

POLICY AND PERFORMANCE COMMITTEE

Minutes of the meeting of the
POLICY AND PERFORMANCE
COMMITTEE held in the Fire Authority
Rooms, Fire and Rescue Service
Headquarters, Nissan Way, Barmston
Mere, Sunderland on MONDAY
10 JANUARY 2011 at 10.30 a.m.

Present:

Councillor N. Forbes in the Chair

Councillors Huscroft, Jordan and Wright.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillor Boyes.

Declarations of Interest

None.

Minutes

7. RESOLVED that the minutes of the meeting of the Policy and Performance Committee held on 13 September 2010 (circulated) be confirmed and signed as a correct record.

Quarter 2 (Q2) (April – September) Performance Report 2010/11

The Committee considered a report by the Chief Fire Officer on the Q2 (April – September) Performance of the Authority against the targets for 2010/11.

(For copy report – see original minutes).

The Assistant Chief Fire Officer advised that the Q2 (April – September) performance continued to improve.

Chris Maude outlined the report on the performance in relation to the National Indicators and local indicators which reflected organisational priorities:-

NI49 Number of Primary fires and related fatalities and non fatal casualties (excluding precautionary checks):

- **NI49i** Total number of primary fires per 100,000 population
- **NI49ii** Total number of fatalities due to primary fires per 100,000 population
- **NI49iii** Total number of non fatal casualties (excluding precautionary checks) per 100,000 population

NI33 Arson Incidents:

- **NI33i** Total number of all deliberate fires per 10,000 population (LI33)
- **NI33iii** Total number of deliberate secondary fires per 10,000 population

Emergency Response:

- **LI5** Number of injuries from all fires
- **LI8.1** Number of accidental fires in dwellings per 10,000 dwellings
- **LI12.1** % of fires attended in dwellings where a smoke alarm was fitted but did not activate
- **LI21** Number of malicious false alarm calls attended
- **LI22.1** Number of false alarm calls due to automatic fire alarms from non domestic properties per 1000 non domestic premises

Diversity and Equality:

- **LI86** % of workforce from ethnic minority communities
- **LI85** % of workforce who are women

Absence and Retirement:

- **LI82** Proportion of working days/shifts lost to sickness absence by all staff

The following key issues were highlighted:-

NI49i Number of Primary Fires per 100,000 population (LI29)

The Authority attended 102.8 (1135) primary fires per 100,000 population by the end of Q2 2010/11, a decrease of 12% (157) compared to Q2 2009/10 (1275).

Based on the forecast end of year performance of 203.8 (2253), the Authority was set to achieve its target of 214.7 (2375) primary fires per 100,000 population by 5% (122).

Despite the district of Sunderland reporting the highest number of such incidents the total number had reduced by 11% when compared against the same period last year.

Councillor N. Forbes noted that the campaign to deliver Home Safety checks to vulnerable groups was having an impact on this indicator and Chris Lowther stated that the training of Community Police Officers in fire hazard/recognition had been beneficial in reducing the number of incidents in Sunderland.

LI22.1 Number of false alarm calls due to automatic fire alarms from non domestic premises per 1,000 non domestic premises

The Authority attended 53.2 (1669) false alarm calls due to automatic fire alarms from non domestic premises per 1,000 non domestic premises during Q2, reflecting a slight decrease of 2% (40) when compared against the same period in 2009/10.

As a result of this performance the Authority was set to improve on the end of year performance reported in 2009/10. However, it was forecast to miss the target of 102.2 (3206) false alarms.

The district of Newcastle had reported the greatest number of such incidents by the end of Q2 2010/11, with 79.2 (738) per 1,000 non domestic premises, an increase of 3% (18) against the same period in 2009/10. This performance was supported through two of the top three (RVI and General Hospital) repeat offenders for such incidents being located within the Newcastle district.

Councillor Huscroft asked if there had been a reduction in the number of false alarm calls since the transfer of services from Newcastle General Hospital to the Royal Victoria Infirmary in Newcastle. Chris Lowther reported that during the building work phase, false alarm calls had been an ongoing problem. The Authority was now working with hospital officers to try and ensure that the system which had considerably more detector heads than the previous one, was able to contain and, ultimately reduce the number of activations.

The Committee noted that the targeted initiatives undertaken in all Districts had had a beneficial impact on the performance indicators.

8. RESOLVED that the Committee:-

- (i) note and endorse the contents of the report; and
- (ii) agree to the publication of the Performance Report.

Sunderland District Q2 (April – September) Performance Report Summary 2010/11

The Chief Fire Officer submitted a report on the Q2 (April – September) performance of the Sunderland district.

(For copy report – see original minutes).

The Assistant Chief Fire Officer advised the Committee that the report had been produced as a prototype and it highlighted performance at district, station and ward level. Such reports could provide Members with a more specific overview of performance relating to their areas.

It was requested that Members consider whether such reports should be produced for the Committee on a regular basis.

Councillor N. Forbes noted that the information would be very useful for Ward Councillors and to share with local strategic partners. It was considered that reports in this format should be produced and shared with Members and partners as appropriate. Whilst it was considered that the level of detail provided by the reports was not routinely required by the Policy and Performance Committee, consideration should be given to incorporating some features of the format into the regular reports.

9. RESOLVED that the report be noted.

Provisional Local Government Finance Settlement

The Committee considered a report by the Chief Fire Officer and Finance Officer on the details of the Local Government Finance Settlement and comments that could be used as a basis for a response to the Government's consultation on their Provisional Local Government Finance Settlement proposals.

(For copy report – see original minutes).

The proposals for the Provisional Local Government Finance Settlement for 2011/12 were announced on 13 December 2010, which included an indicative settlement for 2012/13.

The Government intended to review the current grant system with the aim of implementing a new grant distribution process from 2013/14. Work would commence in January 2011 and would be consulted upon in the summer.

The deadline for making an Authority response to the provisional settlement was 17 January 2011.

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. In 2012/13 the Authority faced a further reduction of £1.095m to its revenue spending power, which was equivalent to a further reduction of 1.98%.

The Authority's formula grant allocation for 2011/12 had reduced in cash terms by £3.379m to £32.191m compared to the 2010/11 grant allocation of £35.570m which represented a reduction of 9.5% (the floor for Fire Authorities). The grant allocation of £31.096m in 2012/13 had seen a grant reduction of £1.095m equivalent to a 3.4% reduction (again at the floor). These reductions would have been significantly worse had the floor protection not been put in place, as the Fire Authority was the worst affected by the formula grant changes implemented by the Government resulting from their Formula Grant Distribution Review consultation carried out in the autumn.

Councillor N. Forbes highlighted the proposed response to the Settlement. He stated that the Authority was extremely concerned at the very high level of formula grant reductions it was facing at a time when the Settlement was to be back end loaded to give Fire Authorities time to both plan and then implement changes in order to achieve significant budget reductions to the service in the latter 2 years of the Spending Review period (2013/14 and 2014/15). The Settlement indicated that the Tyne and Wear Fire and Rescue Authority was incurring 12.9% reductions in grant funding when the average for the Fire Service nationally was only 6.5%. This position was unreasonable and inequitable and the Fire Authority would need to request that the Government made changes to the Provisional Settlement for both years.

The Authority would urge the Government to reconsider the formula changes introduced and to freeze the previous grant formula methodology in line with the consensus of views across all Metropolitan Fire Authorities that the options for change were detrimental to the grant allocations to Metropolitan Fire Authorities and that grant allocations should not be changed at a time of sweeping cuts in formula grant over the next four years. The representations, made by all Metropolitan Fire Authorities, had not been accepted, but now that the impact of these changes was known, it was inevitable that these unexpected cuts in grant would impact on front line services unless grant funding was increased.

Councillor N. Forbes reported that the Chief Fire Officer and the Chairman of the Fire Authority had arranged a meeting with Bob Neill MP, Parliamentary Under Secretary of State at Communities and Local Government (Fire and Resilience) to discuss the Settlement.

Councillor N. Forbes stated that over the last six years the Authority had pursued a significant programme of transformation and efficiencies. However unless there was a change to the formula grant distribution system then ultimately the overall cuts to the Authority's grant could be over 30% by the fourth year of the settlement.

Councillor Huscroft commented that due to the unprecedented financial crisis whatever Government had been in power there would have been cuts. He was of the opinion that the response to Government should include reference to the Tyne and Wear Fire Authority only and not refer to representations made by all Metropolitan Fire Authorities as they had not all made savings and undergone modernisation programmes.

Councillor N. Forbes stated that the suggested response to the Settlement conveyed that the cuts were not equitable and what the consequences would be for the Authority.

The Chief Fire Officer explained that the current method of basing the Council Tax Freeze grant on the council tax base measure was unfair as this benefited the most affluent areas

of the country to the detriment of the more deprived areas and there would undoubtedly be a detrimental impact on front line services provided by the Authority.

10. RESOLVED that:-

- (i) the report be noted; and
- (ii) the proposed comments in response to the consultation on the Provisional Revenue Support Grant Settlement for 2011/12 be agreed.

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 which outlined the financial position facing the Authority for 2011/2012 and 2012/2013, in light of the recent Provisional Revenue Support Grant Settlement for 2011/2012, 2012/2013 and related matters.

(For copy report – see original minutes).

The Finance Officer highlighted the following areas of the report:-

A report on the Provisional Local Government Finance Settlement 2011/2012 (Item 6) had been considered previously.

The overall funding for the Fire Service nationally had reduced by an average of 6.5% over the two year period. However, due to the detrimental effect of the changes to the formula grant distribution mechanism, the Authority's grant allocation for 2011/2012 had reduced by £3.379m or 9.5% and by £1.094m or 3.4% in 2012/2013 after the application of floor damping.

The Authority faced further significant grant reductions in 2013/2014 and 2014/2015, which could equate to a core reduction of at least 18.5% (making up the overall 25% decrease set out in SR10). However, depending upon the new formula grant distribution mechanism this reduction could be significantly greater.

An updated Medium Term Financial Strategy (MTFS) had been prepared taking account of all supporting Strategies and Plans, as well as Member deliberations and comment regarding the impact of these Strategies and Plans in terms of shaping the services provided by the Authority. The revised summary MTFS, had been included as an Appendix to the report and included the following areas:-

- the mainstream fire and rescue budget prepared on the basis of the Authority continuing to provide the currently approved levels of service;
- the revenue implications associated with the implementation of the Strategic Review of Fire and Rescue Cover;
- the revenue implications associated with the ongoing implementation of the Integrated Risk Management Plan (IRMP);
- the implications of the financial arrangements for firefighter pensions;
- the implications of national and regional initiatives;
- the revenue implications of the capital programme;

- known service pressures identified in detail in the report on the MTFS to the Authority in November 2010.

The Public Private Partnership Scheme was now fully operational. The significant savings envisaged at the inception of the Scheme had accrued, and the planned reduction of Firefighters by natural wastage had enabled an annualised saving to be built into the base budget. The saving for 2011/2012 had been increased to £956,730 reflecting inflationary adjustments.

The Integrated Risk Management Plan (IRMP) 2011/2012 included a series of reviews which, if implemented, could generate significant efficiencies and the potential impact of these reviews had been built into the Medium Term Financial Strategy. These efficiencies would need to be substantial to address the significant funding reductions announced in the Provisional Revenue Support Grant Settlement, 2011/12 and 2012/13.

Under the funding arrangements for the Firefighter Pension Scheme, Authorities retained responsibility for meeting the cost of ill health pension awards. Prudent assumptions had been included in the updated MTFS for ill health retirements.

A number of spending pressures had been identified within the MTFS 2011/2012 to 2014/2015, and reported to the Authority meeting on 22 November 2010, which included:-

- Pay
- General price increases
- Energy prices
- Local Government Pension Scheme deficiency payments
- Fire Control – the Fire Minister had called a halt to the project as the requirements could not be delivered to an acceptable timeframe. Although the project was fully funded by the Communities and Local Government Department, there might be additional pressures due to seconded staff returning to their substantive posts in the Authority;
- Firelink – detailed information was beginning to emerge in relation to this project and it appeared, at this stage, that the position would be cost neutral to the Authority.

In setting the 2010/2011 Revenue Budget, the Chief Fire Officer had continued to undertake a full review of the Authority's operational staffing profile and associated salary structure. Included within this review were assumptions in relation to the number of firefighters in the new or old firefighter's pension scheme as the employer's pension contributions varied. The impact of this review was reflected in the Medium Term Financial Strategy, and would be incorporated into the Revenue Budget for 2011/2012, as this was finalised.

The Revenue Budget 2010/2011 Second Review had reported in November 2010, that uncommitted general balances were estimated to be approximately £3.07 million by 31 March 2011. The report also highlighted a number of specific service pressures, and

work was underway to identify the potential impact that these might have on the level of uncommitted general balances. These pressures included:-

- Firelink
- Local Government Pension Scheme
- Estates Development Strategy

A full financial risk analysis of general balances and major reserves would be undertaken prior to the submission of the final budget proposals to the Authority in February 2011. As part of this analysis, the level of uncommitted general balances would be reviewed in light of the latest Authority decisions and the final budget proposals to be considered by the Authority in February 2011.

The Capital Programme for 2011/2012 was still under consideration and would be reported to Members in February 2011. Given the financial pressures facing the Authority, consideration would be given to the financing arrangements of the Capital Programme in the context of balancing the overall budget position for the Authority and achieving, as far as possible, the agreed objectives of setting a sustainable budget.

The various options available for financing the Capital Programme would be kept under review until the Revenue and Capital Budgets were presented to Members in February 2011, and beyond that, to ensure that the optimum use was made of the available resources.

The detailed Revenue Budget for 2011/2012 would be reported to a meeting of the Authority on 21 February 2011. Presently, the draft budget was approximately £56.53 million.

In relation to the Tyne and Wear Emergency Planning Unit, Councillor Forbes reported that on 17 December 2010 the Tyne and Wear Leadership Group had agreed a proposal to deliver emergency planning and resilience across Tyne and Wear using a Local Authority based approach with some co-ordination at Northumbria LRF level.

After discussion it was:-

11. RESOLVED that:-

- (i) the contents of the report and the draft Revenue Budget position for 2011/2012 and 2012/2013 be noted;
- (ii) the draft revised Medium Term Financial Strategy (MTFS) attached as Appendix A to the report be noted; and
- (iii) the Committee note that the provisional budget proposals will be reported to a meeting of the Authority on 24 January 2011.

(Signed) N. FORBES,
Chairman.