

## **POLICY AND PERFORMANCE COMMITTEE**

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

### **A G E N D A**

#### **Part I**

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	Minutes of the meeting of the Policy and Performance Committee held on 13 September 2010 (copy herewith) for confirmation.	
4.	<b>Q2 (April - September) Performance Report 2010/11</b>	9
	Report of the Chief Fire Officer (copy herewith).	
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6. **Provisional Local Government Finance Settlement 2011/12** 59

Joint report of the Chief Fire Officer and the Finance Officer (copy herewith).

7. **Draft Revenue Budget 2011/2012** 71

Joint report of the Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Chief Emergency Planning Officer (copy herewith).

**Note:**

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

The report contained in Part II of the Agenda is not for publication as the Committee is considered likely to exclude the public during consideration thereof as it contains information relating to consultations/negotiations in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).

**Part II**

8. **Minutes** 84

Minutes of the meeting of the Policy and Performance Committee held on 13 September 2010, Part II (copy herewith).

Dave Smith,  
Clerk to the Authority.

Civic Centre,  
SUNDERLAND.

23 December 2010

**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  
13 SEPTEMBER 2010 at 10.30 a.m.

**Present:**

Councillor N. Forbes in the Chair

Councillors Huscroft and Jordan.

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Boyes and Wright.

**Declarations of Interest**

None.

**Minutes**

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

## **Quarter 1 (Q1) (April – June) Performance Report 2010/11**

The Committee considered a report by the Chief Fire Officer on the Q1 (April – June) Performance of the Authority against the targets for 2010/11.

(For copy report – see original minutes).

The Assistant Chief Fire Officer advised that the Q1 (April – June) 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:-

**NI33iii Number of deliberate secondary fires per 10,000 population (LI16)**

The Authority recorded 17.3 (1888) deliberate secondary fires per 10,000 population by the end of Q1 2010/11 and reflected an increase of 13% (221) on the performance reported in at the end of Q1 2009/10. As a result of the 2010/11 performance, the Authority was set to miss its target (47.9) by 5% (272).

In reply to a question from Councillor Huscroft regarding links with Local Strategic Partnerships and street wardens, the Assistant Chief Fire Officer reported that a number of initiatives (outlined in the Performance Report ) with Northumbria Police and street wardens were being undertaken in each District to tackle the issues and reduce the number of deliberate fires.

**LI21 Number of Malicious false alarm calls attended**

The Authority attended 82 malicious false alarm calls by the end of Q1 2010/11, a decrease of 1% (1 call) when compared against performance in 2009/10. As a result of this performance the Authority was set to miss its target of 237 calls by 19% (44 calls).

It was noted that re-offenders received letters and visits from Fire Authority staff.

**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 24.9 false alarm calls due to automatic fire alarms from non domestic premises per 1,000 non domestic premises during Q1, a decrease of 1% (9) when compared against the same period in 2009/10.

It was noted that the Authority worked closely with hospitals and universities to reduce such attendances to false alarm calls.

The Committee welcomed the Performance Report and noted that the Authority compared well with other Fire Authorities.

Councillor Forbes stated that many of the targets were challenging and beyond the immediate control of the Authority and he welcomed the joint initiatives with partners throughout the Districts.

2. RESOLVED that the Committee:-

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

## **Regional Management Boards and the Equality and Diversity Agenda**

A report was submitted by the Chief Fire Officer on changes in respect of the Coalition Government's approach to two key areas of work contained within the Fire and Rescue National Framework Document, namely Regional Management Boards and the Equality and Diversity agenda.

(For copy report – see original minutes).

The Assistant Chief Fire Officer reported that there would no longer be a requirement for Fire and Rescue Authorities to work through Regional Management Boards (RMB) to deliver the various elements of the National Framework that fell within the RMB remit.

The continuation of the RMBs was now a decision for the constituent Fire and Rescue Authorities, although there would still be a Government expectation that Authorities would collaborate where it was beneficial to do so.

The RMB in the North East had provided a vehicle for discussion and for the delivery of some collaborative projects, such as the provision of fire appliances and uniform, and it continued to be a useful forum for discussing issues surrounding the FireControl project.

The RMB was not a statutory decision making body, therefore its formal structure and terms of reference could be considered to be overly complicated given its lack of formal authority and a more informal means of discussing issues of common interest might be more appropriate for the region.

Furthermore, recent issues within the RMB itself would also suggest that it was now appropriate to review the future of the Board and consultation would need to be undertaken with colleagues from the Fire and Rescue Services of the North East in order to ascertain their views as to whether the RMB should continue or whether there were other, more effective methods of collaborating.

In respect of the Equality and Diversity requirements contained within the National Framework document, the Minister Bob Neill, had stated that the Department for Communities and Local Government (CLG) would no longer monitor Fire and Rescue Authority compliance within the Equality and Diversity Strategy, nor would the Department look to monitor or enforce the recruitment, progression or retention targets that currently existed in individual services.

Instead the onus would be on individual Fire and Rescue Authorities to determine how they would pursue the Equality and Diversity agenda and subsequently decide whether to retain a target-based approach in line with a performance management framework.

The Assistant Chief Fire Officer suggested that the Committee consider retaining the performance measures in place and that performance against these continue to be reported to the Authority, regardless of the fact that there would no longer be a requirement to report the information to CLG.

This would ensure that the subject continued to be seen by everyone as a key priority of the Authority and, in practical terms, the targets would help to focus attention on the need to continue developing and implementing initiatives that would help to broaden the diversity of the workforce.

The Committee were of the opinion that it was important that the Authority as an employer should reflect the communities that it served and that the Equality and Diversity targets were helpful in maintaining the focus on this.

The Committee welcomed a review of the role of the Regional Management Board.

3. RESOLVED that:-

- (i) the comments of the Committee be taken forward to the consultation on the RMB; and
- (ii) the Equality and Diversity performance measures be retained.

### **Fire Futures: Strategic Review of the Fire and Rescue Service**

The Committee considered a report by the Chief Fire Officer on the National Strategic Review of the Fire Service that was currently being undertaken by the Department for Communities and Local Government (CLG).

(For copy report – see original minutes).

The Review was set in the context of the emerging social, economic and physical challenges facing the fire sector, and it was noted that the sector: “must proactively change to meet these challenges to maintain its effectiveness in serving communities and to represent value for money to the public purse. Along with this was an expectation from Government that the service reflected localism, decentralisation, transparency, accountability and the big society in what they do”.

The Review focused on four key areas each with a workstream group consisting of civil servants and FRS representatives. The four themes were Role and Delivery Models, Efficiency, Effectiveness and Productivity, Localism and Accountability and National Interest.

The Review was in its early stages and CLG had indicated that all comments would be welcomed.

The Assistant Chief Fire Officer stated that the Authority had been asked to consider and comment on the issues to feed into a meeting of the Chief Fire Officers’ Association at the end of September 2010.

The Committee considered the report on the Review and in the course of discussion highlighted the following:-

### **Role and Delivery Models**

- The Committee were of the opinion that survey work had shown that residents in the Districts had a great deal of trust in the Fire and Rescue Service which had a very good track record, history and reputation, and the current model was right for Tyne and Wear. Some potential approaches such as privatisation or outsourcing could undermine trust.

### **Efficiency, Effectiveness and Productivity**

- Through the performance management that was now embedded as part of the organisation, the impact of preventative work on community outcomes had been shown. The Authority should not lose sight of the importance of prevention as well as response work.
- The Authority had an Integrated Risk Management Plan to identify efficiencies linked to evidence of community risk, and should continue this approach. Employees and Trade Unions also signed up to the approach, which was important.
- Tyne and Wear felt like a cohesive area and if the Authority was to expand into Durham and Northumberland this raised issues such as rural areas which could lead to difficulties in achieving response times. A larger area could cause issues with delivery; smaller areas could reduce value for money.
- The issue of charging for a public service would be problematic in particular for prevention work.

### **Localism and Accountability**

- Although the term Localism was open to interpretation, the service was well placed regarding localism, for example Community Fire Stations were an asset and very well used by the local community.
- Health and Safety work and work with the Prince's Trust already contributed to the Big Society Agenda.
- The Authority had a good governance framework, was accountable through the Councils in Tyne and Wear and had received good feedback from the Audit Commission which was also a form of independent information in terms of accountability.
- the Authority had robust partnership working arrangements with the Tyne and Wear Local Authorities.



## **National Interest**

It was noted that the Authority had taken on New Dimensions assets with a commitment that they would continue to be nationally funded. There was need for some national role, and there were also links to the Local Resilience Forum.

4. RESOLVED that the above comments from the Policy and Performance Committee on the Strategic Review of the Fire and Rescue Service be submitted to the Fire Authority meeting on Monday 20 September 2010.

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

At the instance of the Chairman, it was:-

5. 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 1, Paragraph 4).

(Signed) N. FORBES,  
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.



**SUBJECT: Q2 (April – September) Performance Report 2010/11**

**REPORT OF THE CHIEF FIRE OFFICER**

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**1 PURPOSE**

1.1 This report provides the Q2 (April – September) performance of the Authority against the targets for 2010/11. Members of the Performance and Policy Advisory Committee are requested to consider and scrutinise the contents of this report and provide comments.

**2. The Performance Management Report**

2.1 The report has been structured to demonstrate the Authority's performance in relation to the National Indicators (NI's) related to fire and local indicators reflecting organisational priorities. The full suite of Local Indicators has been provided within Appendix A and will be reported in greater detail at the end of the fiscal year.

2.2 The report is based on applying performance management against service wide targets that have been set over a three year period as featured within the Strategic Community Safety Plan. However, for the purposes of this report performance is only reported against the target set for 2010/11.





2.3 In order to reflect the delivery of services and performance at a lower level this report also contains data relating to district performance. Through the provision of such data the Committee will be able to identify any issues which are contributing to the overall performance of the service and take remedial action if necessary.

2.4 To reflect the overall performance of the TWFRS versus other Metropolitan FRS a comparison (where available) has been provided against the average and quartile performance. This level of comparative performance has also been reflected at district level to highlight the performance of each district when compared against themselves.

2.5 The performance of each indicator (Appendix A) has been colour coded to reflect the following:

- Forecasted performance against the end of year performance for the previous year
- Forecasted performance against the end of year target

The following traffic light system has been adopted to highlight the performance related to each of the indicators:

-  Where the target is likely to be missed by more than 2.5%, the colour is **red**;
-  Where the projected figure is within - 2.5% of the target, the colour is **yellow**;
-  Where the target is forecast to be achieved the colour is **green**.
-  Where no target has been set the cell remains **white**

2.6 The report also contains action plans based on commentary provided by the relevant head of service. This will enable members of the committee to scrutinise the delivery of services in relation to performance and provide those delivering the services to highlight what is being done to improve and react to performance.

2.7 The report is supported by Appendix B that provides greater detail on the performance of the Authority in relation to the outcome of all the measures against their targets and previous performance.

2.8 In order to provide an overview of the Authority's performance up until the end of 2010 (Q3) a summary has been provided as part of Appendix C. The full end of year performance will be reported at the next meeting of the Committee in June 2011.

### 3. LEGISLATIVE IMPLICATIONS

3.1 No additional implications are envisaged.

### 4. LEARNING AND DEVELOPMENT IMPLICATIONS

4.1 No additional implications are envisaged.

### 5. ICT IMPLICATIONS

5.1 No additional implications are envisaged.

### 6. FINANCIAL IMPLICATIONS

6.1 No additional implications are envisaged

### 7. RISK MANAGEMENT IMPLICATIONS

7.1 The risk management implications associated with the implementation of the performance report have been assessed as **LOW** risk.

### 8. STRATEGIC COMMUNITY SAFETY PLAN LINK

8.1 The production of the performance report are related directly to the SCSP. The performance measures identified within the performance report are referred to within the SCSP.

### 9. EQUALITY AND FAIRNESS IMPLICATIONS

*Creating the Safest Community*

9.1 No additional implications are envisaged

9.2 The performance report is available in alternative formats and languages upon request.

**10. HEALTH AND SAFETY IMPLICATIONS**

10.1 No additional implications are envisaged.

**11. RECOMMENDATIONS**

11.1 The Committee is requested to:

- a. Note and endorse the contents of this report.
- b. Agree to the publication of the Performance Report.

**BACKGROUND PAPERS**

The following background papers refer to the subject matter of the above:

- Strategic Community Safety Plan 2010-13
- National Indicator Set



## **Performance Report for P&PC Q2 (April – September) 2010/11**

The following report provides an overview of the Authority's performance during Quarter 2 (April – September) 2010/11. Members of the Performance and Policy Committee (P&PC) are requested to consider and scrutinise the contents of this report in order for performance to be effectively managed.

The report has been structured to demonstrate the Authority's performance in relation to the National Indicators (NI's) related to fire and local indicators reflecting organisational priorities. The full suite of Local Indicators has been provided within Appendix A and will be reported in greater detail at the end of the fiscal year.

The report is based on applying performance management against service wide targets that have been set over a three year period as provided within the Strategic Community Safety Plan. However, for the purposes of this report performance is only reported against the targets set for 2010/11.





In order to reflect the delivery of services and performance at a lower level this report also contains data relating to district performance. Through the provision of such data the Strategic Management Team will be able to identify any issues which are contributing to the overall performance of the service and take remedial action if necessary.

To reflect the overall performance of TWFRS versus other Metropolitan FRS's a comparison (where available) has been provided against the average and quartile performance. This level of comparative performance has also been reflected at district level to highlight the performance of each district when compared against each other.

The performance of each indicator (Appendix A) has been colour coded to reflect the following:

- Year to date performance for the current year against the same period in the previous year
- Forecasted performance for the current year against the end of year target

The following traffic light system has been adopted to highlight the performance related to each of the indicators:

-  Where the target is likely to be missed by more than 2.5%, the colour is **red**;
-  Where the projected figure is within - 2.5% of the target, the colour is **yellow**;
-  Where the target is forecast to be achieved the colour is **green**.
-  Where no target has been set the cell remains **white**

The report also contains action plans based on commentary provided by the relevant head of service. This will enable members of the P&PC to scrutinise the delivery of services in relation to performance and provide those delivering the services to highlight what is being done to improve and react to performance.

The performance report has been divided into the following sections in order to provide a comprehensive overview based on national and local priorities.

### National Priorities:

These reflect the Nation Indicators (NIs) as defined by CLG and remain to be used as a priority by the FRS.

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

- **NI49i** Total number of primary fire per 100,000 population (LI29)
- **NI49ii** Total number of fatalities due to primary fires per 100,000 population (LI2)
- **NI49iii** Total number of non fatal casualties (excluding precautionary checks) per 100,000 population (LI28)

#### **NI33 Arson Incidents:**

- **NI33i** Total number of deliberate primary and secondary fires per 10,000 population (LI33)
- **NI33iii** Total number of deliberate secondary fires per 10,000 population (LI16)

### Local Priorities:

These reflect the local priorities of the Authority based on previous performance and the goals of the organisation.

#### **Emergency Response:**

- **LI 5** Number of injuries from all fires
- **LI 8.1** Number of accidental fires in dwellings per 10,000 dwellings
- **LI 12.1** % of fires attended in dwellings where a smoke alarm was fitted but did not activate
- **LI 21** Number of malicious false alarm calls attended
- **LI 22.1** Number of false alarms due to automatic fire detection 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

#### **Environmental:**

- **EM5** CO<sub>2</sub> reduction from local authority operations (reported at end of year)

These indicators represent a small proportion of our entire suite of Local Indicators which can be found within Appendix A of this report. The local priorities will be reviewed on an annual basis to take into account the changes in performance and the needs and requirements of the Authority.

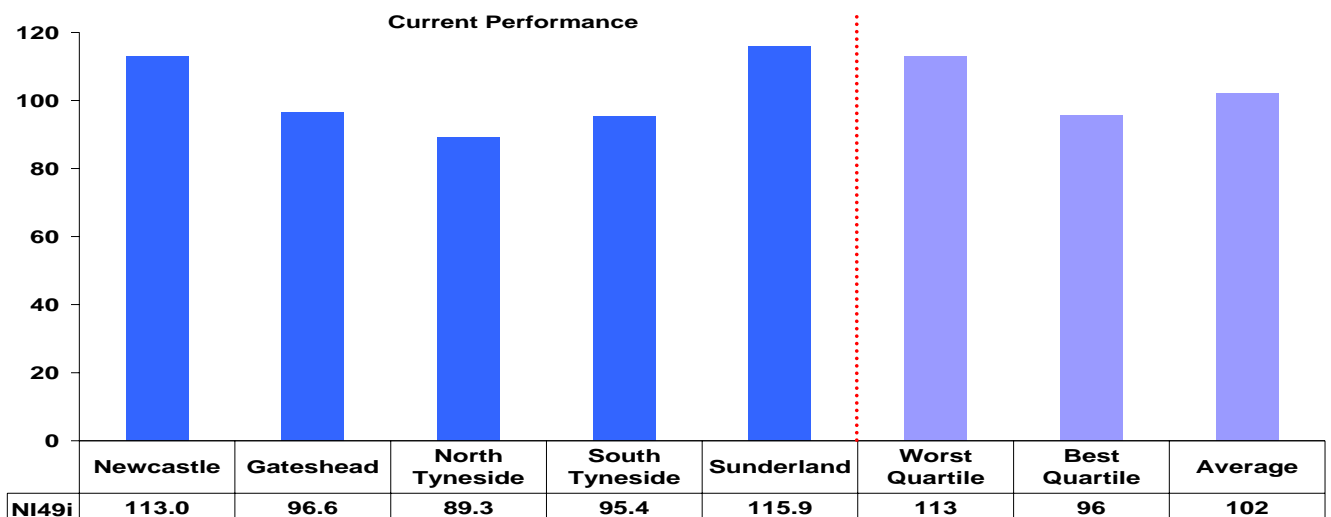
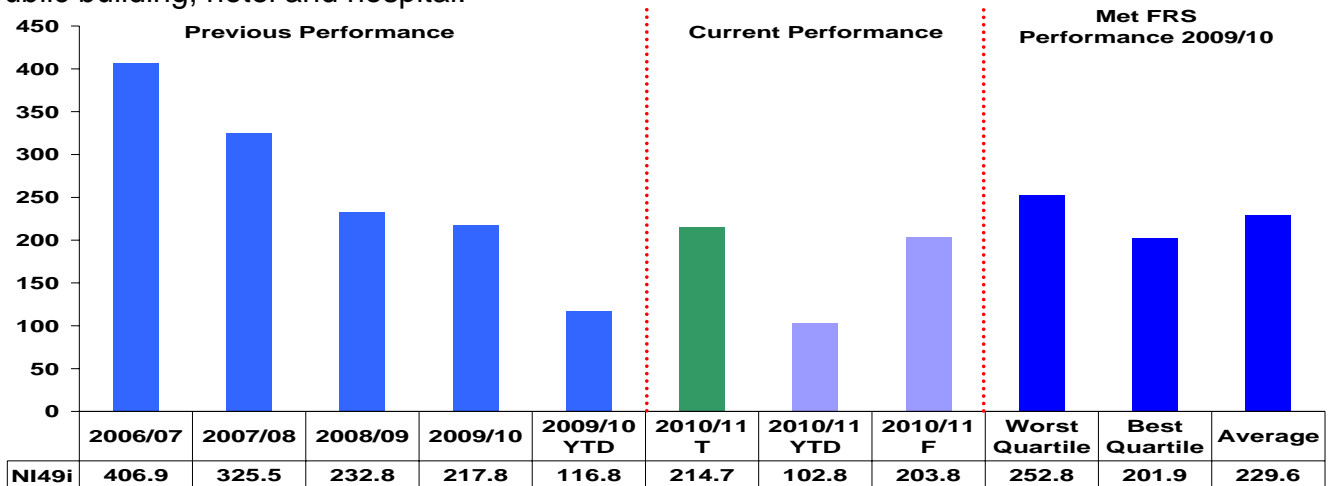


## **National Priorities**

Reflecting the National Indicators as previously set by CLG focusing on deliberate fires, primary fires and their associated fatalities and casualties

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

The following indicator outlines the performance of the Authority in relation to the number of primary fires attended by the TWFRS. A primary fire is determined by the type of property the incident involves and includes all fires that have resulted in a casualty, including those in property and vehicle fires. For example, a property fire includes a dwelling, non residential, public building, hotel and hospital.

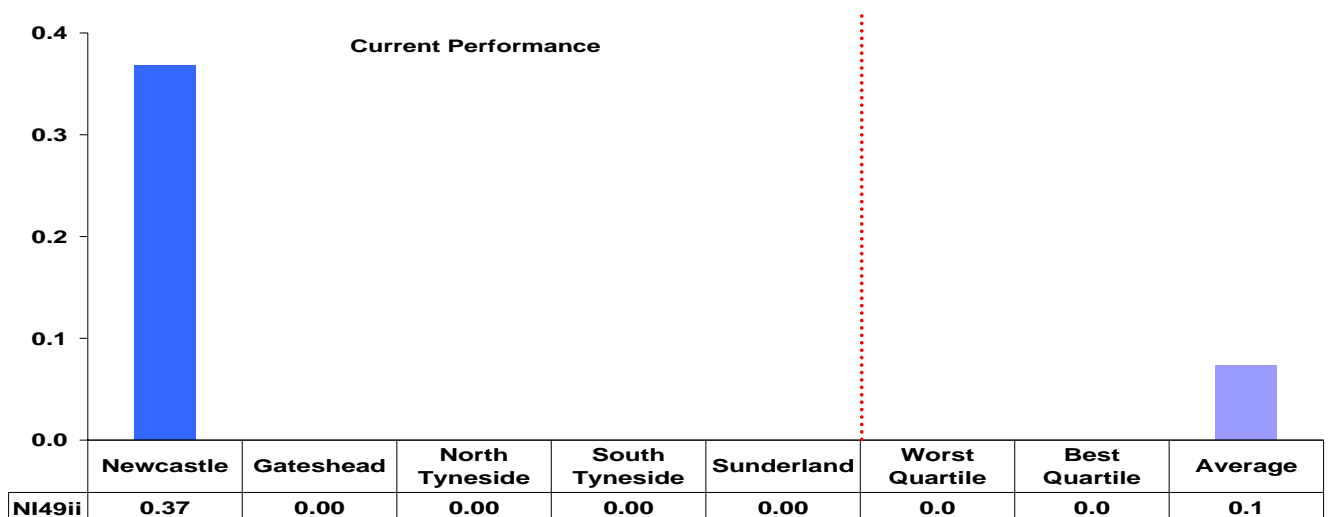
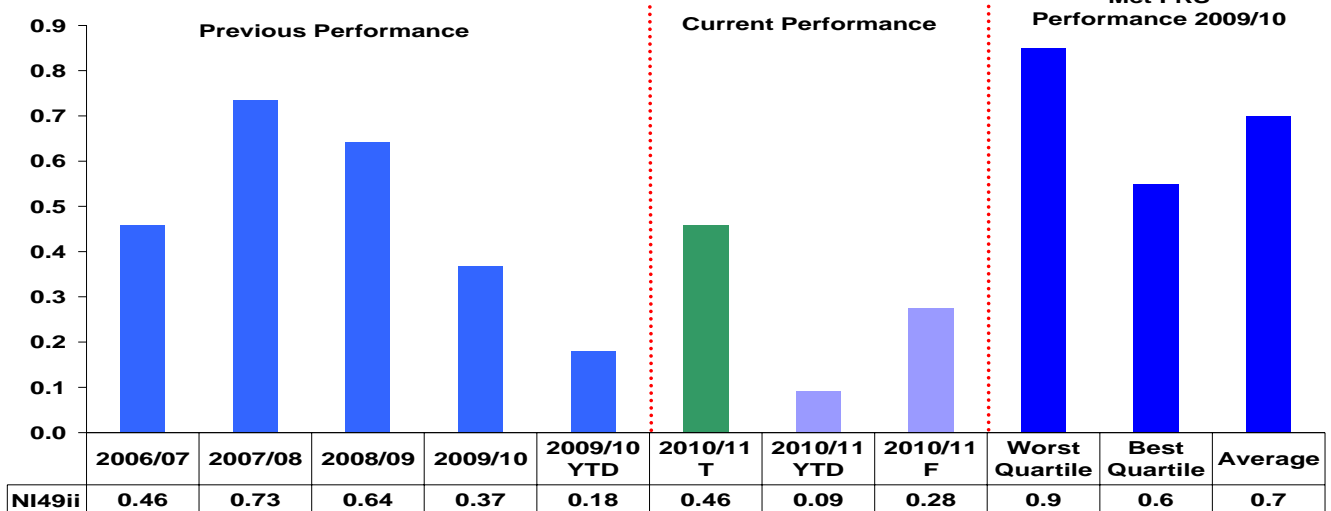


**Key Performance Information:**

- 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 is set to achieve its target of 214.7 (2375) primary fires per 100,000 population by 5% (122).
- The Authority's end of year performance reflects a reduction of 7% (157) on the 2009/10 figure 217.8 (2410), highlighting the continuous downward trend.
- This performance results in the Authority remaining below the average of the Metropolitan FRS and 1% outside of the best quartile.
- Despite the district of Sunderland reporting the highest number of such incidents the total number has reduced by 11% when compared against the same period last year.
- Sunderland East Community Fire Station reported a reduction of 32% (38) when compared against the same period in 2009/10, the largest reduction in the district area.

**NI49ii Number of fatalities due to primary fires per 100,000 population (LI2):**

The following indicator outlines the performance of the Authority in relation to the number of fatalities due to primary fires attended by the TWFRS. A fatality must be recorded as being the result of the fire (or smoke) and includes both accidental and deliberate fires. A death can be attributed to a fire up to three months after the incident occurred.

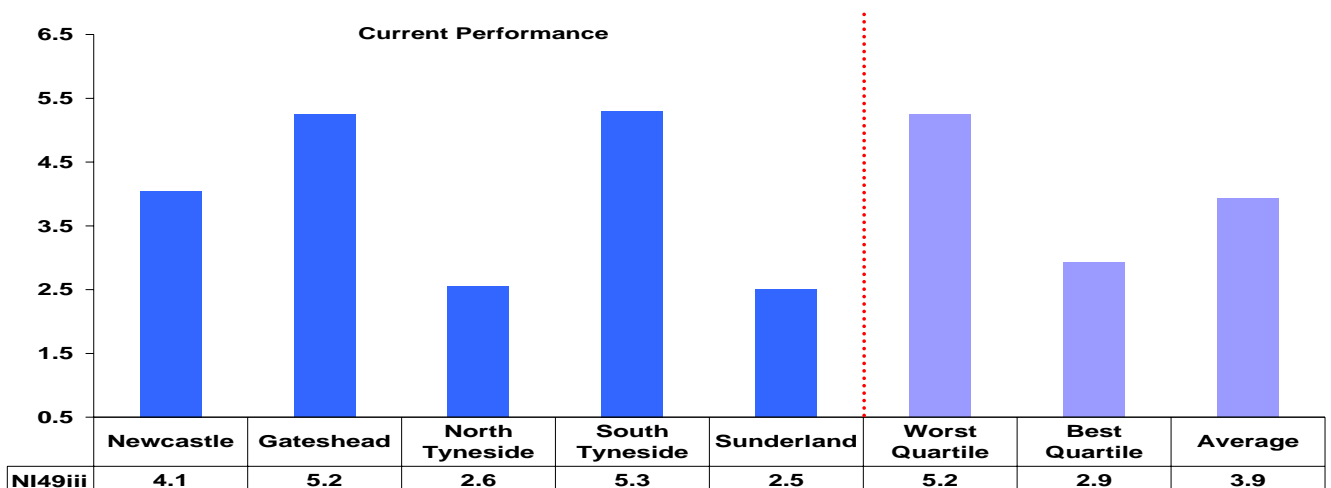
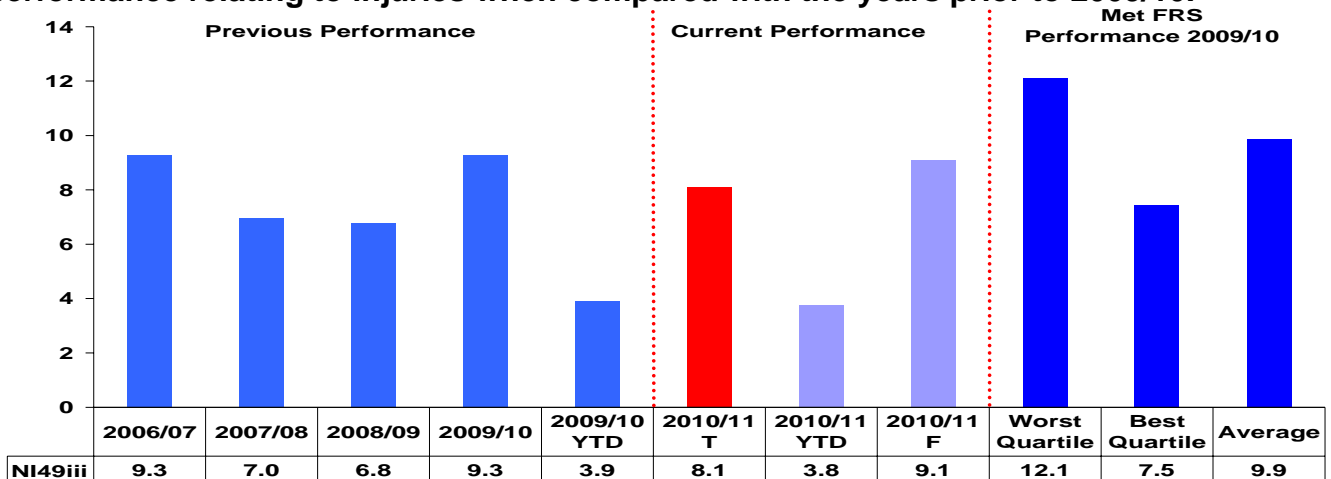


**Key Performance Information:**

- The Authority has reported 1 fatality from a primary fire during the first two quarters of 2010/11, a reduction of one fatality when compared against the first two quarters in 2009/10.
- Based on the forecasted end of year performance of 0.28 (3) fatalities due to primary fires per 100,000 population, the Authority is set to achieve the 2010/11 target of less than 0.46 (5).
- As throughout 2008/09 and 2009/10, the Authority forecasts to be below the Mets FRS average figure reported of 0.7 fatalities per 100,000 population by the end of 2010/11.
- The fatality occurred in Newcastle East's station area and was the result of careless handling of smoking materials by a 79 year old female.
- All fatalities from accidental fires have ignited in rooms outside the kitchen since 2007/08.

**NI49iii Number of non fatal casualties (excluding precautionary checks) due to primary fires per 100,000 population (LI28):**

The following indicator outlines the performance of the Authority in relation to the number of non fatal casualties due to primary fires attended by the TWFRS. A non fatal casualty must be recorded as being the result of the fire (or smoke) and includes both accidental and deliberate fires (not RTC's). A precautionary check includes first aid given at the scene of an incident. **It should be noted that recent changes to CLG guidance may have an impact on the performance relating to injuries when compared with the years prior to 2009/10.**



**Key Performance Information:**

- The Authority has recorded 3.8 (41) non fatal casualties (excluding precautionary checks) due to primary fires per 100,000 population at the end of Q2 2010/11, a decrease of 5% (2) compared to Q2 2009/10 (43).
- In comparison with the other Met FRS we are forecast to be below the average of 9.9 casualties. The forecasted performance of TWFRS was only bettered by South Yorkshire (5.51) and West Midlands (5.54) in 2009/10.
- The district of South Tyneside has reported the highest number of such incidents with 5.3 (8) injuries. Despite Gateshead reporting the second highest number of such injuries they report the smallest increase (1) during the months of July - September.
- Sunderland continues to report the least number of such injuries (7) despite recording the highest number of such fires associated with injuries.

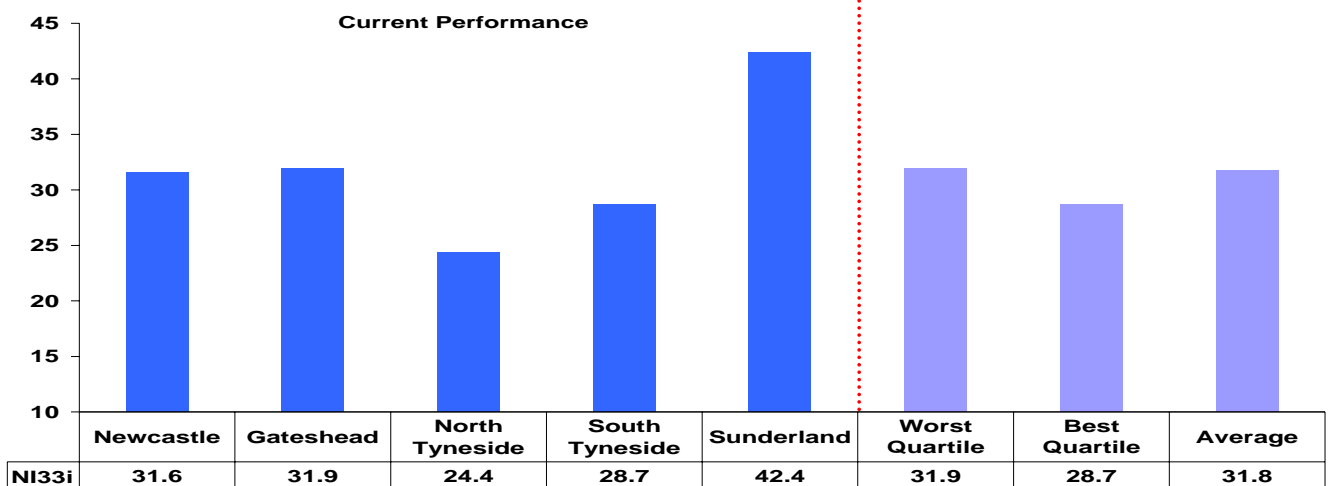
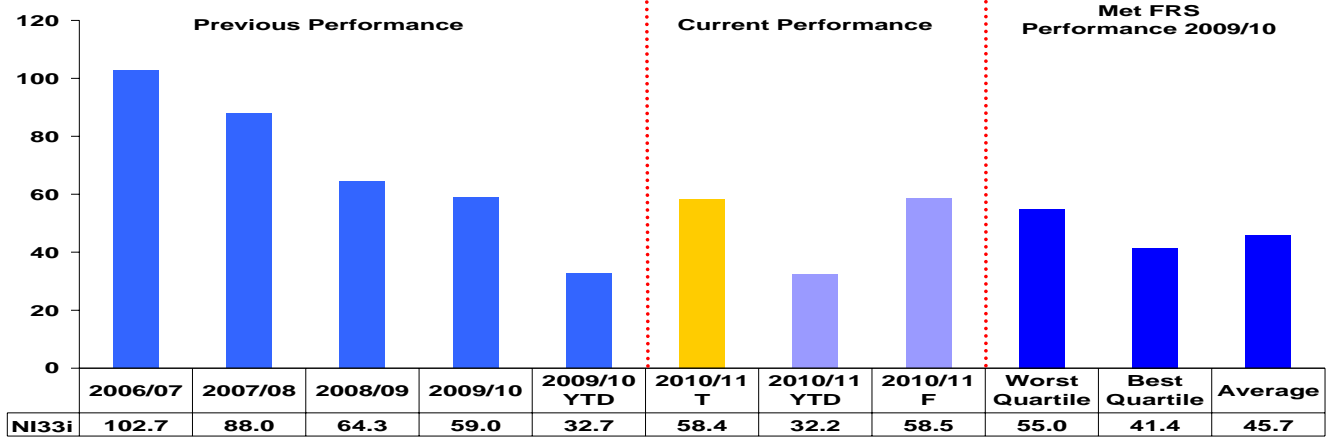
**NI49 - Actions:**

The table below highlights the actions that are being taken to address the key performance issues highlighted above. Upon completion of the initiative the action will be taken off the list below:

Initiative	Activity	Success Criteria	Milestones	Delivery Area
<b>NI49</b>				
<b>HSC</b>	Operational Crews and P .E staff conducting HSC's in homes targeted on risk. In the first 6 months of this year 16,279 successful HSC delivered. 4,505 via "It Takes Seconds"	Deliver a minimum of 17,400 per annum by 31/03/11 by Operational crews. "It Takes Seconds" campaign to deliver HSC to vulnerable groups	Deliver minimum of 30,000 HSC (combined)by 31/03/10, monitored monthly.	Service wide
<b>Fire Safety Education</b>	Schools education programme	All targeted schools visited, year's 1, 5, 6	All targeted schools	Service Wide
<b>HSC Delivered by partners</b>	YHN to undertake HSC on an annual basis to those in receipt of telecare package.	Deliver 2,500 per year	Monitored monthly	Newcastle
<b>Smoke Alarm fitting by partners</b>	Partners to fit smoke alarms to provide protection.	Number of smoke alarms fitted by partners, (Gateshead Housing, North /South Tyneside Homes)	Evaluated annually Monitored monthly	Gateshead, North Tyneside, South Tyneside

**NI33i Number of all deliberate fires per 10,000 population (LI33):**

The following indicator outlines the performance of the Authority in relation to the number of all deliberate fires attended by the TWFRS. A deliberate fire is defined as an incident where the cause of the fire is suspected to be non accidental. This indicator includes fires that are both reported as being a primary and secondary fire. A secondary fire is reported as one which doesn't involve property (including derelict property and vehicles) or a casualty.

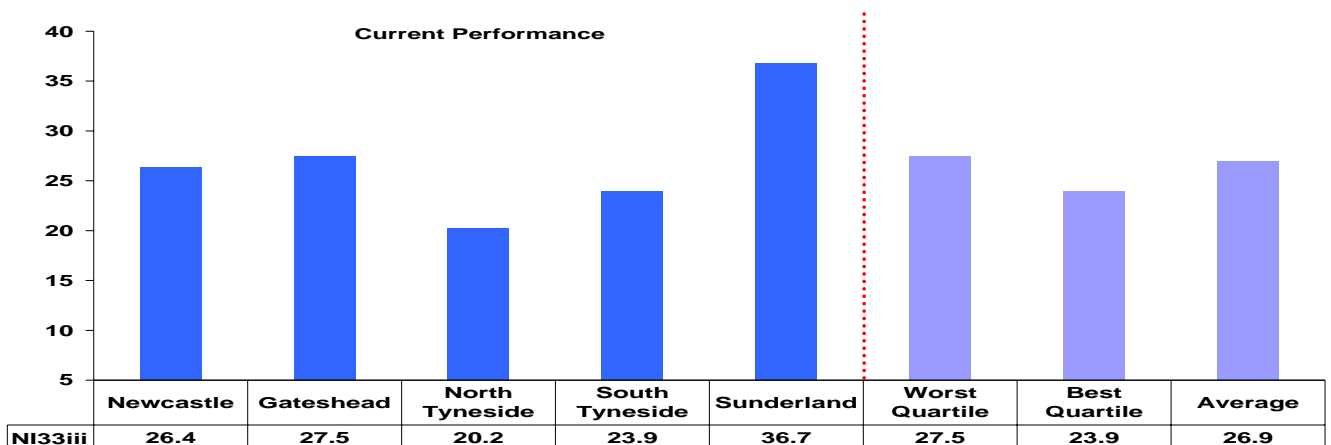
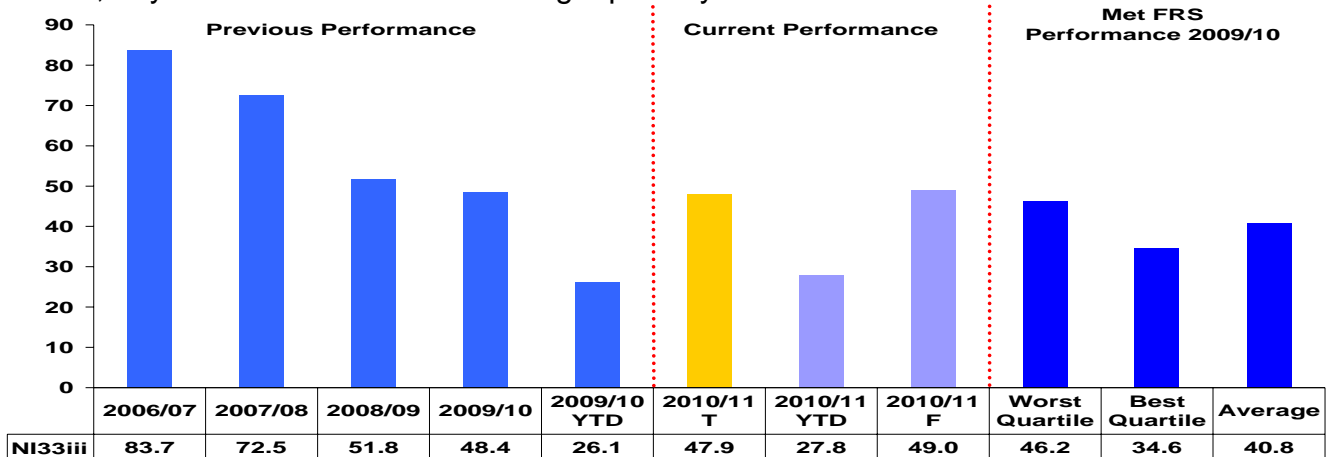


**Key Performance Information:**

- The Authority recorded 32.2 (3565) deliberate fires per 10,000 population by the end of Q2 2010/11, an decrease of 1% (52) compared to Q2 2009/10.
- This performance was supported through 25% (908) of such incidents being attended during the month of April alone.
- As a result of this performance the Authority is set to be within the variance for the target of 58.4, an improvement compared to Q1 2010/11.
- The Authority's forecast end of year performance remains above the average for the Met FRS's and above the worst quartile. Only Merseyside FRS reported a greater number (68.9) of such incidents in 2009/10.
- The district of Sunderland reported a 4% (45) reduction in the number of such incidents compared with the same period in 2009/10, despite recording the highest number of deliberate fires in Q2 2010/11.
- The district of South Tyneside reported the largest decrease (49%) in the number of deliberate fires when compared against Q1 2010/11, reflecting the performance reported at the end of Q2 2009/10.

**NI33iii Number of deliberate secondary fires per 10,000 population (LI16):**

The following indicator outlines the performance of the Authority in relation to the number of deliberate secondary fires (anti social behaviour) attended by the TWFRS. A deliberate fire is defined as an incident where the cause of the fire is suspected non accidental. In addition to the criteria stated above deliberate fire includes those were four or fewer appliances attended the incident, any more would result in it being a primary fire.



\* please note that due to revised definitions secondary vehicle fires are not included prior to 2009/10

**Key Performance Information:**

- The Authority recorded 27.8 (3028) deliberate secondary fires per 10,000 population by the end of Q2 2010/11 and reflects an increase of 2% (69) on the performance reported at the end of Q2 2009/10.
- As a result of the 2010/11 performance, the Authority is set to be within the variance of its target of 47.9 (5219).
- The performance relating to this indicator reflects a 59% (278) reduction in the number of incidents attended between Q1 and Q2 2010/11. This supports previous evidence of Q1 accounting for the highest number of such incidents during the year.
- Compared to the Met FRS, the Authority’s forecasted end of year performance is above the worst quartile, only Merseyside FRS reported a higher number (54.7) in 2009/10.
- The Sunderland district reported a decrease of 43% (278) compared against Q1 2010/11. However, it attended the highest number (1030) of such incidents during Q2 when compared against the other districts.
- Newcastle was the only district to report a decrease (6%) in the number of such incidents when compared against the same period in 2009/10.

**NI33 - Actions:**

The table below highlights the actions that are being taken to address the key performance issues highlighted above. Upon completion of the initiative the action will be taken off the list below:

Initiative	Activity	Success Criteria	Milestones	Delivery Area
<b>NI33</b>				
<b>Bonfire Campaign</b>	Production of educational materials and DVD for use in schools. Work with partners (via CDRP and Darker Nights campaigns) to reduce the number of ASB fires.	Delivery of scheduled assembly talks. Reduction of ASB fires and arson. Perception of ASB is reduced	Delivery to schools completed by 31/10/10	Service wide
<b>High Cross Initiative</b>	Partnership work with Safe Neighbourhood highlighted that five Streets in the High Cross area were subject to secondary fires involving wheelie bins and loose refuse. This has led to a Stand Alone Problem Solving Group being formed for the High Cross area. Fire Service will work with the Enviro Schools Team, Neighbourhood Wardens and Environmental Enforcement In the five highlighted streets.	Demonstrate reduction in number of deliberate fires specifically relating to wheelie bins.  Perception of ASB in the local area is reduced	Quarterly reporting process	Newcastle
<b>Phoenix Project</b>	Fire Service activity programme for Young people aged between 11 and 16 years old who have offended or are at risk of offending. Raises awareness of ASB and arson.	Delivery of scheduled courses. Reduction of ASB fires and arson. Perception of ASB is reduced.	Deliver scheduled activity by end March 2011	Newcastle/Sunderland/Gateshead/South Tyneside

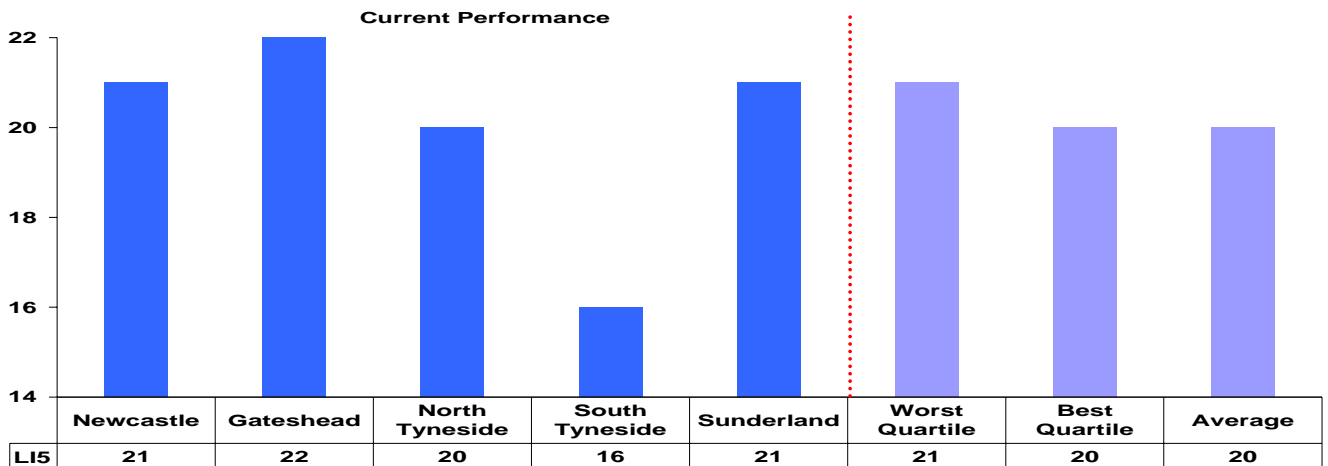
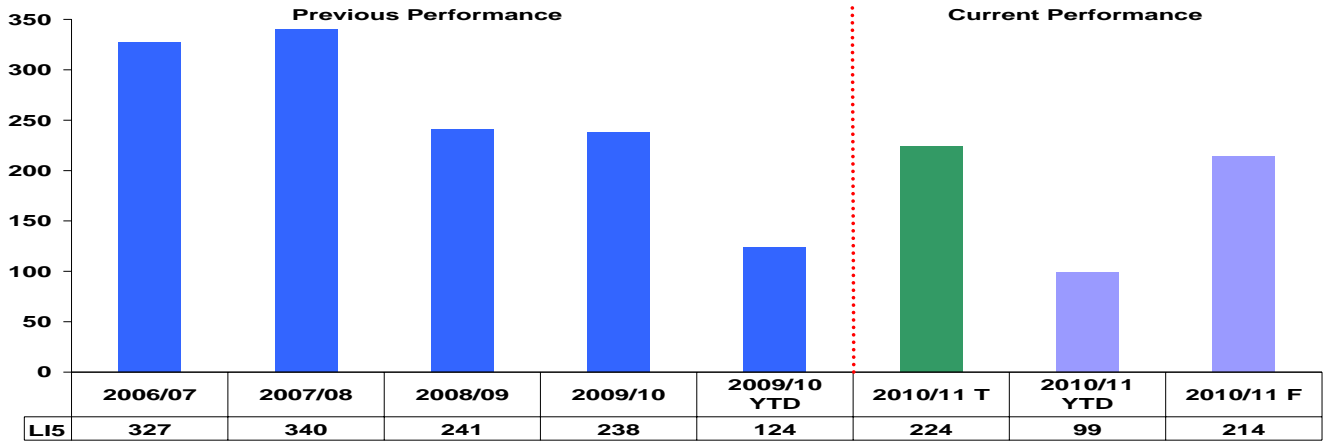


## **Local Priorities**

Reflecting the LI's that have been set as organisational priorities for 2009/10

**LI5 Number of injuries from all fires**

This indicator highlights the performance of the Authority in relation to the number of injuries from all fires, regardless of the property type. An injury must be recorded as being the result of the fire (or smoke) and includes both accidental and deliberate fires (not RTC's).

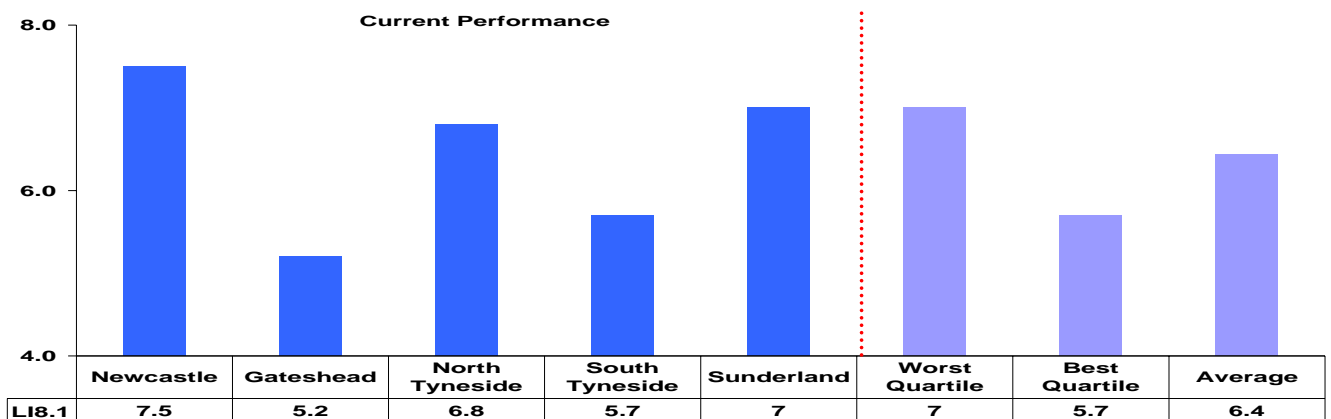
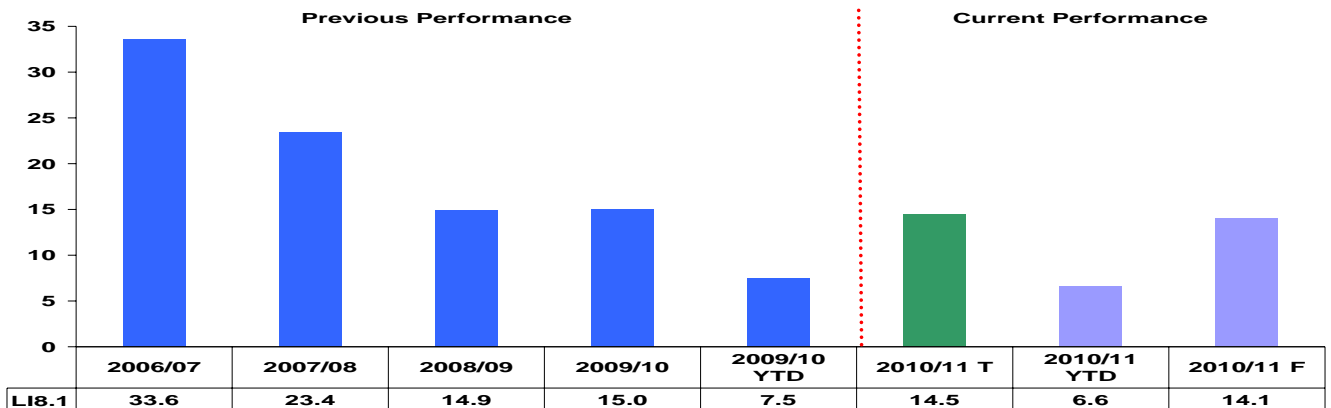


**Key Performance Information:**

- The Authority has recorded 99 injuries from all fires by the end of Q2 2010/11, a decrease of 20% (25 injuries) on the performance reported during the same period in 2009/10. During the months of July – September the number of such injuries reduced by 40% (27) compared with the same period in 2009/10.
- As a result of this performance the Authority is forecast to achieve its target of 224 injuries by 4% (10 injuries), Improving on the previous quarters forecast and resulting in the lowest number of such injuries ever reported. In total 91% (90) of such injuries were as a result of accidental fires.
- The districts of Gateshead continued to report the highest number of injuries, despite reporting the least number (7) of such injuries during July – September. Within Gateshead 91% (20) of such injuries were as the result of accidental fires.
- The district of North Tyneside reported the greatest increase by the end of Q2 with an increase of 11 injuries. However, 4 of these injuries were the result of one incident (accidental dwelling fire) on the 24<sup>th</sup> July as a result of a fridge freezer setting on fire.

**LI8.1 Number of accidental fires in dwellings per 10,000 dwellings**

The following indicator highlights the performance of the Authority in relation to the number of accidental fires in dwellings. An accidental fire is defined as being caused by accident or carelessness (not thought to be deliberate) this includes fires, which accidentally get out of control for example, fire in a grate or bonfires. A dwelling is defined as a place of residence where people reside, for example, house, flats and residential accommodation in buildings such as hospitals.

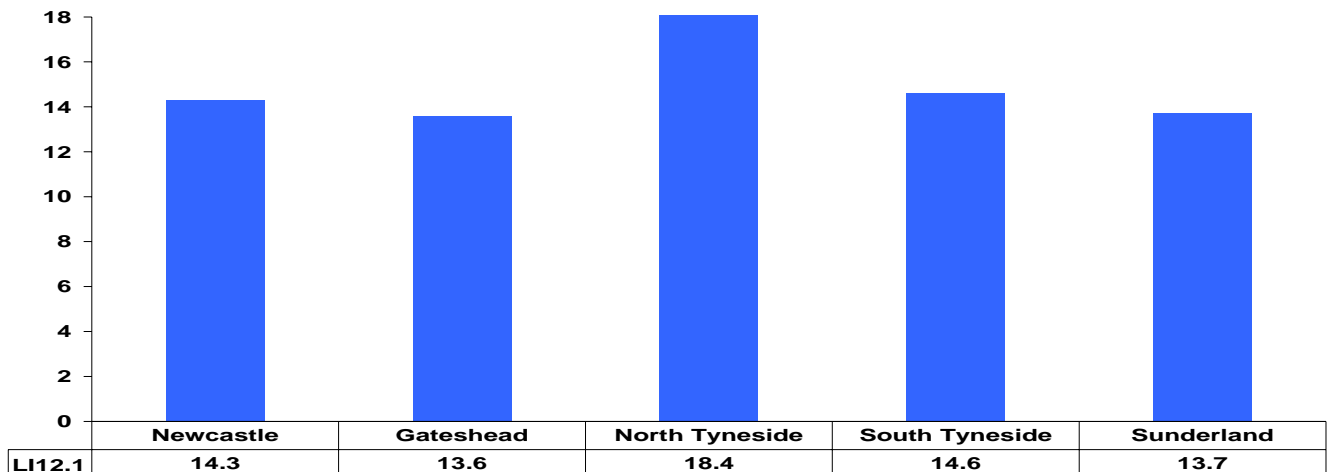
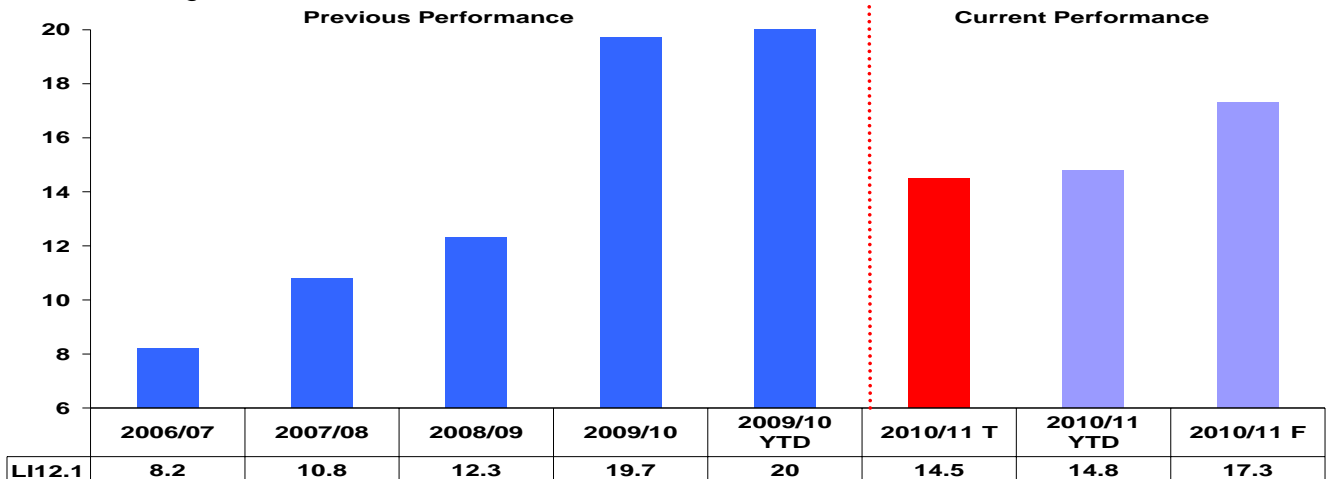


**Key Performance Information:**

- The Authority attended 6.6 (313) accidental dwelling fires per 10,000 dwellings by the end of Q2 2010/11, a decrease of 12% (44 incidents) compared with the same period in 2009/10, continuing to reflect the lowest number of such incidents reported by the end of Q2.
- During the months of July – September the Authority attended 142 such incidents, a reduction of 17% (29) compared to the first three months of 2010/11. This reflects historical performance, with the majority of such incidents occurring between the months of April – June.
- As a result of this performance the Authority is forecast to achieve its target (14.5) set for 2010/11 by 3% (20).
- The majority of such incidents occurred within the kitchen (64%), with South Tyneside (74%), accounting for the highest percentage of such incidents occurring in the kitchen at district level.
- The district of Newcastle reported the largest percentage of accidental non kitchen fires with a total of 40% (35), reflecting the targeted Home Safety Check initiatives carried out within the area.

**LI12.1 % of fires attended in dwellings where a smoke alarm was fitted but did not activate**

The following indicator highlights the performance of the Authority in relation to the number of all (accidental and deliberate) dwelling fires attended by the FRS where a smoke alarm was fitted but did not activate. This LI only includes where there was no smoke alarm present. There are additional measures (see Appendix A) that focus on smoke alarm ownership, regardless of them activating or not.

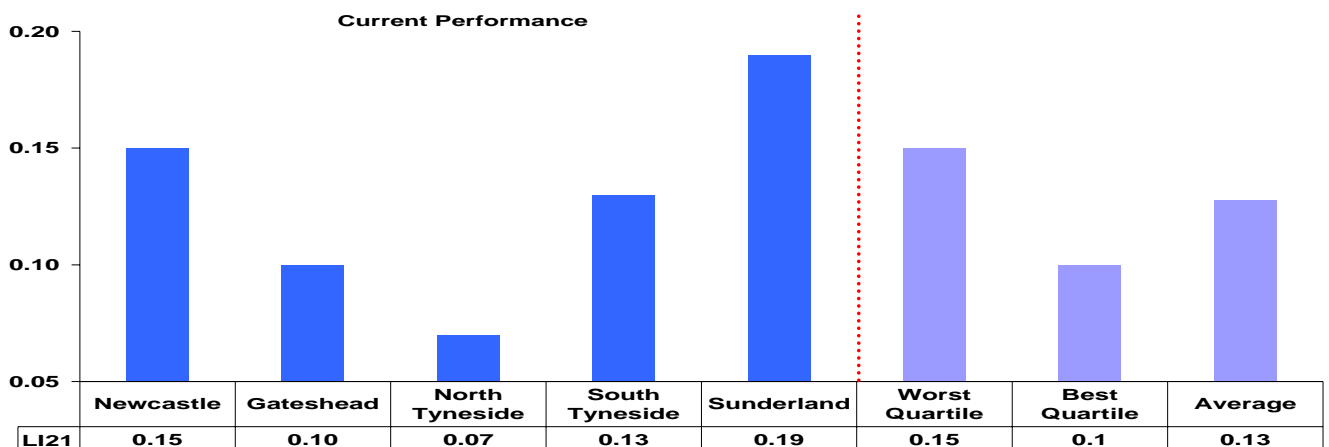
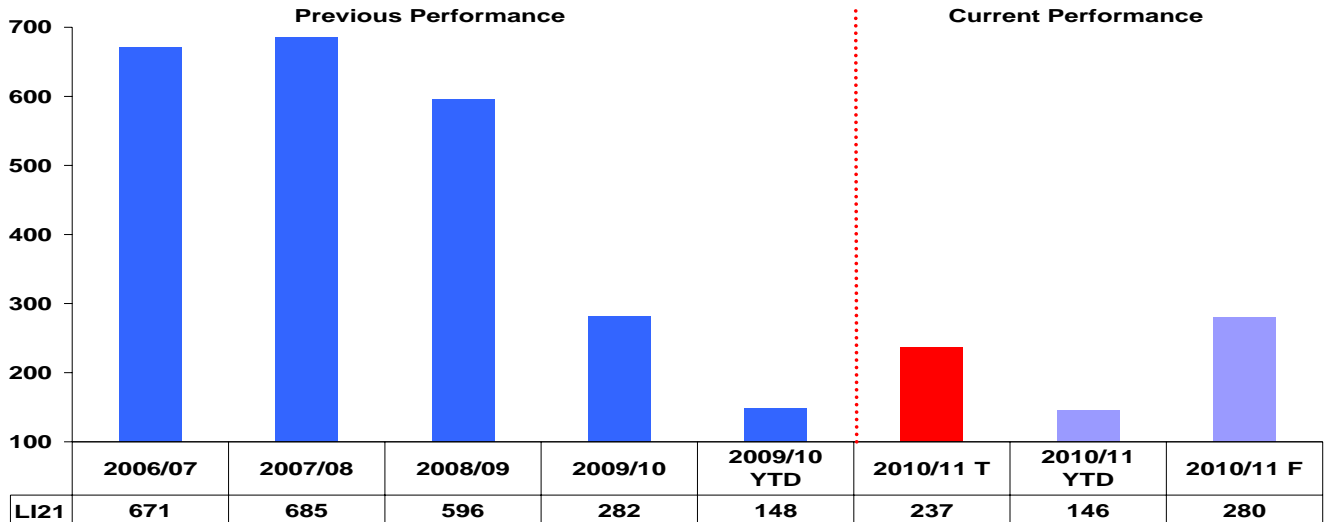


**Key Performance Information:**

- The Authority has attended 14.8% (59) of dwelling fires where a smoke alarm was fitted but did not activate, the lowest percentage of such incidents since Q2 2008/09. The main contributor to the alarm not activating is due to a missing battery (8), not being close enough to the detector (14) and the area not being covered by the detector (10).
- As a result of this performance the Authority is forecast to improve on the 2009/10 end of year performance by 2% but fail to achieve its target of 14.5%.
- The district of South Tyneside attended 14.6% (7) incidents during Q2 where a smoke alarm was fitted but did not activate, reflecting the reduction in the number of accidental dwelling fires. Despite this performance Gateshead reported the lowest percentage of such incidents despite attending a higher number accidental dwelling fires.
- The district of North Tyneside reported the highest number (14) of such incidents with 3 due to the battery being missing and 4 were the fire was not close enough to the alarm.

**LI21 Number of malicious false alarm calls attended**

The indicator reflects the number of malicious false alarm calls attended (Appliance despatched) to by the FRA. A call is defined as being malicious when a call was made with the intent of getting the FRA to attend a non-existent event (both fire and special service).



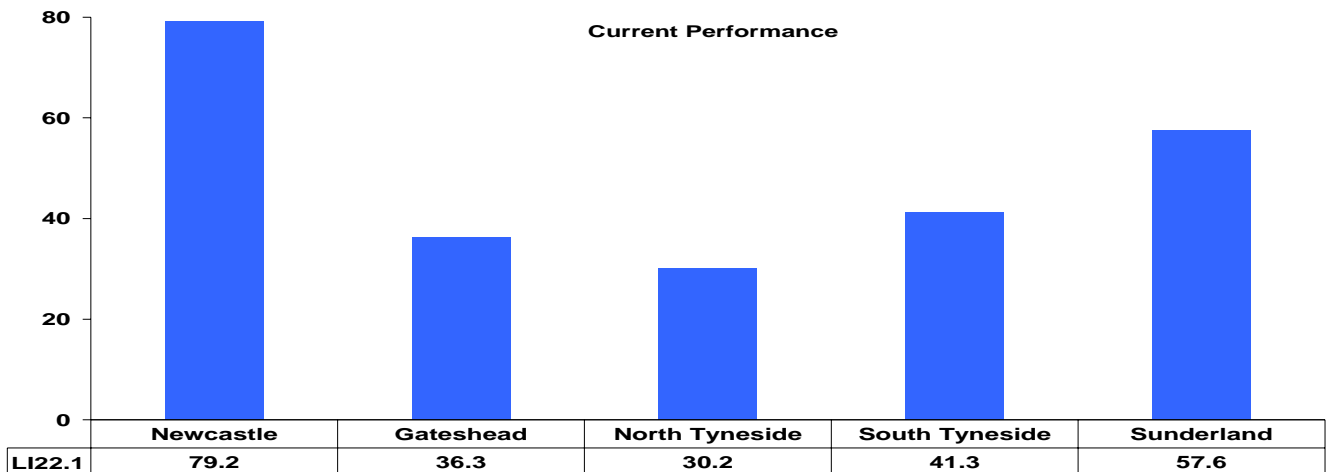
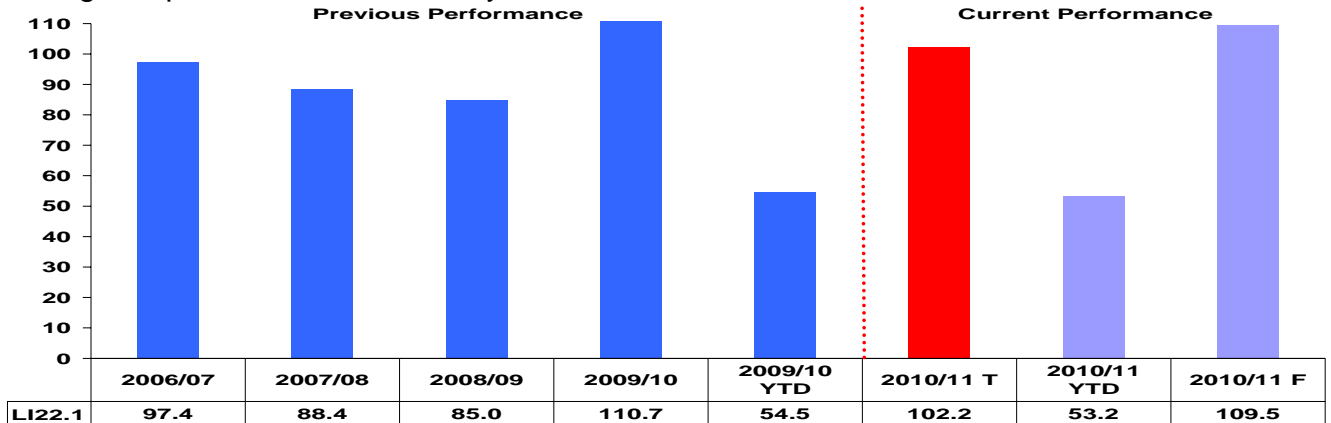
\* This graph is based on district per 1,000 population figures to reflect the proportion of incidents attended.

**Key Performance Information:**

- The Authority attended 146 malicious false alarm calls by the end of Q2 2010/11, a decrease of 1% (2 calls) when compared against the same period in 2009/10. In addition, the Authority reported a reduction of 22% (18 incidents) when compared against Q1 2010/11.
- Despite this reduction the Authority is forecast to miss its target of 237 calls by 19% (43 calls).
- The districts of Sunderland reported the greatest number (52) of such incidents. The district was the only district to report an increase (26%) on the number of such incidents attended during the 3 month period, July to September.
- Historically the Authority has reported the greatest number of such incidents during Q1, reflecting the increased number of deliberate fires reported during this period.

**LI 22.1 Number of false alarm calls due to automatic fire alarms from non domestic premises per 1,000 non domestic premises**

This indicator reflects the number of false alarm calls despatched to as a result of a call being activated by a person or automatic fire detection equipment or fixed fire fighting equipment. A non domestic premise can be classified as a non residential property, for example a public building, hospital, school and factory.



**Key Performance Information:**

- 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 is set to improve on the end of year performance reported in 2009/10. However, it is forecast to miss the target of 102.2 (3206) false alarms.
- The district of Newcastle has 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 is supported through two of the top three (RVI and General Hospital) repeat offenders for such incidents being located within the Newcastle district.
- In total 251 properties were attended more than once during Q2 2010/11, a decrease of 6% (15) when compared against the same period in 2009/10.

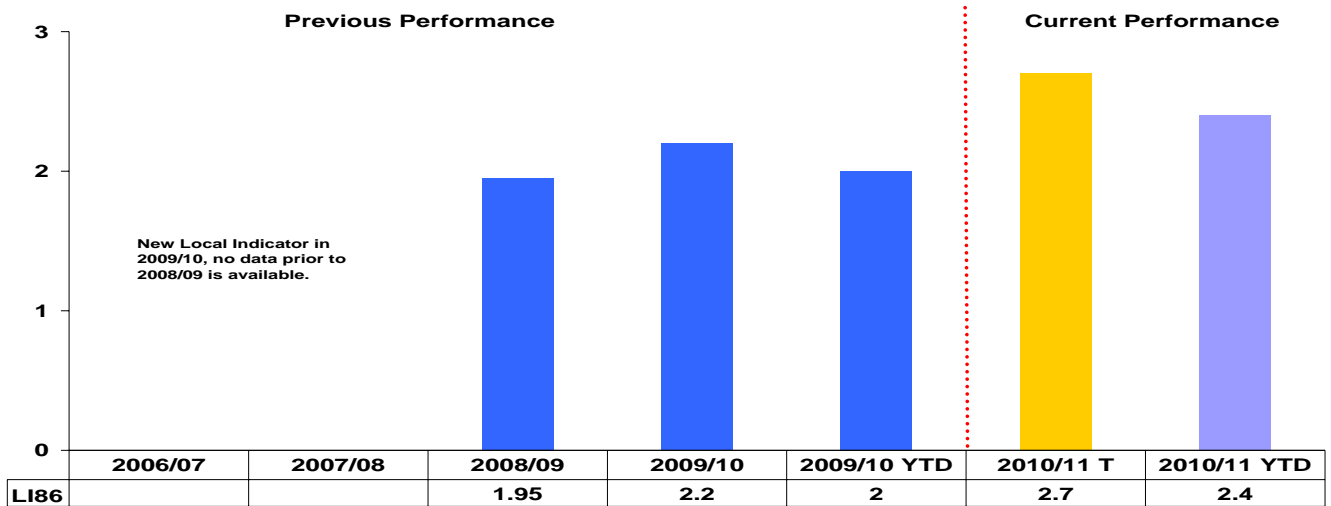
**Local Priorities - Actions:**

The table below highlights the actions that are being taken to address the key performance issues highlighted above. Upon completion of the initiative the action will be taken off the list below:

LI	Initiative	Activity	Success Criteria	Milestones	Delivery Area
<b>Emergency Response</b>					
5	<b>Home Safety Checks by Operational and P.E staff</b>	Operational Crews and P and E staff conducting HSCs in homes targeted on risk	Deliver a minimum of 30,000 per annum by 31/03/11.	Report and review at monthly performance meetings	Service wide
8	<b>Home Safety Checks by Operational and P.E staff</b>	Operational Crews and P and E staff conducting HSCs in homes targeted on risk	Deliver a minimum of 30,000 per annum by 31/03/11.	Report and review at monthly performance meetings	Service wide
12.1	<b>Not Actioned in District Plans</b>				
21	<b>Non Domestic False Alarms Newcastle and Northumbria universities utilising e-learning for freshers and bespoke DVD</b>	Reduce number of FAA and UWFS	Reduction in UWFS and False alarms	Interim evaluation January with Full evaluation August 2011	Newcastle (Similar activities in P&T/P.E throughout the service)
22.1	<b>YHN Protocol</b>	Call Filter by YHN call handlers. 133 times in the last 3 months calls have been filtered.	Reduce FAA and UWFS to domestic premises	Monthly report.	Newcastle

**LI 86 % of workforce from an ethnic minority community**

This indicator reflects the entire workforce, including staff from both operational (staff on grey book conditions including retained) and corporate posts. In order for an individual to be recognised as being from an ethnic minority community they must regard themselves as being from one of the following groups, Other White, White and Black Caribbean, White and Black African, White and Asian, Other Mixed, Indian, Pakistani, Bangladeshi, Other Asian, African, Other Black, Chinese and Other. Basically all bar White British and White Irish.



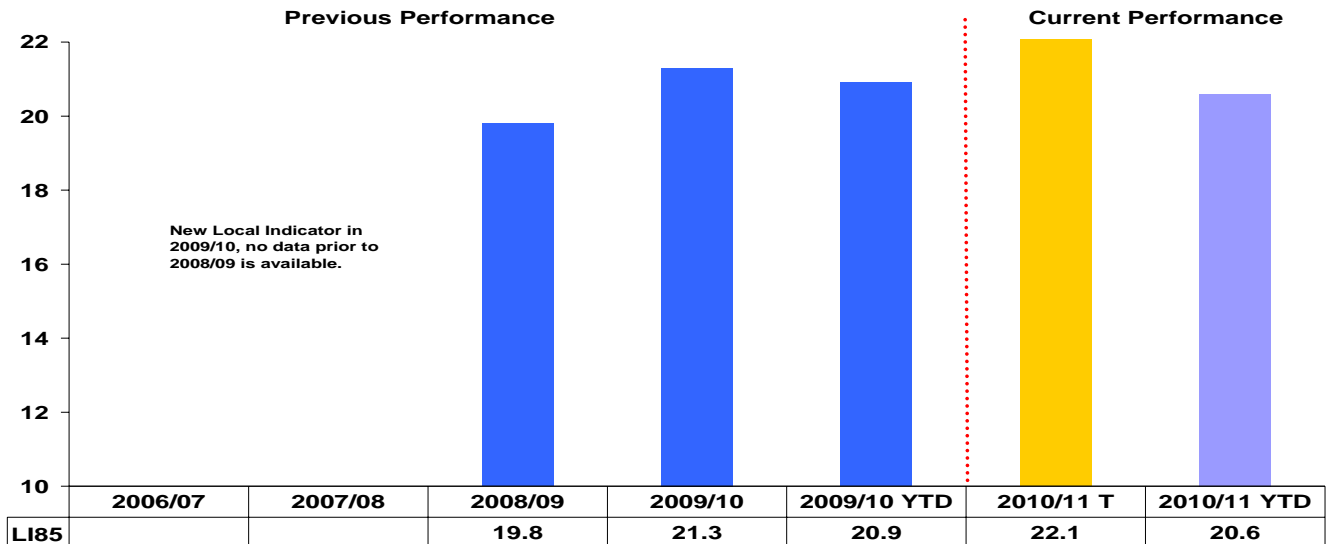
**Key Performance Information:**

- This is a new local indicator introduced by the Authority in 2009/10 and as a result there is no comparison with performance prior to 2008/09.
- The percentage of the Authority’s workforce from an ethnic minority community currently stands at 2.4%, an increase of 0.2% compared with the end of year performance in 2009/10.
- Based on this performance, the Authority is forecast to be within the variance of the target of 2.7%.
- This performance represents 29 employees out of a workforce of 1211 posts. There are 17 uniformed staff within the organisation who are from an ethnic minority community, reflecting 1.8% of the uniformed workforce.



**LI85 % of workforce who are women**

This indicator reflects the percentage of women within the entire workforce including staff from both operational (staff on grey book conditions including retained) and corporate posts.

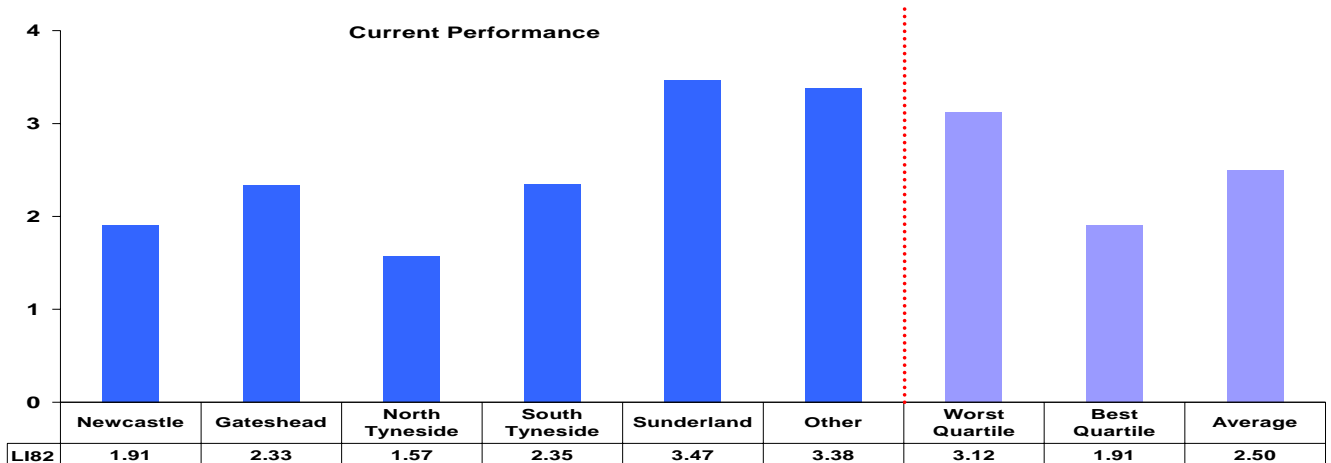
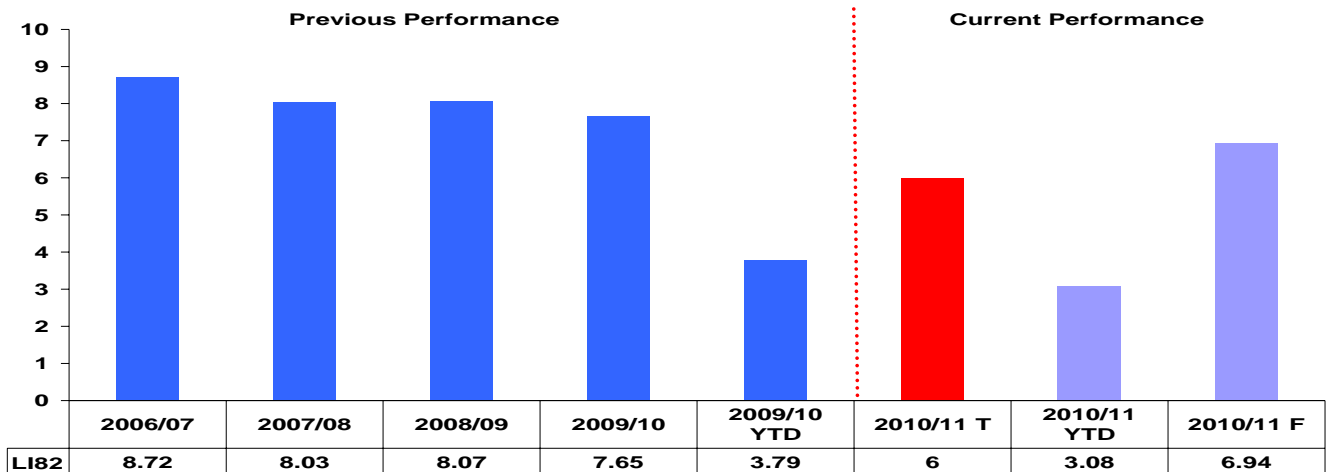


**Key Performance Information:**

- This indicator was introduced by the Authority in 2009/10; as a result there is no comparison with performance prior to 2008/09.
- The percentage of women working for the Authority currently stands at 20.6%, this reflects a reduction of 4 women when compared with the same period in 2009/10.
- Based on this performance, the Authority is set to be within the variance of its target of 22.1%, based on current staffing levels this equates to a shortfall of 18 women.
- The 2010/11 figure of 20.6% is a reduction of less than 1% against the performance reported at the end of Q2 2009/10.
- This performance reflects 250 employees out of a total workforce of 1211 posts, reflecting a reduction on the number (260) reported at the end of 2009/10.

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

This indicator reflects the proportion of working days/shifts lost to both long and short term sickness absence by all staff. This excludes temporary staff or staff on fixed term contracts who have been employed by the Authority for under a year.



Note: district data refers to sickness of staff under the responsibility of the District Manager only. 'Other' performance relates to staff under the responsibility of headquarters managers.

**Key Performance Information:**

- The proportion of working days / shifts lost to sickness absence by all staff by the end of Q2 is 3.08. This reflects a decrease of 0.71 days compared with Q2 2009/10.
- The Q2 performance of 3.08 days / shifts reflects an increase of 1.63 compared to Q1, however, it is the lowest number of days / shifts reported at the end of this period since the measure was introduced.
- Despite the reduction the Authority will exceed its target of 6 days/shifts by 0.94 days/shifts.
- The forecasted performance reflects a reduction of 0.71 days / shifts when compared against the Authority's 2009/10 performance of 7.65 days / shifts lost to sickness absence by all staff.
- The district of Sunderland reduced the number of days /shifts lost by more than 5 days / shifts by the end of Q2 2010/11 compared to the same period in 2009/10, despite recording the highest number of such occurrences.
- The number of sickness days/shifts reported by 'other' employees remains high in comparison with other districts, more than double the figure (1.61) reported in Q1 2010/11.

<b>Equality and Diversity</b>					
<b>86</b>	<b>Positive Action and Recruitment Initiatives</b>	<b>Regional positive action group developed revised brand and marketing techniques including a full positive action programme and the use of the latest communication technology.</b>	<b>By 2013 a minimum of 9.2% of new entrants across the whole organisation to be from minority ethnic backgrounds.</b>	<b>Firefighter recruitment has now concluded and the training course commenced; 6.6% of the course are BME which increases BME staff to 2.8% of the workforce</b>	<b>HR</b>
<b>85</b>	<b>Positive Action and Recruitment Initiatives</b>	<b>As above with the addition of targeted attendance at specific female orientated events.</b>	<b>By 2013 a minimum of 18% of new entrants across the whole organisation to be from minority ethnic backgrounds.</b>	<b>Firefighter recruitment has now concluded and the training course commenced; 17% of the course are female which increases female firefighters to 5.6% of the workforce.</b>	<b>HR</b>
<b>Absence and Retirement</b>					
<b>82</b>	<b>Attendance Management Task and finish Group</b>	<b>Analyse absence data and develop interventions to reduce absence at work</b>	<b>Reduce days/shifts lost due to absence to 6 by the end of 10/11</b>	<b>Final implementation report approved and revised system to be implemented from October 2010</b>	<b>HR</b>

# **Appendix A**

**A performance summary of all the Authority's Local Indicators**

**Note:**  
 YTD 10/11 performance is colour coded against YTD 09/10 to reflect improvement.  
 T 10/11 performance is colour coded against F 10/11 to reflect improvement.  
 %V with T equals difference between F 10/11 and T 10/11

**Green** = Target met or exceeded  
**Amber** = Within 2.5% of the target being achieved  
**Red** = Target missed by more than 2.5%

Incident Data taken **04th October 2010** from the Performance Management System\*

	A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11
<b>Deaths and Injuries</b>										
LI1	4	4	5	5	3	1	1	3	n/a	≤4
LI1.1	0.37	0.37	0.46	0.46	0.28	0.09	0.09	0.27		0.37
LI2	8	5	8	7	4	2	1	3		≤5
LI51	1	0	0	0	1	1	0	1		0
LI4	204	258	257	182	168	90	76	155	1	156
LI5	281	327	340	241	238	124	99	214	5	224
LI28	127	101	76	74	101	43	41	99	-11	88
<b>Fire Attendance</b>										
LI24	12395	14337	12381	8876	8382	4699	4608	8290	0.4	8326
LI25	3083	3044	2343	1558	1533	822	759	1470	3	1513
LI26	1611	1457	1258	1017	877	470	376	783	10	862
LI29	424.3	406.9	325.5	232.8	217.8	116.8	102.8	203.8	5	214.7
LI35	38.1	22.3	18	12.25	13.1	5.0	5.3	10.3	10	11.3

A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11
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<b>Accidental Fires</b>										
L18	Number of accidental fires in dwellings (L18.1 as a whole number)									
L18.1	Number of accidental fires in dwellings per 10,000 dwellings									
L19	Number of accidental kitchen fires (part 1 of L18)									
L110	Number of accidental non kitchen fires (part 2 of L18)									
L111.1	The percentage of fires attended in dwellings where a smoke alarm had activated (BV209i)									
L112.1	The percentage of fires attended in dwellings where a smoke alarm was fitted but did not activate									
	1562	1593	1110	704	710	357	313	666	3	686
	33.2	33.7	23.4	14.8	15.0	7.5	6.6	14.1	3	14.5
	1211	1295	801	476	422	225	199	396	6	418
	351	298	309	228	288	132	114	270	-1	268
	54.8	60.8	53.6	43.5	50.9	49.9	49.6	50.9	-5.1	56
	8.3	8.2	10.8	12.3	19.7	19.5	14.8	17.3	-2.8	14.5

A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11
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<b>Deliberate Fires</b>										
L133	Number of deliberate primary fires and secondary fires									
L116	Number of secondary fires not involving property or road vehicles started deliberately (BV206iii as a whole number)									
L118	Number of refuse fires started deliberately									
	9613	11188	9581	7007	6423	3617	3565	6371	-0.2	6359
	7327	9113	7895	5645	5272	2959	3028	5341	-2	5219
	5254	5738	5397	4115	3685	1876	1814	3623	1	3648

A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11
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### False Alarms

LI22	Number of false alarm calls due to automatic fire alarms from non domestic premises (LI22.1 as a whole number)	3531	3058	2774	2667	3475	1709	1669	3436	-7	3206
LI22.1	Number of false alarms due to automatic fire detection, per 1,000 nondomestic properties	112.5	97.4	88.4	85.0	110.7	54.5	53.2	109.5	-7	102.2
LI23	Number of false alarms due to automatic fire detection from domestic premises	nda	3112	2698	2502	2451	1270	1272	2453	-2	2412
LI30	Number of those properties in LI22 with more than 1 attendance by the FRS	562	471	439	404	499*	266	251	484	2	495

\* Figure revised Q2 2010/11 from 413

### Home Safety Checks

LI7	Number of HSCs delivered to properties where the occupiers are identified as being at the greatest risk of becoming a dwelling fire casualty	nda	16713	17087	16657	n/a	n/a	see LI34	n/a		Revised LI introduced in 09/10
LI34	Number of HSCs successfully delivered by Operational Crews to a high priority dwelling*	new Li in 2009/10				17749	9650	9630	17729	2	17400

\*YTD 2010/11 will not take in to account any HSC's that have yet to be uploaded onto CFRMIS for Q1

### Control

LI20	Number of calls to malicious false alarms NOT ATTENDED (BV146i as a whole number)	237	243	207	150	83	50	63	96	17	82
LI21	Number of malicious false alarm calls ATTENDED	622	671	685	596	282	148	146	280	-15	237
LI 41	Percentage of emergency callers engaged within 7 seconds	97.5	97.6	98.1	98.3	98.9	99.1	99.5	99.1	0.1	99
LI 42	Percentage of fire appliances despatched within 60 seconds*	54.3	56	57.9	60.0	51.5	51.8	56.4	55.0	4.9	61.3

\* YTD 2010/11 revised to include only calls with data for +/- 60 secs

		A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11	
<b>Diversity and Equality</b>												
LI70	The level (if any) of the Equality Standard for Local Government to which the Authority conforms	1	2	3	4	Working towards excellence	Working towards excellence	Working towards excellence	n/a		Excellence	
LI72	% of top 5% of Authority earners that are women	5.3	15.6	13.9	13.9	14.8	14.3	14.8	0.5		15.3	
LI73	% of the top 5% of Authority earners from ethnic minority communities	0.75	1.6	2.5	5	4.9	5.2	4.9	0.5		5.4	
LI74	% of top 5% of earners that have a disability	1.5	1.6	1.3	2.53	1.2	1.3	1.23	0.6		1.8	
LI75	% of wholetime and retained duty system employees with a disability	NDA	0.75	0.64	1.42	2.4	1.34	2.25	0.2		2.4	
LI76	% of control and corporate employees with a disability		2.8	2.6	6.2	7.1	6.3	7.5	0.1		7.4	
LI87	% of workforce with a disability	New LI in 2009/10		2.6	3.8	2.7	3.6	0.5		4.1		
LI78	% of uniformed staff from ethnic minority communities	0.65	0.66	0.72	1.66	1.7	1.57	1.8	0.2		1.92	
LI86	% of workforce from an ethnic minority community	New LI in 2009/10		1.95	2.2	2	2.4	0.3		2.7		
LI88	% of new entrants from minority ethnic groups employed across the whole organisation	New LI in 2009/10		6.7	14.7	9.5	9.3	-5.4		14.7		
LI80	% of women firefighters	2.3	3.1	4.3	4.82	4.84	4.8	5.6	0.3		5.33	
LI89	% of new women entrants joining the operational sector of the Service	New LI in 2009/10		17.3	0	0	16.6	1.4		18.0		
LI85	% of workforce who are women	New LI in 2009/10		19.8	21.3	20.9	20.64	1.5		22.1		
<b>Absence and Retirement</b>												
LI81	Proportion of working days/shifts lost to sickness absence by wholetime uniformed staff	9.52	7.72	7.3	7.3	7.33	3.51	2.92	6.74	-0.74	6.0	
LI 90	Proportion of working days/shifts lost to sickness absence by riders	New LI in 2009/10		6.82	7.04	3.4	2.63	6.27	-0.27		6.0	
LI 91	Proportion of working days/shifts lost to sickness absence by non-riders	New LI in 2009/10		8.37	7.41	3.4	3.54	7.55	-1.55		6.0	
LI 92	Proportion of working days/shifts lost to sickness absence by control staff	New LI in 2009/10		10.97	10.97	6.2	4.75	9.52	-3.52		6.0	
LI82	Proportion of working days/shifts lost to sickness absence by all staff	9.53	8.72	8.03	8.07	7.65	3.79	3.08	6.94	-0.94	6.0	
LI 93	Proportion of working days/shifts lost to sickness absence by corporate staff	New LI in 2009/10		10.78	8.73	4.75	3.6	7.58	-1.58		6.0	
LI83	Wholetime fire fighters ill-health retirements as a % of the total workforce	0.63	0.65	0.32	0	0	0	0	0	0.00	0	
LI84	Control and corporate ill-health retirements as a % of the total workforce	2.39	1.06	0	0.6	0.9	0	0	0.9	-0.90	0	



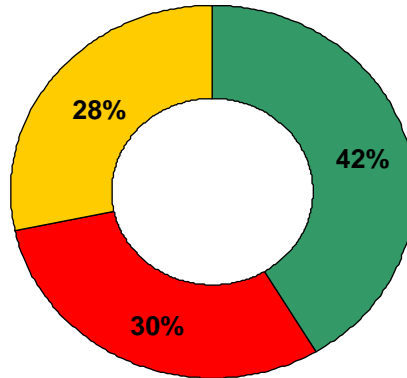
		A 05/06	A 06/07	A 07/08	A 08/09	A 09/10	YTD 09/10	YTD 10/11*	F 10/11	% V with T (10/11)	T 10/11
<b>Finance and Procurement</b>											
LI64	The % of invoices for commercial goods and services paid by the Authority within 30 days of receipt or within the agreed payment terms	94.0	92.2	96.8	97.0	97.9	nda	97.0	97.0	-3	100
<b>Environmental</b>											
EM5	CO2 (tonnes of Co2) reduction from local authority operations (NI185)	New LI 2010/11		4593	tbc	n/a	Reported Annually		4256		
<b>Population:</b> 1106300 (Mid 2008 - Mid 2009 Population Estimates ONS) <b>Dwellings:</b> 474000 (Estimate for Dwellings from TWRI May 2010) <b>Non Domestic:</b> 31381 (Estimate for Non Domestic from CLG 31st December 2008)											

## **Appendix B**

**A snap shot of the Authority's LI performance against  
the 2010/11 targets and 2009/10 performance**

**End of year performance 2010/11 against target**

The chart below highlights the percentage of Local Indicators (LIs) that are set to exceed, miss and be within the variance (2.5% less than target) of the 2010/11 service target. (Where data is available)



The local indicators that are within the variance (Yellow) or missed (Red) the target are:

**Within Variance:**

- LI10 Number of accidental non kitchen fires
- LI 78 % of uniformed staff from ethnic minority communities
- LI 89 % of new women entrants joining the operational sector of the Service
- LI 72 % of top 5% of Authority earners that are women
- LI 87 % of the workforce with a disability
- LI 85 % of workforce who are women
- LI 74 % of the top 5% of earners that have a disability

- LI 16 Number of deliberate secondary fires
- LI 73 % of the top 5% of Authority earners from ethnic minority communities
- LI 33 Number of deliberate primary and secondary fires
- LI 23 Number of false alarms due to automatic fire detection from domestic premises
- LI 70 Level of the Equality Standard for Local Government to which the Authority conforms
- LI 75 % of wholetime and retained duty system employees with a disability

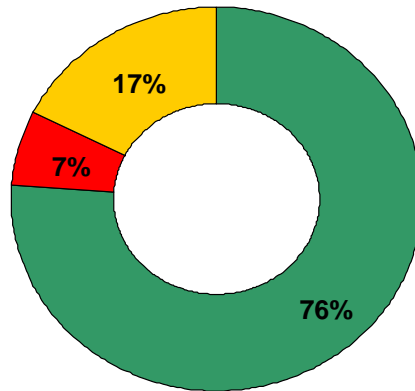
**Missed Target:**

- LI 28 Number of non fatal casualties (excl precautionary checks)
- LI 11.1 The % of fires attended in dwellings where a smoke alarm had activated
- LI 12.1 % of fires attended in dwellings where a smoke alarm was fitted but did not activate
- LI 22 Number of false alarm calls due to automatic fire alarms from non –domestic premises
- LI 42 % of fire appliances despatched within 60 seconds
- LI88 % of new entrants from ethnic minority groups employed across the whole organisation
- LI 90 Proportion of working days/shifts lost to sickness absence by riders
- LI 82 Proportion of working days/shifts lost to sickness absence by all staff

- LI20 Number of calls to malicious false alarms NOT ATTENDED
- LI 81 Proportion of working days/ shifts lost to sickness absence by whole time uniformed staff
- LI 84 Control and corporate ill health retirements as a % of total workforce
- LI 21 Number of malicious false alarm calls attended
- LI 91 Proportion of working days / shifts lost to sickness absence by non riders
- LI 92 Proportion of working days/shifts lost to sickness absence by control staff
- LI 93 Proportion of working days / shifts lost to sickness absence by corporate staff

**Comparison of 2010/11 performance against the end of year figure for 2009/10**

The chart below highlights the percentage of LI's that are set to exceed, miss and be within the variance (2.5% less than target) of the performance achieved in 2009/10. (Where data is available)



The LI's that are within the variance or failed to improve on 2009/10 performance are:

**Within Variance:**

- LI 73 % of the top 5% of Authority earners from ethnic minority communities
- LI 23 Number of false alarms due to automatic fire detection from domestic premises
- LI 74 % of the top 5% of earners that have a disability

**LI 11.1** The % of fires attended in dwellings where a smoke alarm had activated

**LI 85** % of workforce who are women

**LI 88 % of new entrants from ethnic minority communities**

LI 34 Number of HSCs successfully delivered by operational crews to a high priority dwelling

**LI 16** Number of secondary fires started deliberately

**Not improved on 2009/10 performance:**

- LI20 Number of calls to malicious false alarms NOT ATTENDED
- LI 91 Proportion of working days/shifts lost to sickness absence by non riders

LI35 Number of fires in non domestic premises per 1000 non domestic premises

## **Appendix C**

**A snap shot of the Authority's LI performance as at 14<sup>th</sup> December 2010**

## Summary of Q3 (14/12/2010) Performance

The chart below highlights the performance of the Authority in relation to its priority indicators as of **14<sup>th</sup> December 2010**.

LI	Description	YTD 09/10	A 09/10	*YTD 10/11	T 10/11
29	Total number of primary fires per 100,000 population	172.3	217.8	136.7	214.7
2	Total number of fatalities due to primary fires per 100,000 population	2	4	1	≤ 5
28	Total number of non fatal casualties (excl precautionary checks) per 100,000 population	5.6	9.3	5.2	8.1
33	Total number of deliberate primary and secondary fires per 10,000 population	48.3	59.0	42.3	58.4
16	Total number of deliberate secondary fires per 10,000 population	40.3	48.4	37.7	47.9
5	Number of injuries from all fires	162	238	141	224
8.1	Number of accidental fires in dwellings per 10,000 dwellings	11.0	15.0	9.3	14.5
12.1	% of fires attended in dwellings where a smoke alarm was fitted but did not activate	20.5	19.7	14.9	14.5
21	Number of malicious false alarm calls attended	217	282	186	237
22.1	Number of false alarms due to automatic fire detection from non domestic properties per 1000 non domestic premises	85.4	110.7	78.4	102.2
86	% of workforce from ethnic minority communities	1.97	2.2	2.48	2.7
85	% of workforce who are women	21.2	21.3	21.4	22.1
82	Proportion of working days/shifts lost to sickness absence by all staff	5.91	7.65	4.71	6

\* YTD is until **14<sup>th</sup> December 2010**, this should be taken into account when comparing with previous years performance.

All measures identified as a priority by the Service reflect improvements when compared against the previous year, as highlighted below:

- 13% fewer injuries from all fires
- 21% fewer primary fires
- 12% fewer deliberate primary and secondary fires
- 15% fewer accidental dwelling fires
- 5.6% fewer smoke alarms not activating
- 14% fewer malicious false alarm calls attended
- 8% fewer false alarms from non domestic premises
- 0.5% increase in the number of ethnic minority employees
- 0.2% increase in number of the workforce who are women
- More than 1 day/shift lost sickness by all staff

A full overview of performance will be reported to the P&PC in June 2011.

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

**REPORT OF THE CHIEF FIRE OFFICER**

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**1 PURPOSE**

- 1.1 This report provides a summary of the Q2 (April – September) performance of the Sunderland district. Members of the Policy and Performance Committee are requested to consider and scrutinise the contents of this report and provide comments.
- 1.2 This report supports the performance outlined in the Q2 performance report relating to Service performance. The district of Sunderland has been highlighted in greater detail to reflect the greater attendance of incidents in the district area.
- 1.3 If Member find such an approach useful in adding depth to performance management at the local level, such reports can be brought to the Committee on a regular basis.

**2. The Performance Management Report**

- 2.1 The report has been structured to demonstrate the Districts performance in relation to the measures identified as a priority within the District Plans 2010/11.
- 2.2 The report highlights performance at district, station and ward level in order to provide Members with a more specific overview of performance relating to their areas of responsibility.
- 2.3 The commentary has been provided by the District Manager in order to support the narrative reflected within the Service report and to highlight any specific actions relating to local initiatives and actions.

**3. LEGISLATIVE IMPLICATIONS**

- 3.1 No additional implications are envisaged.

**4. LEARNING AND DEVELOPMENT IMPLICATIONS**

- 4.1 No additional implications are envisaged.

**5 ICT IMPLICATIONS**

- 5.1 No additional implications are envisaged.

**6. FINANCIAL IMPLICATIONS**

- 6.1 No additional implications are envisaged

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**7. RISK MANAGEMENT IMPLICATIONS**

7.1 The risk management implications associated with the implementation of the performance report have been assessed as **LOW** risk.

**8. STRATEGIC COMMUNITY SAFETY PLAN LINK**

8.1 The production of the performance report is related directly to the District Plan and SCSP.

**9. EQUALITY AND FAIRNESS IMPLICATIONS**

9.1 No additional implications are envisaged

9.2 The performance report is available in alternative formats and languages upon request.

**10. HEALTH AND SAFETY IMPLICATIONS**

10.1 No additional implications are envisaged.

**11. RECOMMENDATIONS**

11.1 The Committee is requested to:

- a. Note and endorse the contents of this report.
- b. Agree on future performance reporting requirements to reflect local performance.
- b. Agree to the publication of the report.

**BACKGROUND PAPERS**

The following background papers refer to the subject matter of the above:

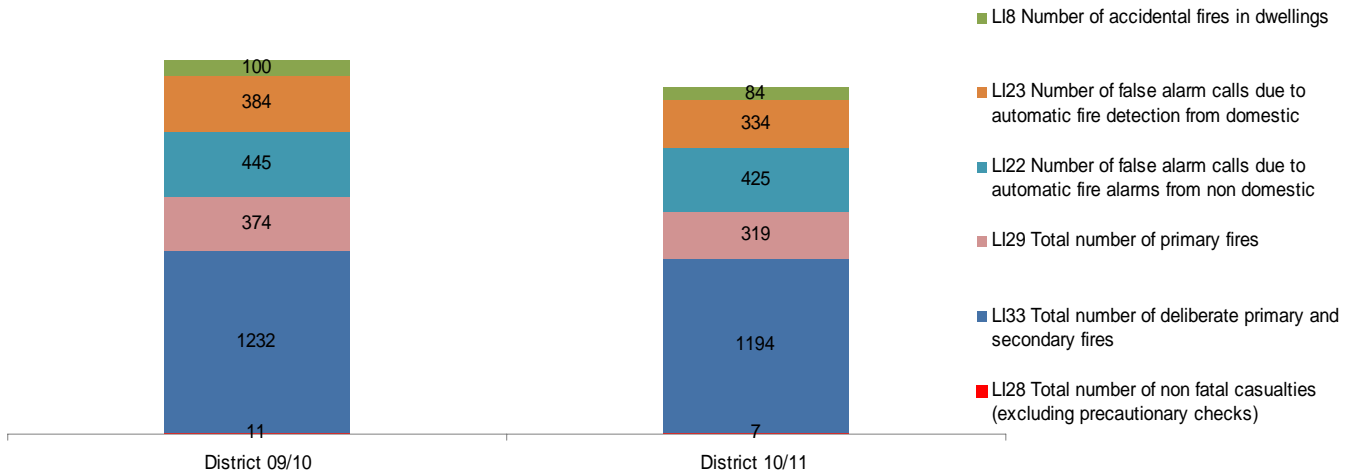
- Q2 2010/11 Performance Report
- Sunderland District Plan 2010/11



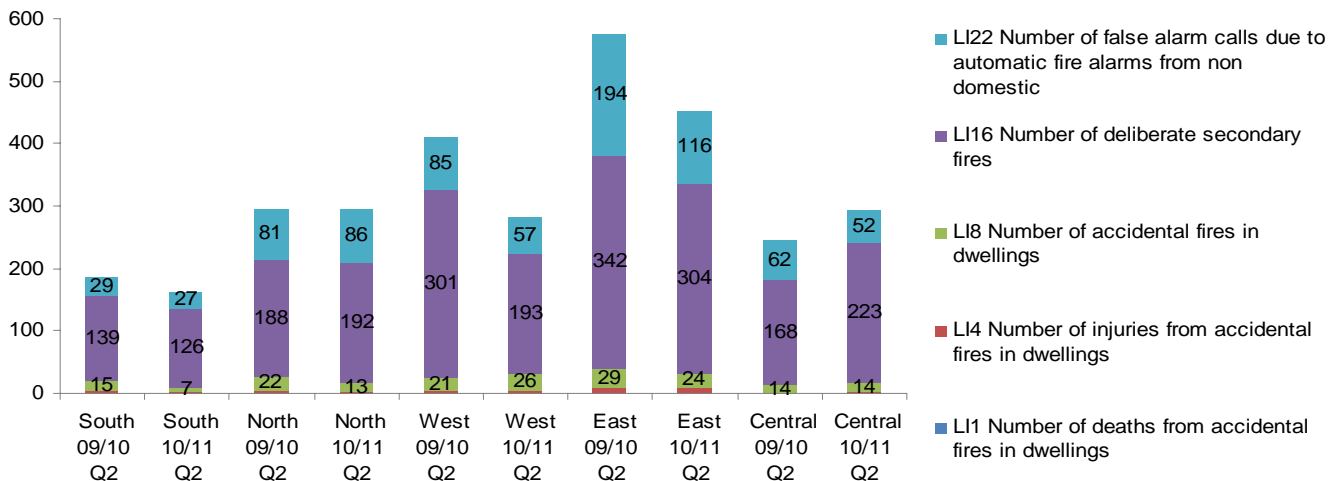
## P&PC Performance Report: (April - September 2010/11)

The following report provides a summary of the Sunderland district performance until the end of Quarter 2 (April-September) 2010/11. The indicators referenced focus on those that have been identified as a priority in the Sunderland District Plan 2010/11.

### Sunderland District Performance 2009/10 v 2010/11



### Sunderland Station Performance 2009/10 v 2010/11



#### LI1 Number of deaths from accidental fires in dwellings

The Sunderland district recorded zero fire deaths in 2010/11, however maintaining this figure remains a priority for the Sunderland district.

#### LI4 Number of injuries from accidental fires in dwellings

2010/11 figures reflected the same number of incidents (23) as for the corresponding period 2009/10, however of the 23 incidents 12 of these are classed as precautionary checks (see LI28 for details of the most serious injuries).

#### LI8 Number of accidental fires in dwellings

The Sunderland district recorded 84 incidents relating to this indicator, a reduction of 16% on 2009/10 performance and accounting for 28% of the Service total. The greatest impact on this performance come from significant reductions at Sunderland Central, North and South (reflecting a reduction of 64% on same quarter 2009/10)

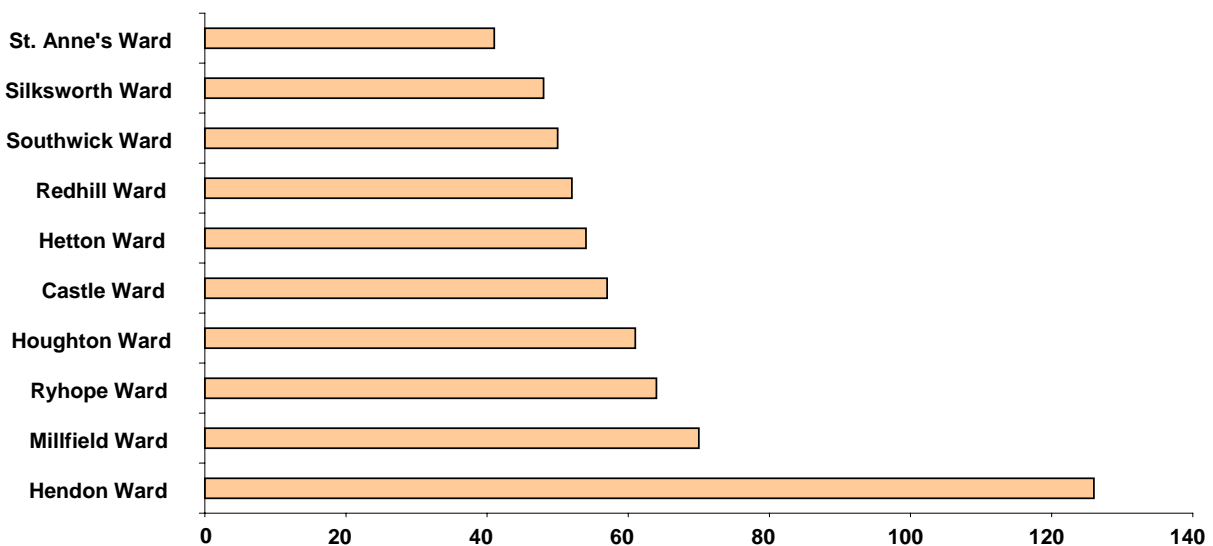
## P&PC Performance Report: (April - September 2010/11)

however the majority of these incidents continue to occur in Station 52's area with a significant number occurring in high rise properties.

Sunderland Prevention and Education department are currently carrying out initiatives in high rise properties across the district to increase home fire safety awareness, in particular kitchen safety.

### LI16 Number of deliberate secondary fires

A figure of 1043 incidents for this indicator reflects an increase of 2% on the 2009/10 performance and accounts for 34% of the Service total. The vast majority of these incidents (654) occurred in Q1 of 2010/11 with Sunderland East accounting for 29% of the district total. Problem areas continue to be the Hendon and Millfield wards and estates undergoing regeneration across the city (as reflected below). The Sunderland district Neighbourhood Fire Team continue to work with partners including Northumbria Police, Gentoo and Environmental Services on initiatives designed to drive down these figures.



### LI22 Number of false alarm calls due to automatic fire alarms from non domestic premises

A figure of 424 for this indicator reflects a decrease of 5% on the 2009/10 performance and accounts for 25% of the Service total. Station 52 still accounts for the majority of incidents in this indicator, particularly due to calls to Sunderland Royal Hospital. We continue to work with hospital fire officers to improve the situation. It is anticipated the installation of a new fire alarm system will assist in reducing our attendance to such incidents.

**TYNE & WEAR FIRE AND RESCUE AUTHORITY**

**POLICY AND PERFORMANCE COMMITTEE**

**ITEM NO 6**

**MEETING: 10<sup>th</sup> JANUARY 2011**

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**SUBJECT: PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT  
2011/12**

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**REPORT OF THE CHIEF FIRE OFFICER AND FINANCE OFFICER**

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**1. PURPOSE OF REPORT**

- 1.1 To set out the details of the Local Government Finance Settlement for 2011/12; and
- 1.2 To provide a draft set of comments that can be used as a basis for a response to the Government's consultation on their Provisional Local Government Finance Settlement proposals.

**2. DESCRIPTION OF DECISION**

- 2.1 Policy and Performance Committee is requested to note the report and to agree the proposed comments summarised at section 6 of the report which can be used as the basis for a response to the Government's consultation on the Provisional Local Government Finance Settlement along with any further comments members may wish to make.

**3. INTRODUCTION**

- 3.1 The proposals for the Provisional Local Government Finance Settlement for 2011/12 were announced on 13<sup>th</sup> December 2010, which included an indicative settlement for 2012/13.
- 3.2 The Government intends to review the current grant system with the aim of implementing a new grant distribution process from 2013/14. Work will commence in January 2011 and will be consulted upon in the summer.
- 3.3 The deadline for making a response to the provisional settlement is 5pm on 17<sup>th</sup> January 2011.

**4. PROVISIONAL GRANT SETTLEMENT - SUMMARY**

- 4.1 The 2 year settlement is consistent with the Government's Spending Review announcements for local government with the exception that they have increased formula grant funding by £30m in total and have also introduced a new Transition Grant of £85m for 2011/12 and £14m for 2012/13 to ensure that no Authority will incur a reduction in its Revenue Spending Power of more than 8.9% in 2011/12.

- 4.2 The Government also announced that the Settlement would see an average reduction of 4.4% in the overall funding to local government nationally. It also announced that the above additional funding and other measures introduced within the Settlement would help protect those authorities most reliant on Government funding in the next 2 years.
- 4.3 The Government has also un-ringfenced most revenue grant funding to provide authorities with more flexibility and has cut the number of grants from around 100 to 12 in a move to simplify government grant funding. This is in line with the Spending Review 2010 where only Dedicated Schools Grant (ring-fenced to schools) and a new Public Health Grant to be introduced in 2013/14 will be ring-fenced in future. The Fire Authority has limited exposure to most of these new un-ringfenced revenue core grants which are predominantly aimed at councils. Nevertheless the Authority is to benefit from PFI grant funding that has been protected and other grant funding, yet to be announced, that relates to Section 31 New Dimensions funding initiatives and responsibilities. The Authority will also benefit from the Council Tax Freeze Grant if it elects to freeze its council tax precept for 2011/12.
- 4.4 The table below sets out the Government's national settlement for funding local government, including the fire and police services. This is more commonly known as Aggregate External Finance (AEF) and shows the level of specific and formula grant allocations for each year on a comparable basis.

	£m 2010/11 Unadjusted	£m 2010/11 Adjusted	£m 2011/12	% Change
<b>TOTAL AEF</b>	<b>75,169</b>	<b>75,693</b>	<b>73,610</b>	<b>-2.7%</b>
Specific and General	50,502	47,369	48,714	2.8%
<b>NET AEF (SR10)</b>	<b>24,667</b>	<b>28,471</b>	<b>25,014</b>	<b>-12.1%</b>
Total post-SR10 transfers		-147	-118	
<b>NET AEF</b>	<b>24,667</b>	<b>28,325</b>	<b>24,896</b>	<b>-12.1%</b>
Business Rates (NNDR)	21,500	21,500	19,000	
<b>RSG</b>	<b>3,167</b>	<b>6,825</b>	<b>5,896</b>	
RSG for specified bodies	45	45	33	
<b>TOTAL RSG</b>	<b>3,122</b>	<b>6,780</b>	<b>5,863</b>	
Business Rates (NNDR)	21,500	21,500	19,000	
<b>Police Grant (incl. Met.)</b>	<b>4,374</b>	<b>4,374</b>	<b>4,546</b>	
<b>FORMULA GRANT*</b>	<b>28,996</b>	<b>32,653</b>	<b>29,410</b>	<b>-9.9%</b>

- 4.5 The main headlines from the table shows that total government support (AEF) is reducing by 2.7% in 2011/12. However, specific grant funding has been increased in particular areas especially for schools, some social services funding and police services, which masks the real funding reductions being faced by other services. It is also disappointing that the Government has not yet announced its specific grant funding proposals for Fire Authorities, which are now expected to be released towards the end of January 2011.
- 4.6 Specific grants of £3.4 billion nationally have transferred into formula grant in

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2011/12 and £2.0 billion of this total has been included separately as tailored distributions. These latter allocations are based on previous grant funding methodologies. However, most of these grants have not been pass-ported pound for pound in the formula grant for 2011/12, in order to reflect the Spending Review 2010 reductions. This feature has had no impact on the Fire Authority's funding.

- 4.7 Area Based and specific grants in respect of mainly Children's Services have transferred into a new Early Intervention Grant worth £2.214 billion, which is a reduction of 27% compared to the 2010/11 funding level. Again this does not affect the Fire Service.
- 4.8 Formula grant is to be reduced nationally by on average 9.9% in 2011/12 and by 7.4% in 2012/13. However, the Fire Service settlement only shows reductions of 5.8% in 2011/12 and 0.7% in 2012/13. These level of reductions were expected as the Spending Review 2010 (SR10) provided for Fire and Rescue Authorities to receive 25% less formula grant funding over the entire Spending Review period and grant reductions were to be 'back loaded' meaning that the greatest reductions in formula grant would fall in 2013/14 and 2014/15. The fact the first 2 year grant settlement is showing only a total combined reduction of 6.5% means that in the last 2 years (2013/14 and 2014/15) Fire Authorities will face a further grant reduction of 18.5% over the two years 2013/14 and 2014/15.
- 4.6 The Settlement includes significant and complex changes to formula grant resulting from the Government's Formula Grant Distribution Review carried out in the autumn, which has also complicated further an already very complex Settlement. The Government has introduced a banding of floor reductions to limit the maximum amount of formula grant that a Authority can lose in each year. The authorities most reliant on Government funding are placed in Band 1 and receive the lowest reductions and the least reliant are placed in Band 4 and receive the highest reductions. These bandings, however, do not apply to Police and Fire Authorities who have received a flat floor percentage across each year. The floor for Fire Authorities has been set at 9.5% for 2011/12 and at 3.4% for 2012/13.
- 4.7 The above changes outlined in 4.1 to 4.6 will impact upon authorities differently depending upon the types and level of grants they received in 2010/11 compared to those to be received in 2011/12 onwards. This is the reason why the Government has introduced its new concept of "Revenue Spending Power" in this Settlement in an attempt to further limit the overall cash reductions in Government funding faced by some authorities. However, there is a wide ranging impact on individual authorities' funding allocations with some significant winners and losers.
- 4.8 Analysis provided by CIPFA shows that the biggest losers from the settlements are those authorities that:
- Received Working Neighbourhoods Fund
  - Low Tax Base Authorities

Where grants have rolled into Formula Grant  
Some Shire Counties  
Unitary authorities with Fire Service

The main winners are:

High Tax Base authorities  
Shire Districts  
Shire Fire Authorities  
High Tax Base Police authorities

- 4.9 The Government has also confirmed its intention to fund a Council Tax freeze in 2011/12 by providing funding nationally of £650m. This level of funding is being distributed as if authorities were to increase their Council Tax by 2.5%. The funding provided in each year of the Spending Review period is only paying for the freeze in 2011/12. This grant however, will, in cash terms, significantly benefit high tax base authorities, which are usually less reliant on government grant, and as such can be regarded generally as the more affluent areas of the country. This means that some of the most deprived authorities are seeing the highest losses in grants compared to some of the lowest reductions to those in the more affluent parts of the country. This impact is seen as inequitable.
- 4.10 The Government has not released details of its council tax capping criteria but has indicated that it will use these powers if necessary and has also indicated that a council tax veto for council tax payers will form part of their Localism Bill. This will, once it becomes law, place a limit on council tax increases and if councils exceed the Government limits then the public will be able to vote to agree or veto any increase considered 'excessive'.

## **5. Summary of the Impact on Tyne and Wear Fire Authority**

### **5.1 Overall Resources (Revenue Spending Power)**

- 5.1.1 From the table overleaf, the Authority has received an overall reduction in its spending power in 2011/12 of £2.783m equivalent to a 4.69% reduction in its overall resources and is below the 8.9% maximum amount determined by the Government before it can qualify for the new Transition Grant. In 2012/13 it is facing a further reduction of £1.095m to its revenue spending power, which is equivalent to a further reduction of 1.94%.

	2010/11	2011/12	2012/13	Change 2011/12		Change 2012/13	
	£m	£m	£m	£m	%	£m	%
Council Tax Precept	23.749	23.749	23.749	0.000	0	0.000	0
Council Tax Freeze Grant	0.000	0.596	0.596	0.596	100	0.000	0
Formula Grant	35.570	32.191	31.096	-3.379	-9.50	-1.095	-3.40
<b>Total Spending Power</b>	<b>59.319</b>	<b>56.536</b>	<b>55.441</b>	<b>-2.783</b>	<b>-4.69%</b>	<b>-1.095</b>	<b>-1.98%</b>

5.1.2 The reduction to the overall resources position for the Fire Authority in 2011/12 of 4.69% is almost at the national average position for all local government of 4.4% quoted by Eric Pickles, the Communities Secretary. However, this position does need to be put into context. The changes need to be seen in the light of changes to authorities' individual positions across the country. Tyne and Wear is made up of some of the most deprived areas in the country, e.g. Gateshead is ranked 52nd, Newcastle 37th, North Tyneside 102<sup>nd</sup>, South Tyneside 38th and Sunderland is ranked 35<sup>th</sup>. As such the Authority has a fairly low council tax base compared to the more wealthy, mainly shire areas, which have much higher council tax bases, this indicates that Tyne and Wear is more reliant on government funding as a result. Analysis provided by SIGOMA showed the scale of changes in overall resources compared to the authorities' Index of Multiple Deprivation scores, although this was limited to a district or unitary authority level. However, the details provided helped show that some of the most wealthy areas have fared the best from this Settlement and those in mainly deprived areas with a low comparable tax base have fared the worst. This is due in the main to how the Council Tax Freeze grant has been allocated by providing more cash based funding based on an Authority's 2.5% increase on their council tax. The higher the tax base in wealthy areas the more grant they receive whereas in the most deprived areas their tax base is low and as a result will receive less grant in proportion to their needs. The Authority is considered to be a low tax base authority which means it will have fared comparatively worse than some other Fire Authorities, which have a high council tax base, such as some shire counties. This view is borne out by CIPFA (see paragraph 4.8). It is anomalous that this position results from a Settlement where the Government's declared policy aim was to protect authorities more reliant on Government funding.

## 5.2 Formula Grant

5.2.1 The Authority's formula grant allocation for 2011/12 has reduced in cash terms by £3.379m to £32.191m compared to the 2010/11 grant allocation of £35.570m which represents a reduction of 9.5% (the floor for Fire Authorities). The grant allocation of £31.096m in 2012/13 has seen a grant reduction of

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£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. Appendix 1 shows the details and scale of the grant reductions for each year. This is a league table position the Authority did not expect or want.

5.2.2 The level of grant reductions is of great concern in that the Fire Service was to incur lower cuts in grant in the first 2 years of the Spending Review period, which is the case, and yet the Authority still finds itself facing combined cuts in formula grant of 12.9%. This is almost double the cut in grant compared to the national average (6.5%). The reductions faced are significantly higher in the first 2 years when the cuts were supposed to be lower, which was intended to give Fire Authorities time to plan and implement changes to accommodate further more significant cuts in the latter 2 years of the Spending Review. This therefore places the Authority in a very challenging position earlier than it would have preferred and could have been anticipated, particularly for the Metropolitan Fire Authorities who have fared the worst and borne the brunt of this Settlement.

### 5.3 Impact of Changes to the Formula Grant Distribution System

5.3.1 The level of reported formula grant reductions of 9.5% in 2011/12 and 3.4% in 2012/13 are below the national average reductions across all local government categories. However, because of the changes to the formula and data used in the provisional settlement, the Authority is now a recipient of floor damping funding of £3.489m in 2011/12 and £2.764m in 2012/13. This indicates that the combination of changes to the formula and revised data used in the proposed formula has significantly and adversely affected the Authority's grant allocations, as in the past it has received grant funding above the floor and as such was a net contributor towards the cost of the floor funding in the last Spending Review period.

5.3.2 There was also a consensus of views across all Metropolitan Fire Authorities that the options for change in the Fire Service formula were detrimental to the grant allocations to Metropolitan Fire Authorities in particular and that grant allocations should not be changed at a time of sweeping cuts in formula grant over the next 4 years. The changes, set out in 5.3.3, below unfortunately have still been implemented despite these concerns and helps explain why the Metropolitan Fire Authorities average reductions of 9.45% in 2011/12 and 2.99% in 2012/13 are almost at the floor in each year's settlement. The gainers from the formula changes introduced are, as expected, the Shire Fire Authorities who have also benefitted more generally from the Council Tax Freeze Grant.

5.3.3 Initial analysis has identified the following areas of change relating to the Fire Service, all of which have had a very significant and adverse impact on the Authority's grant entitlement:

- the regression expenditure base for this formula will be updated (FIR1);

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- the Government has not agreed that annual cashable efficiency savings should be added to the updated expenditure data used to determine the coefficients;
- an updated fire risk index and a separate positively weighted population density indicator will be used (FIR4);
- there will be an increase of 10% in the size of the Relative Needs blocks and a decrease of 10% in the size of the Central Allocation

5.3.4 The amount of floor damping reduces from £3.489m to £2.764m in 2012/13, a reduction of £0.725m. If floor damping continues to reduce annually at the same rate it will disappear in another 3 to 4 years i.e. around 2016/17. The Government however has indicated that it intends to adopt a new distributional system for grant funding from 2013/14 so it is not possible at this stage to come to any definitive view on the future for floor damping or how the Fire Service will fare in the last two years of the Spending Review period although it will still have to achieve 18.5% of the 25% cuts required.

#### **5.4 Changes in Specific Grants**

From the Settlement the following position with regard to specific grants has been established:

- The PFI Grants are to be protected and will remain at the levels already notified to the Fire Authority (these will total £3.358m in 2011/12 and 2012/13).
- Section 31 New Dimensions and Fire Link grant funding has yet to be announced and the Authority currently receives £0.904m and £0.044m respectively from these grant funding streams.

The Government however announced on 20<sup>th</sup> December that Regional Control Centre grant worth £0.396m to the Authority is to end.

#### **5.5 Council Tax Freeze Grant**

The Authority is to receive £0.596m in each year of the Spending Review period to compensate the Authority for the loss of council tax precept income in respect of a council tax freeze in 2011/12, if it elects to do so.

The Authority is concerned that this funding has been allocated using the Tax Base data for each authority which sees the high tax base authorities receiving higher allocations than those with a fairly low tax base as is the case with this Authority. It seems perverse that the richer authorities are to receive more cash funding than those with the greatest need.

### **6. DRAFT COMMENTS ON THE SETTLEMENT**

The following comments have been drafted for consideration by members and can be supplemented if agreed with any additional comments members wish to make.

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- 6.1 The Authority is extremely concerned at the very high level of formula grant reductions it is 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 shows that Tyne and Wear Fire and Rescue Authority is incurring 12.9% reductions in grant funding when the average for the Fire Service nationally is only 6.5%. This position is unreasonable and inequitable and the members of the Fire Authority would request that the Government makes changes to the Provisional Settlement for both years so that Tyne and Wear Fire and Rescue Authority receives an improved and much fairer distribution of formula grant in both 2011/12 and 2012/13.
- 6.2 The changes to the formula have had a significant adverse effect on the grant allocation of the Authority (and was the worst affected Fire Authority in the country by the changes in both Settlements) and it is recognised that these changes alone are the main reason for the very poor grant settlement received, which is unfortunately consistent across all of the Metropolitan Fire Authorities. 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 4 years. These representations, made by all Metropolitan Fire Authorities, were not accepted, but now that the impact of these changes is known, it is now inevitable that these unexpected front loaded cuts in grant will impact on front line services unless grant funding is increased.
- 6.3 The scale of the grant losses, even with floor protection, is of great concern for this Authority, which suffers a loss of formula grant of 9.5% in 2011/12 and 3.4% in 2012/13, whereas the overall funding for the Fire Service has reduced on average by 6.5% over the two year period. If the remaining Fire Service national grant reductions of 18.5% (making up the overall 25% decrease set out in the Spending Review) is implemented then grant could reduce further by possibly 9.25% nationally in both 2013/14 and 2014/15. If this is the case then the Authority is facing further significant grant reductions, primarily because of the adverse impact of the formula grant changes to the Fire Service formula.

It is however noted that a new system of grant distribution may be introduced from 2013/14 and it is hoped that the current anomalous position is corrected in any new distribution system. If it is not, then the Fire Authority is potentially facing further large annual grant reductions of at least 9.25%, but probably greater reductions in these last two years of the Spending Review, if the system is not changed because of the impact of the formula changes introduced.

- 6.5 The Fire Authority finds itself in a position from the Settlement that is very difficult to accept considering the Authority has already embraced the modernisation agenda and is now facing larger grant reductions as a result of the Government's failure to recognise this position in the formula grant review and has also ignored the combined opposition by all of the Metropolitan Fire Authorities to the changes they have implemented. Indeed if a new, more equitable, distribution system is not in place from 2013/2014 onwards then the scale of the cuts that will arise through the use of the existing formula grant distribution mechanism will be such that there will undoubtedly be a detrimental impact on the front line services provided by this Authority.
- 6.6 The Authority would also request that the Council Tax Freeze grant is allocated more fairly and that the current method of basing this on the council tax base measure is unreasonable and unfair as this benefits the most affluent areas of the country to the detriment of the more deprived areas. The grant should be based on need and to equalise resources, not merely increasing cash grant to those with the highest council tax bases (who are the least dependent on government funding). The current rationale or methodology is flawed and is seen as perverse and that issue must be addressed to redistribute funds to where they are most needed.

## **7. CONCLUSIONS**

- 7.1 Members are asked to note the report and agree the proposed comments in response to the consultation on the Provisional Revenue Support Grant Settlement for 2011/12.

**Appendix 1**

**Grant Settlement – Floor Protection in 2011/2012**

Fire Authority	2010/2011	2011/2012					
	Adjusted Formula Grant	Raw Grant	Change	Formula Grant Change Before Floor Damping	Total Grant	Formula Grant Change After Floor Damping	Floor Amount
	£m	£m	£m		£m		£m
<b>Tyne and Wear Fire</b>	<b>35.57</b>	<b>28.70</b>	<b>-6.87</b>	<b>-19.31%</b>	<b>32.19</b>	<b>-9.50%</b>	<b>3.49</b>
Shropshire Fire	8.27	6.85	-1.42	-17.17%	7.48	-9.50%	0.63
Merseyside Fire	46.30	38.71	-7.59	-16.40%	41.91	-9.50%	3.20
South Yorkshire Fire	36.77	30.81	-5.96	-16.21%	33.28	-9.50%	2.47
West Midlands Fire	80.81	67.86	-12.95	-16.02%	73.14	-9.50%	5.27
Nottinghamshire Fire	25.01	21.14	-3.87	-15.46%	22.63	-9.50%	1.49
Cleveland Fire	22.38	18.98	-3.40	-15.20%	20.26	-9.50%	1.28
Cambridgeshire Fire	14.44	12.33	-2.12	-14.65%	13.07	-9.50%	0.74
Greater Manchester Fire	75.33	66.89	-8.45	-11.21%	68.18	-9.50%	1.29
Durham Fire	14.53	13.00	-1.52	-10.49%	13.15	-9.50%	0.14
Avon Fire	24.88	22.55	-2.32	-9.34%	22.54	-9.40%	-0.01
West Yorkshire Fire	57.49	52.31	-5.18	-9.02%	52.21	-9.18%	-0.09
Buckinghamshire Fire	11.45	10.53	-0.92	-8.05%	10.47	-8.54%	-0.06
Derbyshire Fire	19.67	18.14	-1.53	-7.79%	18.03	-8.37%	-0.11
North Yorkshire Fire	12.97	12.45	-0.52	-3.99%	12.21	-5.86%	-0.24
East Sussex Fire	14.67	14.12	-0.55	-3.75%	13.84	-5.70%	-0.29
Humberside Fire	27.17	26.15	-1.02	-3.76%	25.62	-5.71%	-0.53
Wiltshire Fire	9.59	9.34	-0.25	-2.60%	9.11	-4.95%	-0.22
Bedfordshire Fire	11.39	11.18	-0.21	-1.84%	10.88	-4.44%	-0.30
Berkshire Fire	15.42	15.21	-0.21	-1.38%	14.78	-4.14%	-0.43
Lancashire Fire	32.61	32.15	-0.46	-1.41%	31.25	-4.16%	-0.90
Kent Fire	29.60	29.26	-0.33	-1.12%	28.42	-3.97%	-0.84
Leicestershire Fire	18.84	18.81	-0.03	-0.16%	18.21	-3.34%	-0.60
GLA - non-police	260.18	259.97	-0.21	-0.08%	251.64	-3.28%	-8.33
Hereford and Worcester Fire	10.67	10.80	0.13	1.22%	10.41	-2.43%	-0.39
Dorset Fire	11.00	11.36	0.36	3.30%	10.89	-1.05%	-0.48
Devon and Somerset Fire	31.25	32.24	1.00	3.20%	30.90	-1.12%	-1.35
Staffordshire Fire	18.60	19.42	0.82	4.41%	18.54	-0.32%	-0.88
Essex Fire	32.37	33.87	1.50	4.64%	32.32	-0.17%	-1.56
Hampshire Fire	29.27	30.80	1.53	5.24%	29.33	0.23%	-1.47
Cheshire Fire	18.62	19.61	0.98	5.29%	18.67	0.26%	-0.94
<b>Total Fire</b>	<b>1057.13</b>	<b>995.55</b>	<b>-61.58</b>	<b>-5.82%</b>	<b>995.55</b>	<b>-5.82%</b>	<b>0.00</b>

**Grant Settlement – Floor Protection in 2012/2013**

Fire Authority	2011/2012	2012/2013					
	Adjusted Formula Grant	Raw Grant	Change	Formula Grant Change Before Floor Damping	Total Grant	Formula Grant Change After Floor Damping	Floor Amount
	£m	£m	£m		£m		£m
<b>Tyne and Wear Fire</b>	<b>32.19</b>	<b>28.33</b>	<b>-3.86</b>	<b>-11.99%</b>	<b>31.10</b>	<b>-3.40%</b>	<b>2.76</b>
Merseyside Fire	41.91	37.95	-3.96	-9.44%	40.48	-3.40%	2.53
West Midlands Fire	73.14	67.06	-6.07	-8.31%	70.65	-3.40%	3.59
South Yorkshire Fire	33.28	30.54	-2.74	-8.23%	32.15	-3.40%	1.61
Shropshire Fire	7.48	6.87	-0.62	-8.25%	7.23	-3.40%	0.36
Cleveland Fire	20.26	18.66	-1.60	-7.88%	19.57	-3.40%	0.91
Nottinghamshire Fire	22.63	21.14	-1.49	-6.58%	21.86	-3.40%	0.72
Cambridgeshire Fire	13.07	12.42	-0.65	-4.96%	12.63	-3.40%	0.20
Greater Manchester Fire	68.18	66.11	-2.07	-3.03%	66.03	-3.15%	-0.08
Durham Fire	13.15	12.92	-0.23	-1.72%	12.85	-2.26%	-0.07
West Yorkshire Fire	52.21	52.01	-0.20	-0.39%	51.50	-1.35%	-0.50
Avon Fire	22.54	22.69	0.15	0.66%	22.40	-0.64%	-0.29
Derbyshire Fire	18.03	18.15	0.12	0.66%	17.91	-0.64%	-0.23
Humberside Fire	25.62	25.93	0.30	1.19%	25.55	-0.28%	-0.38
Buckinghamshire Fire	10.47	10.62	0.14	1.36%	10.46	-0.17%	-0.16
GLA - non-police	251.64	256.29	4.65	1.85%	252.05	0.17%	-4.24
Lancashire Fire	31.25	31.88	0.63	2.01%	31.34	0.27%	-0.54
East Sussex Fire	13.84	14.13	0.29	2.11%	13.88	0.34%	-0.24
North Yorkshire Fire	12.21	12.53	0.32	2.66%	12.29	0.71%	-0.24
Bedfordshire Fire	10.88	11.22	0.34	3.11%	10.99	1.02%	-0.23
Kent Fire	28.42	29.32	0.90	3.16%	28.72	1.06%	-0.60
Leicestershire Fire	18.21	18.84	0.63	3.47%	18.44	1.26%	-0.40
Berkshire Fire	14.78	15.28	0.50	3.35%	14.96	1.19%	-0.32
Wiltshire Fire	9.11	9.43	0.32	3.49%	9.23	1.28%	-0.20
Hereford and Worcester Fire	10.41	10.83	0.42	4.06%	10.58	1.67%	-0.25
Devon and Somerset Fire	30.90	32.26	1.36	4.41%	31.48	1.90%	-0.77
Staffordshire Fire	18.54	19.37	0.83	4.46%	18.90	1.94%	-0.47
Cheshire Fire	18.67	19.51	0.84	4.50%	19.04	1.97%	-0.47
Dorset Fire	10.89	11.36	0.48	4.37%	11.09	1.88%	-0.27
Essex Fire	32.32	33.99	1.68	5.18%	33.10	2.43%	-0.89
Hampshire Fire	29.33	30.91	1.58	5.39%	30.09	2.57%	-0.83
<b>Total Fire</b>	<b>995.55</b>	<b>988.55</b>	<b>-7.00</b>	<b>-0.70%</b>	<b>988.55</b>	<b>-0.70%</b>	<b>0.00</b>

**TYNE AND WEAR FIRE AND RESCUE AUTHORITY**

**POLICY AND PERFORMANCE COMMITTEE**

**MEETING: 10<sup>TH</sup> JANUARY 2011**

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**SUBJECT: DRAFT REVENUE BUDGET 2011/2012**

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

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**1. INTRODUCTION**

1.1 This report outlines 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.

**2. BACKGROUND**

2.1 In order to maintain the requisite service levels in 2010/2011, the Authority had a budgetary requirement of £59.36m. The impact of this was to require a Band D Council Tax precept to be set of £73.16.

2.2 In recent years, the Authority has set comparatively low increases in its Council Tax precept, with increases in 2008/2009 of 2.4%, an increase of 1.24% in 2009/2010 and an increase of 0.91% in 2010/2011. These represent the lowest increases nationally for any Fire Authority over the last 3 years. In order to minimise the burden on the council tax payer, a number of efficiency savings have already been realised. Principal amongst these are the implementation of the Public Private Partnership Scheme, and the identification of efficiency savings through the Integrated Risk Management Plan to both fund additional community fire safety initiatives and fund the financial implications of the national pay agreement.

2.3 The Authority has a comparatively high level of expenditure per head of population compared to other Fire and Rescue Authorities. However, this needs to be considered in the context of levels of deprivation, the socio economic position of the area as a whole and specific areas within the sub – region, with the Audit Commission commenting previously that service costs were “consistent with incident levels and demographic factors”. Whilst

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the Authority can justify these levels, the underlying objective in light of the Spending Review 2010 (SR10), will be to reduce expenditure significantly.

### **3. DRAFT REVENUE BUDGET 2011/2012**

#### **Provisional Local Government Finance Settlement 2011/2012**

- 3.1 As reported elsewhere on the agenda, a detailed report on the Provisional Revenue Support Grant Settlement for 2011/2012 and 2012/2013 is presented to the Authority and the main points are noted below, for information.
- 3.2 On 13th December 2010, the Parliamentary Under Secretary of State for Local Government issued the provisional report for the 2011/2012 and 2012/2013 Revenue Support Grant Settlement.
- 3.3 The announcement provides provisional funding allocations for the next two financial years only. A second two year settlement is expected to follow, for which the Government intends to adopt a new distributional system.
- 3.4 The overall funding for the Fire Service nationally has 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, this Authority's grant allocation for 2011/2012 has reduced by £3.379m or 9.5% and by £1.094m or 3.4% in 2012/2013 after the application of floor damping.

Without floor damping the grant reductions in 2011/2012 and 2012/2013 would have been 19.3% and 12.0% respectively. These percentage grant reductions represent the largest reductions of any Fire and Rescue Authority.

The Authority is facing further significant grant reductions in 2013/2014 and 2014/2015, equating 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 greater.

- 3.5 On 15th December 2008, CLG announced its proposals for distributing Fire Capital Grant, totalling £78 million nationally. The Authority received a capital grant allocation of £745,323 in 2009/2010 and £959,579 in 2010/2011. With the proviso that the capital grant can only be used for capital expenditure, the grant is not ringfenced. It is not yet known if any Capital Grant will be received in future years but Members will be notified when further information becomes available. Section 7 of this report provides further analysis of the Capital Programme for 2011/2012.

#### **4. MEDIUM TERM FINANCIAL STRATEGY**

4.1 An updated Medium Term Financial Strategy (MTFS) has 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, which is set out at Appendix A, takes account of the following main areas:

- the mainstream fire and rescue budget prepared on the basis of this 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 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 November report on the MTFS to the Authority.

The above items are all explained further in this report.

#### **Efficiency Targets for Delegated Budgets**

4.2 As identified in the MTFS 2011/2012 to 2014/2015, reported to Authority on 22nd November 2010, the Chief Fire Officer has undertaken a base budget review of all delegated budgets. Whilst the overall intention is to ensure that resources are directed to address key strategic priorities, in terms of developing and improving the service as informed by the Strategic Plan, this review has identified efficiency savings on delegated budgets which have been built into the MTFS.

#### **Strategic Review of Fire and Rescue Cover**

4.3 As previously reported, the Public Private Partnership Scheme is now fully operational. The significant savings envisaged at the inception of the Scheme have accrued, and the planned reduction of Fire Fighters by natural wastage has enabled an annualised saving to be built into the base budget. The saving for 2011/2012 has been increased to £956,730 reflecting inflationary adjustments.



## **Integrated Risk Management Plan**

- 4.4 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 22<sup>nd</sup> 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.
- 4.5 The IRMP 2011/2012 includes a series of reviews which, if implemented, could generate significant efficiencies and the potential impact of these reviews has been built into the Medium Term Financial Strategy. These efficiencies will need to be substantial to address the significant funding reductions announced in the Provisional Revenue Support Grant Settlement, 2011/12 and 2012/13.

## **Firefighter Pensions**

### **Ill Health Early Retirements**

- 4.6 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.

## **Known Service Pressures**

- 4.7 A number of spending pressures were identified within the MTFS 2011/2012 to 2014/2015, as reported to Authority on 22<sup>nd</sup> 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 31<sup>st</sup> 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 4.11);
- 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 4.12 and 4.13).

### **Interest on Investments**

- 4.8 Given the significant, sustained, reduction in the Bank Base Rate, the budget will be kept under review until the final budget proposals are made to the Authority in February 2011.

### **National and Regional Initiatives**

#### Regional Control Centre (Fire Control)

- 4.9 On 20<sup>th</sup> 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.
- 4.10 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.
- 4.11 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

- 4.12 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.
- 4.13 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

- 4.14 An announcement is expected towards the end of January 2011 whether grant will be received to support the New Dimensions capabilities and to support the Assurance function.

## Regional Collaborative PFI Scheme - NEFRA

- 4.15 Members will be aware that this project is now complete and the new 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

- 4.16 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 operational staffing profile.

## Review of Operational Staffing Profile

- 4.17 In setting the 2010/2011 Revenue Budget, the Chief Fire Officer has 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 vary (new scheme 11.0%, old scheme 21.3%). The impact of this review is reflected in the Medium Term Financial Strategy, and will be incorporated into the Revenue Budget for 2011/2012, as this is finalised.

## **5. Tyne and Wear Emergency Planning Unit (TWEPU)**

- 5.1 In 2005, the Tyne and Wear local authorities agreed that each authority would allocate 60% of its government grant allocation for civil protection work to the Tyne and Wear Emergency Planning Unit (TWEPU). The budget for 2011/2012 has been prepared on the basis of a 10% reduction from the 2010/2011 position equating to a budget of £462,490, followed by a standstill position for 2012/2013 to 2014/2015.
- 5.2 When agreeing the revised TWEPU staffing structure in September 2008, the Chief Emergency Planning Officer introduced a degree of flexibility into the budget through a number of fixed term posts, and it is intended that this flexibility will be utilised in delivering the required efficiency savings.

## **6. General Fund Balances, Earmarked Reserves and Provisions**

- 6.1 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.
- 6.2 Taking account of the level of risk within this Authority, the retention of a minimum level of general fund balances of approximately £3 million is considered, at this stage, to be appropriate after taking into consideration the following:
- 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 specifically energy prices, and the impact of potential changes in Bank Base Rates;
  - uncertainty regarding the future funding for national and regional projects;
  - the risk analysis included in the MTFS reported to the Authority in November 2010.
- 6.3 The Revenue Budget 2010/2011 Second Review, reported in November 2010, that uncommitted general balances were estimated to be approximately £3.07 million by 31st March 2011. This report also highlighted a number of specific service pressures, and work is underway to identify the potential impact that these might have on the level of uncommitted general balances. These pressures include:

- Firelink –the latest position, as outlined at paragraph 4.12 and 4.13, suggests that there will be no additional cost to this Authority, the position will be kept under review;
- LGPS – as referred to at paragraph 4.17, consideration is being given to making a contribution to the Pension Fund at some point in the future in order to reduce the annual revenue payments;
- Estates Development Strategy – Members were presented with a report in December 2009 outlining progress in relation to identifying sites for the relocation of Fulwell and Rainton Bridge Fire Stations. Funding is held in the Development Reserve towards meeting the cost of the Estates Development Strategy, although additional funds may be required, as individual schemes are developed, and the costs become more certain.

6.4 As in the previous year, a full financial risk analysis of general balances and major reserves will 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 will be reviewed in light of the latest Authority decisions and the final budget proposals to be considered by the Authority in February, 2011.

6.5 The asset management requirements of the Authority will also be reviewed, together with the capital needs over the medium term.

## **7. Capital Programme 2011/2012**

7.1 Members will be aware that Government support for capital expenditure has previously been provided by supported revenue allocations through Formula Grant that allow authorities to control the amount that they borrow without seeking government approval.

7.2 The basic principle is that authorities are free to borrow as long as their capital plans are affordable, sustainable and prudent. As a control mechanism to ensure this occurs, all authorities must follow a prudential code. This involves the setting of various prudential limits that must be decided upon by the Authority as part of the budget process. Prudential indicators must be set covering the following areas:

- Affordability;
- Prudence;
- Capital Expenditure and Capital Commitments;
- External Debt;
- Treasury Management.

- 7.3 As part of the budget process, these prudential indicators will be updated and reported to the Authority in February for approval.

### **Capital Financing – Debt Charges, Capital Grant and Revenue Contribution to Capital Outlay**

- 7.4 The Revenue Budget for 2010/2011 includes a Revenue Contribution to Capital Outlay (RCCO), which has introduced additional flexibility into the funding arrangements of the Authority's Capital Programme. Financing all, or part, of the Capital Programme through a RCCO results in a reduced requirement for external borrowing, and the MTFS takes account of this funding approach.
- 7.5 In 2009/2010 and 2010/2011, the Authority received Fire Capital Grant of £0.745 million and £0.960 million, respectively. Consideration will be given to how best to utilise this grant as part of the preparation of the Capital Programme 2011/2012. It is not yet known if any Capital Grant will be received in future years but Members will be notified when further information becomes available.
- 7.6 The Capital Programme for 2011/2012 is still under consideration, and will be reported to Members in February 2011. Given the financial pressures facing the Authority over at least the medium term, consideration will 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.
- 7.7 The various options available for financing the Capital Programme will be kept under review until the Revenue and Capital Budgets are presented to Members in February 2011, and beyond that, to ensure that the optimum use is made of the available resources. These options include:
- Revenue Contribution to Capital Outlay;
  - External Borrowing;
  - Use of General Fund Balances / Reserves (including Development Reserve);
  - Leasing;
  - Use of Fire Capital Grant (as referred to at paragraph 3.5).

### **Revenue Implications Arising from the Capital Programme**

- 7.8 The Estates Development Strategy outlines a number of proposals for future development of the Authority's estate portfolio, and was updated in December 2009 in a report to Members outlining latest developments in respect of potential land purchases for the relocation of Fulwell and Rainton

Bridge Fire Stations. It is proposed to fund this building programme from the Development Reserve on a phased basis. 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.

## **8. Efficiency Savings**

8.1 Paragraph 3.3 refers to the Provisional Revenue Support Grant Settlement for 2011/2012 representing a decrease of 9.5% for 2011/2012 and a decrease of 3.4% for 2012/2013. This reflects a tightening of the national funding position, with the expectation of a far tighter position beyond that due to the back loading of Formula Grant reductions, announced in SR10. Clearly, this brings a significant pressure on the Authority's medium-term financial position.

8.2 An Integrated Risk Management Plan was approved by the Authority on 22<sup>nd</sup> November 2010 covering the period April 2010 to March 2015. A number of proposed actions were approved to carry out the following:

- 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.

8.3 It was agreed that the IRMP Action Plan 2011-15 would also include implementation of the four IRMP actions carried out in 2010/2011:

- Review of Prevention and Education (community safety) activity;
- Review of the Retained Appliance at Station 13 (Gateshead East) Community Fire Station
- Review of the potential for a low activity staffing model at some less busy stations;
- Review of Back Office functions (2 year programme completing 2011/12)

Individual reports were brought to the Authority on the findings of those reviews.

## **9. Detailed Budget 2011/2012**

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

## **10. Guideline Council Tax Increase**

- 10.1 The Government has retained 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.
- 10.2 The government has also emphasised that it will use capping powers if necessary and it is to issue its capping principles as part of the final Revenue Support Grant Settlement for next year.
- 10.3 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 2011/12 but there is no funding for further Council Tax freezes beyond 2011/2012.
- 10.4 Indications are that any increase above 2.5% would be deemed 'excessive' as the minister said in his announcement "I will publish details of the figures that will be used to compare authorities budgets between years, should capping be necessary. The previous government had planned to cap police authorities of Greater Manchester and Nottinghamshire after they set excessive increases in 2010/2011. Subject to challenge, we will ensure that, should they decide not to freeze the council tax, neither can impose an increase of over 2.5% in 2011/2012"
- 10.5 It must be stressed that the figures are indicative only at this stage and there are a number of outstanding issues that will be clarified prior to the submission of the final budget proposals to the meeting of the Authority in February 2011.

These outstanding issues are as follows:

- final preparation of the budget requirement for 2011/12 is still ongoing at this stage, and may be subject to variation;
- the position advised in relation to the Council Tax Bases of Billing Authorities;
- the collection fund position of each of the Billing Authorities;



- ongoing uncertainties with regard to a number of national and regional projects.

## **11. RECOMMENDATIONS**

11.1 The Committee is requested to:

- a) Note the contents of the report and the draft Revenue Budget position for 2011/2012 and 2012/2013;
- b) Note the draft revised MTFS attached at Appendix A;
- c) Note that the provisional budget proposals will be reported to a meeting of the Authority on 24th January 2011.

## 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		(2.93)	(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)
<b>Indicative Budget</b>	<b>59.36</b>	<b>56.53</b>	<b>56.03</b>	<b>53.35</b>	<b>50.69</b>
Percentage Decrease over Previous Year's Budget		-4.77%	-0.88%	-4.78%	-4.99%

**Not for publication as the minutes contain exempt information relating to consultations or negotiations in connection with any labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraph 4).**

## **Policy and Performance Committee**

**13 September 2010**

### **Minutes**

#### **Part II**

### **Minutes**

6. RESOLVED that the minutes of the meeting of the Policy and Performance Committee held on 7 June 2010 – Part II (circulated) be confirmed and signed as a correct record.

(Signed) N. FORBES,  
Chairman.

