilience); how we deliver these in broad terms; and our proposals for reconfiguring the service with reference to the Spending Review. Consultees were then asked 4 questions:

- Do you have any general comments about our approach to realigning the service?
- Do you think we should be seeking to maintain our level of service over the next four years?
- Do you feel the service's priorities- response, resilience, prevention and protection- are right?
- What are your views on the five specific proposals for realigning the service?

5.2 Consultation was undertaken with a range of stakeholders as set out below.

Public Focus Groups. Two public focus groups were carried out with a sample of members of the Northumbria Police Authority Citizen's Panel. These were carried out at North Tyneside East (23 November 2010) and Sunderland Central Community Fire Station (2 February 2011) and were facilitated by SMT members (AM Stokoe and AM Robson). Informal consultation discussions were also carried out with the workers at the Asda Distribution Centre in Washington. 16 members of the public took part in these discussions.

Local Strategic Partnerships (LSP). Building on our strong relationships with stakeholders through LSP, District Managers delivered the IRMP presentation and took the views of all LSP.

Surveys. The summary of IRMP proposals was sent to all partner organisations, ward councillors, MPs and local organisations along with a survey. Both were also placed on our website. 10 surveys were returned.

Representative Bodies. The Fire Brigades Union (FBU), Unison and the GMB were invited to comment on the proposals.

5.3 Consultation findings are summarised below; full details are available as required.

6 FEEDBACK FROM FOCUS GROUPS/PUBLIC MEETINGS

6.1 In terms of general comments, there was concern that **reductions in staff would affect service quality**. A number of participants made comments about the level of cuts being unacceptable; there was a general view that the front line service should be protected, and that reductions should come from the back office.

- 6.2 In terms of service levels, participants felt that we should **maintain levels of service to the public over the next four years**, with some concern that “the cuts could ultimately lead to increased incidents, then all the good work that has been done over the last few years will be undone”. One participant was concerned about terrorism and sought assurance that resources for this should be protected.
- 6.3 The service priorities of response, resilience, protection and prevention were felt to be right. However there were **different views about the balance between prevention and response**, with several participants feeling response is most important and “now you have educated the public, should you take the risk and stop doing it as much”. Others, however, felt that “cutting diversionary activities would be short sighted”- Safetyworks and general work with children were mentioned as being valuable.
- 6.4 The level of comment on specific proposals was relatively low, but included:
- “If LARs are adopted in rural areas and it works, I can see it being adopted in more urban areas which could cause more deaths.”
 - “Couldn’t you have more stations with one whole time and one retained appliance?”
 - “You’re already down to 4 people on each fire engine- in a lot of cases, two people in a van could suffice.”
 - “Have you ever thought about charging for the inspections you do on commercial premises”?
 - Is there any scope to combine fire and ambulance services?”
 - “Would it be sensible to have a joint back office with other emergency services”?
 - “You have too many senior officers.”
 - Do you work with the ward based community, eg going out with wardens?”
- 6.5 The proposed approach to reductions (seeking to avoid compulsory redundancy) was supported.

7 FEEDBACK FROM LOCAL STRATEGIC PARTNERSHIPS

- 7.1 Feedback was received from all of our Local Strategic Partnerships (LSP) following presentations by District Managers. These discussions were held in the context of widespread cuts across the public sector, and how LSPs could work together to minimise the impact of these. The comments tended to be more general, as summarised below.

Gateshead

- 7.2 In Gateshead there was a strong focus on opportunities to take a **partnership approach to commissioning** in areas where there could be a cumulative impact of partners' budget cuts. Diversionary activity to prevent anti social behaviour was felt to be one such area; it was felt that taking a partnership approach to this could maintain public confidence and also allow TWFRS to retain a focus on frontline services.
- 7.3 There was discussion of the need to maintain **balance** and minimise public impact where some services had received front loaded cuts (eg local government) and others, on paper at least, back loaded cuts (FRAs); it should be noted that these discussions were carried out before the final settlement was announced, and we are in continued dialogue with LSP partners on the changing situation.
- 7.4 Whilst no comments were made on the specific proposals, there was some discussion of wider issues relating to the duty to carry out safety checks in Gateshead Housing Company's high rise buildings, and the need to maintain involvement with disabled people to ensure safety knowledge for building evacuations.

Newcastle

- 7.5 The Newcastle Partnership commented that our overall approach is "sound and is guided by a coherent set of principles". As with Gateshead, the back loading of FRA cuts was mentioned as offering us time to plan for future years.
- 7.6 The Partnership supported the **maintenance of service levels to the public**, and felt that this, and striking the correct balance between response, resilience, prevention and protection is the key challenge for the service over the coming years.
- 7.7 Response is felt to be critical in the event of a fire, and it is considered that the public will always consider Response to be most important, so any reduction in stations or appliances will be met with opposition. However, the Partnership felt that Protection and Prevention are also critical if we are to **minimise the number of incidents for which a response is required**. Even greater targeting of these activities may be needed in the future.
- 7.8 Regarding specific proposals, the Partnership was supportive of all 5 proposed actions, noting that many of them were based on reducing costs by delivering differently. Regarding the management review it was suggested that opportunities to **share** some back office functions and possibly strategic management roles should be explored in the future.

North Tyneside

- 7.9 The discussion focused on diversionary activities and risks associated with reducing these. It was proposed that the Partnership should build a picture of what diversionary activities are currently being commissioned across North Tyneside, so that partners understand the risk and the impact of future decisions they might make.

South Tyneside

- 7.10 The South Tyneside Partnership felt that our approach to realigning the service through IRMP was very forward thinking and a good method of targeting and achieving efficiency savings.
- 7.11 In relation to specific proposals, the discussion focused on diversionary activities and in particular the Phoenix programme. The Partnership felt that such programmes were valuable and made a commitment to provide funding to commission a new Phoenix pilot in South Tyneside.

Sunderland

- 7.12 The Sunderland Partnership noted that our proposals were necessary and that we were taking a measured approach and being consultative, which is felt to be important.
- 7.13 The partnership supported the maintenance of frontline services and expressed the view that business re-engineering can reduce costs without reducing service levels.
- 7.14 Regarding the balance of services, the partnership highlighted the importance of **response** activity. No comments were received on the specific IRMP proposals.

8 FEEDBACK FROM SURVEYS

- 8.1 10 surveys were received, 3 from organisations and the remainder either from members of the public or anonymous.
- 8.2 95% of respondents stated that we should maintain our current level of service, and 95% also said that stakeholders feel the priorities of response, resilience, prevention and protection are right.
- 8.3 In terms of the proposed actions, there were few specific comments with the majority feeling that the proposals are sensible. Two respondents commented that prevention is important as it is more cost effective to prevent incidents than to respond to them. Two respondents also commented that ALPs should not be removed, one noting the large number of tall buildings in the area; whilst three added comments about staffing levels, one commenting that there are too many senior officers, another that there are too many firefighters, and a third that some work, such as fire safety, could be done by volunteers.

Creating the Safest Community

9 FEEDBACK FROM REPRESENTATIVE BODIES

9.1 The **Fire Brigades Union** raised a number of points regarding the proposals, and a précis of these is provided below:

- General comment was made about financial situation in which the FRA and other public sector organisations have been placed, and the unfairness that some FRAs have been tasked with finding unrealistic savings whilst others have been unaffected or had modest increases in funding.
- The FBU notes that the proposed actions are reviews and they would therefore expect to be fully consulted and make detailed comments on any detailed proposals at the appropriate time.
- In relation to proposal 3 (staffing profiles), the FBU noted its support for the “swap a shift” scheme which if implemented and managed appropriately should yield beneficial results for the services and watch based staff, giving the service the flexibility it requires.
- In relation to proposal 4 (review of ALPs), the FBU has concerns about any proposals for dual staffing which it is felt leads to delays in responding.
- In relation to Proposal 5 (review of mobilising) the FBU notes that it considered the Regional Control Centre project ill thought out and expensive, though the FRA now has to pick up the pieces.
- The FBU expressed extreme concern at the real threat to the current disposition of fire appliances. While acknowledging the stark financial position it is urged that any reduction in appliances be resisted and efforts made to ensure that every alternative avenue is explored both for additional funding and possible efficiencies.
- The FBU noted that while it is disappointed with the potential action to review diversionary/educational activities as these activities have proven to be of great benefit to the service and the community, it recognises that the service will have to withdraw from certain initiatives due to the severe financial position, to protect its ability to carry out core service functions.

9.2 **Unison** noted with dismay the severe cuts faced by the Authority and said that it recognised that this is being implemented by Central Government rather than on a local level and sympathised with the difficult position the Authority is faced with. Unison noted the need to make savings and commented that these will hopefully not have a detrimental effect on front line services. Unison representatives expressed that they expect to be consulted on all of the reviews proposed, both in terms of members’ terms and conditions, and in terms of members’ rights as citizens.

10 FINANCIAL IMPLICATIONS

- 10.1 Although this report has no direct financial implications, the implementation of specific actions within the draft 2011/15 IRMP will be significant as they support the requirement to reduce spending in line with the Spending Review. Although financial implications are not yet finalised, provisional figures have been built into the Authority's draft Medium Term Financial Strategy.

11 RISK MANAGEMENT IMPLICATIONS

- 11.1 The impact of the Spending Review has been recognised as a significant corporate risk and is part of the Corporate Risk Register. Risk assessments will be undertaken to ensure that the risks to the Authority relating to these specific actions are minimised as far as practicable.
- 11.2 Should the actions be agreed, a further risk has been recognised in the Corporate Risk Register that the IRMP actions will not realise the required level of savings to meet the reduced budgets. This risk is mitigated by the Authority's track record of focused action to realise efficiency savings in the past, but realising the savings will require a significant amount of work, project management and timely decision making.

12 EQUALITY AND DIVERSITY IMPLICATIONS

- 12.1 Equality and Diversity implications have been considered as part of the Equality Impact Assessment process for the proposed 2011/15 IRMP actions. Equality Impact Assessments will also be undertaken on each specific action contained in the final plan, and fed into any decision making process relating to these.

13 HEALTH AND SAFETY IMPLICATIONS

- 13.1 Health and Safety implications have been considered in the development of the proposed 2011/15 IRMP actions. The Health and Safety implications of each specific action will also be considered.

14 LEGISLATIVE IMPLICATIONS

- 14.1 Legislative implications have been considered in the development of the proposed 2011/15 IRMP actions.

15 CONCLUSION

- 15.1 The consultation on the IRMP has been conducted against a background of significant cuts in public spending across a wide range of services. It is clear from responses that this situation is well understood by consultees, whether they be members of the public or strategic partners in LSPs.

- 15.2 The approach has attempted to set out for consultees the priorities of the FRA, and the impact on these of the proposed IRMP actions, and the two Further Areas for Consideration (diversionary activity and whole time appliances) which we have set out as potential actions should circumstances make them unavoidable. A face to face approach has enabled consultees to ask questions.
- 15.3 Generally speaking the feedback is broad and qualitative, but does give some indication of how our proposals have been received. Although the number of members of the public engaging in the consultation is quite small, there is overall support from the public and partners for the FRA's proposed approach of **maintaining its frontline service to the public** over the next four years. The 5 proposed IRMP actions have not received any adverse comments from the public or partners, with the majority of discussion being about the two Further Areas for Consideration (diversionary activity and whole time appliances).
- 15.4 Regarding these, there has been some debate about the **relative value of Response and Prevention/Protection**, with some consultees firmly favouring a focus on Response should the financial situation dictate ("We can't be losing fire appliances- deaths and injuries will increase"- public focus group); whilst others note the value of Prevention/Protection in "minimising the number of incidents for which a response is required" (Newcastle Partnership). The balance between Response and Prevention/Protection is a key issue for ourselves and the FRS nationally, and we will need to take these different views into account, and consult further upon them, should we need to consider implementing these two options.
- 15.5 There is a level of support for diversionary activities in most LSPs, with Gateshead suggesting a commissioning/shared approach to these; South Tyneside undertaking to commission a further Phoenix pilot and North Tyneside LSP seeking to understand the range of diversionary activities taking place in the area.
- 15.6 The Chief Fire Officer has carefully considered the issues raised and the views expressed during the consultation period and having taken these into account, it is proposed that:
- the five new actions, and the implementation of the 2010/11 actions, should go forward to the implementation stage, subject to any changes Members may wish to make
 - full reports should be brought to Members on each of the actions prior to implementing them
 - the Authority should give further consideration to diversionary activities and wholetime appliances in the light of the financial position for 2013 and beyond, as it emerges in the coming months. This will be subject to further reports in the future.
 - TWFRS should remain in dialogue with partners so that any collective opportunities to minimise the impact of cuts on the public can be explored

16 RECOMMENDATIONS

16.1 The Authority is recommended to:

- Approve the actions in the draft IRMP 2011-15 on the basis set out above
- Receive further reports as necessary as actions are implemented.

Appendix A

Proposed actions and areas for consideration in draft IRMP

This reproduces the relevant sections of the IRMP report agreed in November 2010

Action 1 – Review of Management Structure

As a number of reviews in recent years have allowed the organisation to redesign services and determine their future resource requirements, it is timely to review management structures required to give leadership to these services. It is proposed to conduct a review of all management structures from Principal Officer up to and including Station Manager level and equivalent. The review will take account of the findings of earlier reviews and provide proposals for management which is balanced and proportionate.

It is proposed that this review be carried out in Year 1 (2011/12) with implementation in Years 2 and 3 (2012-14).

Action 2 – Review of Protection and Technical activities

Following on from the review of community safety activity in 2010/11, it is proposed to review the risk based inspection programme within its statutory framework. This review will seek to ensure the most efficient model of delivering this service against the level of risk present in the protected environment.

It is proposed that this review be carried out in Year 1 (2011/12) with implementation in Year 2 (2012/13).

Action 3 – Review of staffing profiles

It is proposed to undertake a review of the current staffing profiles to ascertain whether arrangements can be made more efficient through greater flexibility. This will include consideration of the flexible duty officer system, ridership factor and opportunities for greater flexibility within shifts.

It is proposed that this review be carried out in Year 1 (2011/12) with implementation from Year 2 (2012/13).

Action 4 – Review of Aerial Ladder Platform provision and crewing

Building on work carried out in the 2009/10 IRMP, it is proposed to review the level of provision and staffing of our aerial ladder platforms to ascertain the future requirements for these balanced against community risk and utilisation patterns.

It is proposed that this review be carried out in Year 1 (2011/12) with implementation in Years 2 and 3 (2012-14).

Action 5 – Review of Mobilising

By 2014 our existing mobilising and associated sub-systems will be approaching the end of their sustainable life, therefore this project is proposed in order to meet the Authority's statutory duty in terms of call taking and mobilising resources. This links with the possibility for needing to review the service's approach to mobilising and control depending on the future of the national RCC project.

It is proposed to undertake a fundamental review of the staffing and systems required to deliver an effective mobilising function for the next ten years.

It is proposed that this review be commenced in Year 1 (2011/12).

Further areas for consideration

Potential Action A – Cessation of specific diversionary and education activities

TWFRS delivers a number of youth diversionary activities including Phoenix, Young Firefighters, Princes Trust, HotShots, boxing clubs and activities with firesetters, as well as the Safetyworks interactive safety centre based in Newcastle but available to communities and partners across Tyne and Wear.

Many of these activities are valued by partners as helping to deliver wider community objectives, and there is some degree of commissioning associated with Phoenix and Safetyworks in particular (approximately half the annual operating costs of Safetyworks are currently covered by Northumbria Police; other partners support delivery in kind though funding has not been associated with this).

These activities have been shown through evaluation to have positive impact on participants, particularly those at risk of anti social behaviour with whom other partners may find it difficult to engage. The numbers involved are, however, relatively low and the cost of delivery relatively high. The impact on our own performance is difficult to quantify, and the value added is at least as much for other organisations/the wider community (in terms of reduced anti social behaviour) as for ourselves, while in many cases our contribution to this agenda is not recognised or funded.

The implementation of the review of Prevention and Education proposes continuation of diversionary activity, but with a streamlined and consolidated structure to mitigate issues with lack of sufficient/sustainable funding. However, should partners' own responses to the Spending Review undermine their ability/commitment to supporting collaborative diversionary work, TWFRS should review its ongoing capacity to deliver diversionary activities and the Safetyworks project.

Alternatively, should a commissioning approach to diversionary activity develop in the future in any of the areas in which we work, opportunities could be afforded to the service to be directly commissioned to deliver these or similar activities. Such an approach would be likely to deliver efficiencies to the area as a whole and place TWFRS' engagement in such activities on a clearer footing. TWFRS is well placed to promote and engage in partnership discussions of this nature.

Potential Action B – Review of the type, number and location of Category 01 and 02 appliances

The service's network of 17 fire stations and 31 appliances (plus specialist equipment) is strategically situated taking into account population, known community risk and transport links, to allow the best possible deployment of resources across the five council areas. Appliances operate across council boundaries and the same level of service is offered to all council areas regardless of the number of fire stations and staff based within the area.

Value for money figures provided by the Audit Commission (*Rising to the Challenge* 2008) point to the fact that TWFRS has the most utilised fire stations, and the second most utilised appliances, of any FRS nationally. This indicates that the number of appliances/stations is more likely to be providing value for money- *"Station utilisation varies (nationally)...the least busy stations are almost three times more expensive per incident to maintain"*.

TWFRS has undertaken reviews of appliance provision in previous years, including an exploration of the retained appliance at Station 13 (Birtley) in 2001/11. Should it be necessary, it is proposed to carry out further analysis of risk and utilisation to ascertain whether there is any scope to further reduce the provision of appliances.

MEETING: 28th FEBRUARY 2011

**SUBJECT: CONSULTATION REPORT: REVIEW OF THE RETAINED
FUNCTION AT GATESHEAD SOUTH
FIRE STATION**

REPORT OF THE CHIEF FIRE OFFICER

1 INTRODUCTION

- 1.1 This report informs Members of the outcome of the consultation exercise undertaken in the Birtley area, in respect of the proposal to remove the retained fire engine from Gateshead South Fire Station, and seeks their approval to proceed with the proposal.

2 BACKGROUND

- 2.1 As Members will recall, one of the actions contained in the 2010/11 Integrated Risk Management Plan was a proposal to review the feasibility of removing the retained fire engine (T13P2) from Gateshead South Community Fire Station and this work was undertaken and a report of the findings duly compiled.
- 2.2 The report highlighted the fact that, over the last three years, the retained fire appliance, T13P2, had only attended a total of 91 incidents and, in addition, the average attendance time of the retained appliance in respect of these incidents was 07:26 minutes.
- 2.3 Furthermore, examination of the data also revealed that, when the retained fire appliance was unavailable due to staffing shortfalls or mechanical defect, and a second fire engine was required to provide operational assistance in the Gateshead South area, the supporting wholetime appliance mobilised from a neighbouring station attended more quickly than T13P2, with an average attendance time of 06:58 minutes, a faster time than the retained fire engine.
- 2.4 The report detailing these the findings was presented to the Fire Authority on 22nd November 2010 further to which Members approved, in principle, the removal of T13P2 from the operational fleet, subject to the outcome of a further public consultation exercise on the proposal (Minute 44/2010 refers).

2.5 This consultation exercise is now complete and Members are requested to consider the content of this report which provides information relating to the consultation exercise.

3 CONSULTATION PROCESS

3.1 In keeping with past practice, a consultation plan was developed and a range of meetings were planned and conducted between December 2010 and January 2011. The meetings were as follows:

- Public meetings in Birtley and Kibblesworth
- Briefing for the MP for Blaydon, David Anderson MP
- Briefing for Ward Councillors from Birtley and Lamesley
- Local Strategic Partnership (LSP) meeting in Gateshead
- Safer, Stronger Communities and Culture Partnership in Gateshead
- Discussion with the existing retained duty staff.

3.2 At these meetings the findings of the review were explained following which questions were invited from those attending the meetings. A synopsis of the content of these meetings is set out in the following section of this report.

Public Meetings

3.3 A total of twelve people attended the two public meetings, which were widely advertised in the locality. A number of issues were discussed with the main questions relating to levels of fire cover, with those present requesting assurances that the existing high level of service to the community would not be reduced if the retained appliance was removed. It was confirmed that this would be the case.

3.4 Those who attended the meetings agreed that the response figures shown within the presentation demonstrated an overall improvement in the speed of response without the retained fire engine, with a broad consensus that these figures alone proved the existing high level of service would be maintained. One person did request to see the raw data underpinning the findings of the review and this has since been provided. To date no further questions have been received from that individual.

Elected Member and MP Briefings

3.5 One ward councillor from the Birtley and Lamesley wards attended a Councillor briefing and Dave Anderson MP met with fire service staff at his

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office. Following constructive discussion, the recommendation was acknowledged on the basis of providing a more efficient service to the community.

LSP and Safer, Stronger

- 3.6 Presentations were carried out at the Gateshead Local Strategic Partnership and Safer, Stronger Communities and Culture Partnership by the Gateshead District Manager. A member of the Safer, Stronger Communities and Culture Partnership commented that the analysis has been carried out thoroughly and it was correct that a better service would prevail without the retained appliance.

Meeting with retained staff at Gateshead South CFS

- 3.7 Consultation with the eight retained firefighters affected by the review has been undertaken. The affected staff requested information on the arrangements for withdrawal of the fire engine from operational service. It is pleasing to note that all eight firefighters have been transferred into the wholetime service.

FBU Consultation

- 3.7 The FBU have stated they are formally opposed to the decision but recognised that for a number of reasons the appliance was not available on a basis that was sustainable in the long term, they also recognised that the rationale behind the decision is evidence based. The FBU confirmed that the Retained staff are satisfied with the manner in which their personal circumstances have been handled to date, but were also disappointed at the actual decision to remove T13P2 from the fleet as they all took pride in their role as Retained Firefighters.

4 CONCLUSION

- 4.1 The consultation plan provided the community and partners with an opportunity to discuss and challenge the outcome of the review.
- 4.2 Whilst some of the consultees were initially concerned about the proposal, the broad consensus after the meetings was that the proposal would result in a more efficient and effective delivery of service.
- 4.3 Consequently, the Chief Fire Officer proposes that the retained fire engine, T13P2, is removed from the operational fleet on the grounds of effectiveness and efficiency and requests that Members give their approval to this.

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5 RECOMMENDATIONS

5.1 The Authority is recommended to:

- i) Review the contents of this report
- ii) approve the removal of T13P2 from the operational fleet, as recommended in the FA report of 22/11/2010.
- iii) Receive further reports as necessary

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- Review of Operational Effectiveness of T13P2
- FA Report 22/11/2010 'Review of The Retained Function at Gateshead South Fire Station (Station 13)'

MEETING: 28 FEBRUARY 2011

SUBJECT: FUTURE USE OF NORTH EAST FIRE CONTROL COMPANY FOR THE PROVISION OF MOBILISING CONTROL SERVICES

JOINT REPORT OF THE CHIEF FIRE OFFICER, CLERK TO THE AUTHORITY, THE FINANCE OFFICER AND PERSONNEL ADVISOR

1 INTRODUCTION

- 1.1 This report sets out the current status of the North East Fire Control Company (NEFCC) and seeks the approval of Members to the proposal to write to the Company advising it that this Authority will no longer require its services.

2 BACKGROUND

- 2.1 The North East Fire Control Company (NEFCC) was constituted for the sole purpose of providing a mobilising and control room function to the four Fire and Rescue Authorities in the North East as part of the Government led national FiReControl project. NEFCC was intended to discharge the Authority's statutory function set out in the Fire and Rescue Services Act 2004 Section 7-2(C) and operate as a Local Authority Controlled Company (LACC) limited by guarantee.
- 2.2 On 20 December 2010 the Fire Minister Bob Neill MP announced that the FiReControl Project was to cease and Regional Project Directors should make arrangements to wind-up project activity. Additionally, individual Fire and Rescue Authorities have been directed by DCLG to consider options for the future delivery of call handling and mobilising functions.

3 EXPECTED FUTURE USE OF NEFCC

- 3.1 The LACC governance model was determined by DCLG in the early stages of the FiReControl Project as the preferred model for management of the North East Regional Control Centre (RCC) as part of the national network and the services that were intended to be delivered from therein.
- 3.2 With the termination of the RCC project the requirement for the LACC to provide mobilising and resource management services to this Authority as part of the nation system has now be removed.
- 3.3 Accordingly, the Chief Fire Officer is of the opinion that the LACC has no further role to play with regard to the ongoing provision of a command and control function within this Authority and as such is seeking the permission of Members to write to the NEFCC to inform the Company of this position.

4 RISK MANAGEMENT

4.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control; the realisation of efficiencies; the most appropriate use of limited resources; and a comprehensive evaluation of the benefits. The risk to the authority has been assessed as low utilising the standard risk matrix based on control measures being in place. The complete risk assessment is available on request from the Chief Fire Officer.

5 FINANCIAL IMPLICATIONS

5.1 NEFCC is a company limited by guarantee and as such liability for members of the company is limited to an amount not exceeding one pound.

5.2 No other financial implications are expected in respect of this specific report.

6 EQUALITY AND FAIRNESS IMPLICATIONS

6.1 There are no equality and fairness implications in respect of this report.

7 HEALTH AND SAFETY IMPLICATIONS

7.1 There are no health and safety implications in respect of this report.

8 RECOMMENDATIONS

8.1 The Authority is recommended to:

- a) Approve that the Chief Fire Officer to write to NEFCC Company indicating the Authority's position with regard to the NEFCC as outlined in 3.3
- b) Receive further reports as appropriate.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- NEFCC Articles of association

MEETING: 28th FEBRUARY 2011

SUBJECT: OPERATIONAL ASSESSMENT PEER REVIEW 2010

REPORT OF THE CHIEF FIRE OFFICER

1 INTRODUCTION

- 1.1 This report advises Members of the outcome of the Operational Assessment Peer Review undertaken between October 12th and 15th 2010.

2 BACKGROUND

- 2.1 Operational Assessment (Op/A) is a sector led approach to assessing operational effectiveness, designed by the Chief Fire Officers' Association (CFOA). It is a voluntary process consisting of a self assessment against seven key lines of enquiry, followed by an on-site peer review. The process is rigorous and has been accepted by the Audit Commission as evidence of organisational effectiveness. The process of completing Op/A is a useful exercise in self awareness, understanding of achievements and areas for improvement.

- 2.2 The key lines of enquiry (KLOE) for Op/A are:

- Community risk management
- Prevention
- Protection
- Response
- Health and Safety
- Training and Development
- Call management and incident support

- 2.3 In 2010 Tyne and Wear Fire and Rescue Service requested an Operational Assessment as part of its overall commitment to service improvement. As a result, following completion of the self assessment by a team of staff from across the organisation, the service was visited in October 2010 by a peer review team led by CFO Louis Jones, Northern Ireland FRS, supported by a Councillor from Bedfordshire and Luton FRA; Senior Fire Service Officers from Hampshire and Merseyside FRS; the Deputy Chief Executive of Kettering BC; the Chair of the Kettering Community Partnership and a review manager from LGID.

3 KEY FINDINGS

- 3.1 At the conclusion of the audit the peer review team provided informal verbal feedback and have now provided formal written feedback to the service and it is pleasing to note that team formed a very positive opinion of the service in general, as the following two examples demonstrate:

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- Tyne and Wear Fire and Rescue Service (TWFRS) is a good service performing well. Staff are enthusiastic, they work hard, and enjoy working for the service and are committed to it.
- In the recent past the service has made significant progress in relation to the change of culture to embrace community safety alongside response and the development of operational intelligence

3.2 The detailed findings and the recommendations of the peer review team are contained in their main report under the seven Key Lines of Enquiry (KLOE) and cross cutting theme headings, a sample of which are shown below.

3.3 **Cross cutting themes**

- This is a good service performing well
- The culture of the service is positive and hard working
- Members have a passionate and committed support for the Fire and Rescue Service
- Staff are enthusiastic and are committed to Tyne and Wear Fire and Rescue Service (TWFRS)
- The (CFO) and Senior Management Team (SMT) are respected across the organisation
- Staff recognise there will be challenges in the immediate future
- Staff engagement and communication is open and effective
- Performance Management and evaluation are well embedded and effective and there is evidence of transferability of good practice

3.4 **Notable practice**

In addition to providing an overview of the organisation, the review also highlights areas of notable practice which in their view should be shared with other services. Notable practice was found in Response, Protection and Health and Safety, specifically:

- The Red Kite quality assurance system
- The Tyne Tunnel Fire Suppression System
- Occupational Health provision

3.5 Areas for consideration

Areas for consideration relate to those parts of the Service where the Review Team feel additional work could be undertaken. These include:

- Continue to work with housing providers (public and private) to understand risks, prevent risks and educate tenants
- Consider a formalised approach for providing Business Continuity Management advice to businesses during audits
- Consider developing the Incident Liaison Officer (ILO) concept

3.6 The Service will continue to examine all areas for consideration detailed within the report, and include relevant improvement actions in the Improvement Plan. TWFRS.

4 CONCLUSION

4.1 The Op/A process was a worthwhile exercise both in terms of the benefits of working together to complete the self assessment, and the independent scrutiny of operational effectiveness provided by sector peers.

4.2 The outcome of the review is very positive and it is clear from the report that this has been made possible through the positive culture of the organisation and the dedication of all staff and Members.

5 RECOMMENDATIONS

5.1 The Authority is recommended to:

- a) Note the contents of this report and;
- b) Receive further reports as appropriate.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

Operational Assessment toolkit and KLOEs
TWFRS: Operational Self Assessment
TWFRS: Peer review report

MEETING: 28 FEBRUARY 2011

SUBJECT: THE STONEWALL WORKPLACE EQUALITY INDEX

REPORT OF THE CHIEF FIRE OFFICER

1 INTRODUCTION

- 1.1 The purpose of this report is to inform Members of the result of the Stonewall 2011 Workplace Equality Index Top 100 Employers and to provide details of the Authority's standing in the index.

2 BACKGROUND

- 2.1 As Members have consistently demonstrated, this Authority is committed to achieving equality of opportunity and removing discrimination or prejudice on any grounds including sexual orientation and one of the ways in which this aim is pursued is through working with the organisation Stonewall and participating in their Workplace Equality Index.
- 2.2 Stonewall was founded in 1989 and, since its inception, has worked ceaselessly to place sexual equality on the mainstream political agenda and to achieve equality and justice for lesbians, gay and bisexual (LGB) people. One method which the organisation uses to assist its work is the Workplace Equality Index (WEI) which benchmarks and ultimately showcases Britain's top employers for LGB people.
- 2.3 This year was Stonewall's seventh WEI. Participation in the Index has increased on previous years making it more challenging than ever before to attain a place in the Top 100 list.

3 WORKPLACE EQUALITY SUBMISSION

- 3.1 Taking part in the WEI involves submitting a comprehensive questionnaire, complete with supporting evidence, demonstrating how the Service supports LGB people.
- 3.2 The WEI questionnaire is divided into specific categories and requests information and evidence regarding; policy and practice, staff engagement, staff development and support, monitoring, supplier policies, community engagement, Pink Plateau (details requested re out LGB personnel / level in organisation); innovative / development LGB related initiatives and staff feedback (from LGB personnel within the organisation).
- 3.3 In addition to the WEI, LGB staff were encouraged to complete the separate feedback questionnaire, which asks about their experiences working within the organisation. A unique code is provided for the organisation and supplied to LGB staff to ensure complete confidentiality and anonymity. Responses are completed on line and submitted directly to Stonewall.

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4 PREPARATION FOR ASSESSMENT

- 4.1 Following the publication of the results of the 2010 Index, in which this Authority was ranked just outside the top 100 at 101st position, each Fire and Rescue Service that had participated undertook a benchmarking meeting with their Stonewall representative. Diversity and Equality personnel from Tyne and Wear Fire and Rescue Service met with a Stonewall representative in January 2010 to discuss performance, highlight areas of good practice as well as key development areas.
- 4.2 Further to this a detailed Stonewall WEI Action Plan was produced which contained all of the areas for improvement and an Action Plan was presented to the Sexual Orientation Employee Advisory Group in April 2010.
- 4.3 The Diversity and Equality Advisor worked with the Employee Advisory Group to progress all of the improvement actions identified including reviewing and developing our Pride event, revisiting the content of the Stonewall Employers Guide and the establishment of an LGB e-network. As a result, the Authority was able to submit a stronger entry for 2011 with evidence to demonstrate its progress and achievements over the past year.

5 WORKPLACE EQUALITY INDEX RESULTS

- 5.1 With the results now published, the Chief Fire Officer is pleased to report that Tyne and Wear Fire and Rescue Authority has achieved a significant improvement in performance in the WEI for 2011. The Authority has been ranked in 60th position in the top 100 Index and has also secured the prestigious title of joint number one Fire and Rescue Service in the country, which is shared with West Yorkshire Fire and Rescue Service.
- 5.2 This impressive increase of 41 places from 101st position in 2010 is due to the commitment of Members and employees and their determination to make a real difference for LGB people. The complete top 100 can be viewed at www.stonewall.org/workplace.

6 NEXT STEPS

- 6.1 A benchmarking meeting with Stonewall is scheduled for February 2011 and any feedback / development areas discussed will be included in an Improvement Plan for next year.
- 6.2 The 2011 Stonewall Improvement Plan will be actioned by the Diversity and Equality Advisor with support from the Sexual Orientation Employee Advisory Group with a view to making all of the necessary improvements required in preparation for the 2012 WEI and an aim to improve the Authority's position even further.
- 6.3 Diversity and Equality personnel will review and explore the good practice provided by our Stonewall representative to identify any aspects that may be adopted by the Authority.

7 RISK MANAGEMENT

- 7.1 Research shows that people work best when they can be themselves at work. Inclusive work environments, which encourage loyalty, teamwork and maximise personal contributions are key to top performing organisations.
- 7.2 Organisations that achieve inclusivity for all become employers of choice in competitive markets, attracting and retaining the best talent.
- 7.3 The organisation may risk its ability to achieve a diverse workforce, which reflects the community it serves should it discontinue supporting Stonewall. It is therefore essential that this work continues and performance is improved, participating in future WEIs to demonstrate the Authority's on-going commitment to LGB people.

8 FINANCIAL IMPLICATIONS

- 8.1 There are financial implications in relation to membership of Stonewall and provision has been made within the existing Diversity and Equality budget in order to ensure the actions contained within the Stonewall Action Plan can be achieved.

9 EQUALITY AND DIVERSITY IMPLICATIONS

- 9.1 Taking part in the WEI shows a public commitment to our LGB colleagues, service users and future employees. It demonstrates that LGB people can feel safe and valued as a member of the organisation and as a member of the community the Authority serves.
- 9.2 Working towards the improvements outlined in the WEI Action Plan may lead to policy development / changes to practices and processes and therefore Equality Impact Assessments will need to be carried out.

10 HEALTH AND SAFETY IMPLICATIONS

- 10.1 There are no health and safety implications in respect of this report.

11 RECOMMENDATIONS

- 11.1 The Authority is recommended to:
 - a) Endorse the content of this report;
 - b) Consider congratulating the core team on this achievement;
 - c) Receive further reports as appropriate.

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

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- Stonewall Top 100 Employers 2011, The Workplace Equality Index.

MEETING: 28th February 2011

SUBJECT: CORRESPONDENCE LIST FOR INFORMATION

The following items of correspondence have been received since the last meeting of the Authority, and are not subject to a separate report. Copies are available from the Chief Fire Officer on request:

- i) NJC2/11 Changes to the maternity, paternity and adoption provisions
- ii) NJC/1/11 Part-time workers (prevention of less favourable treatment).
- iii) FRS Red 3 Fire and Rescue Service Red Bulletin
- iv) FPSC 2/11 Firefighters' Pension Scheme – guidance and factors for non-club transfers into NFPS
- v) FPSC 3/11 Firefighters Pension Scheme – guidance and factors for the calculation of pension credits on divorce
- vi) FRS B 7/11 Fire and Rescue Service Bulletin 7/2011
- vii) FPSC 4/11 Firefighters Pension Scheme- Pension increase 2011
- viii) Letter from North East Chamber of Commerce: Tyne and Wear Fire and Rescue Authority Non Domestic Ratepayers Budget Consultation

