

## **POLICY ADVISORY COMMITTEE**

Minutes of the meeting of the POLICY ADVISORY COMMITTEE held in the Main Authority Room, Fire and Rescue Headquarters, Nissan Way, Barmston Mere, Sunderland on MONDAY, 12<sup>TH</sup> JANUARY, 2009 at 10.00 a.m.

### **Present:**

Councillor Wright in the Chair

Councillors Boyes, Clark, N. Forbes and Jordan.

### **Declarations of Interest**

There were no declarations of interest.

### **Apologies for Absence**

Apologies for absence were received from Councillor Bolland.

### **Appointment of Vice-Chairman**

1. RESOLVED that Councillor N. Forbes be appointed as Vice-Chairman of the Committee for the ensuing period to the next Annual Meeting.

### **Minutes**

2. RESOLVED that the minutes of the meeting held on 28<sup>th</sup> July, 2008 be confirmed and signed as a correct record.

## **Draft Revenue Budget 2009/2010**

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Chief Emergency Planning Officer submitted a joint report (circulated) outlining the financial position facing the Authority for 2009/2010, in light of the recent Provisional Revenue Support Grant Settlement for 2009/2010, including confirmation of the Indicative Settlement for 2010/2011, and related matters.

(For copy report – see original minutes).

The Finance Officer outlined the context of the report, as set out in paragraph 2.2. In doing so he explained that in recent years, the Authority had set comparatively low increases in its precept, with increases in both 2007/2008 and 2008/2009 of 2.4%, representing the second lowest and lowest increases nationally, respectively.

Members of the Committee were reminded that a detailed report on the Provisional Local Authority Finance Settlement 2008/2009 had been considered by the full Authority at its meeting on 15<sup>th</sup> December, 2008.

The Finance Officer highlighted various aspects of the report, in particular that:-

- the levels of grant entitlement represented increases of 1.26% for 2009/2010 and 1.10% for 2010/2011. Members' attention was drawn to the fact that the Authority's grant increases, although well below the national average increases for local government, were above the minimum (floor) increases for all fire and rescue services of 0.50% for each year.
- the CLG had announced proposals for distributing the Fire Capital Grant, which totalled £78 million nationally, with Tyne and Wear Fire and Rescue Authority being awarded a capital grant allocation of £745,323 in 2009/2010 and £959,579 in 2010/2011 and this would assist in addressing the financial position faced by the Authority for those years.
- in relation to the Medium Term Financial Strategy (MTFS) 2009/2010 to 2013/2014, as reported to the full Authority at its meeting on 15<sup>th</sup> September 2008, the Chief Fire Officer had undertaken a base budget review of all delegated budgets, which identified efficiency savings on delegated budgets equivalent to 3%, which had been built into the MTFS.
- Members would recall approving the Integrated Risk Management Plan 2009/2012 and associated Action Plan 2009/2010, which had also been factored in to the MTFS.
- in relation to Firefighter Pensions, Authorities had retained responsibility for meeting the cost of ill-health pension awards. Members were advised that investment in health awareness and intervention measures through the Occupational Health Unit, had enabled a reduction in the number of ill-health early retirements, with none having occurred during 2008/2009 to date.

- a number of spending pressures had been identified within the MTFS 2009/2010 to 2013/2014, as reported to the full Authority at its meeting on 15<sup>th</sup> September, 2008. These included pressures relating to Pay, General Price Increases, the Local Government Pension Scheme Deficiency Payments, Fire Control and Firelink.

Members were also informed that an Estates Development Plan 2007-2012 reported in July 2007 presented a series of proposals for future development of the Authority's estate portfolio and that, whilst the revenue implications arising from these developments would become apparent as the proposals develop, the MTFS assumed that the developments would be revenue neutral at this stage.

In relation to the Capital Programme 2008/2009, Members were advised that this included a scheme to develop an Incident Management Training Facility at the Brigade Training Centre, incorporating USAR training facilities, and it was anticipated that the increased costs associated with the scheme would be met from increase income through provision of more training to external bodies and less use of external training by the Authority. In addition, Members were told that a further report was on today's agenda proposing the deferral of the move of the Safetyworks! facility to Washington due to the current financial climate, which would save approximately £180,000 per annum.

An update was provided to Members on General Fund Balances, Earmarked Reserves and Provisions where it was confirmed that General Fund Balances stood at approximately £3.35 million.

The Finance Officer then briefed Members of the Committee on Capital Financing issues. In doing so, he advised that the Revenue Budget 2008/2009 provided for a Revenue Contribution to Capital Outlay (RCCO) of £1.3 million (excluding slipped expenditure from 2007/2008) which had introduced additional flexibility in the funding arrangements of the Authority's Capital Programme.

In relation to efficiency savings, the Audit Commission's National Review of Fire and Rescue Service has outlined a number of findings, including that the service "could save up to £200 million a year if all fire services adopted good practice from pioneering fire services". It was therefore deemed essential that the Authority should continue to identify efficiency savings where appropriate.

Potential implications for Council tax levels were then dealt with, including the fact that the government had retained its "Capping and Reserve powers" and expected to see average council tax increases substantially less than 5%.

The Committee were advised that figures were indicative at this stage and that there were a number of issues that required clarification prior to the submission of the final budget proposals.

At this juncture, Members were afforded the opportunity to comment upon the report and ask any questions.

Councillor Boyes, in referring to paragraph 3.5 of the report, enquired whether there were any longer term plans to help fund the "floor". In response, the Finance Officer explained

that the Authority's grant allocations had been reduced temporarily to protect other authorities, and that over time, the Authority should see the benefit of the higher grant allocations intended through the general formula grant funding system. He added that it was due to the intervention of Fraser Kemp and other M.P's that government had not made intended changes to the Fire element of the general formula grant system and that the next Formula Review was due to take place during 2010/2011.

Councillor Forbes enquired, in relation to paragraph 8.2, what assurances were there that the Authority would not be asked to deliver unreasonable efficiency savings in the context of its current position. The Finance Officer responded that the framework appeared to give no recognition to the starting point and past performance of individual authorities in generating efficiency savings and therefore the Authority had no comfort that it would not be expected to make the level of efficiency savings expected of all other Fire and Recue Authorities.

Councillor Forbes went on to enquire about the exact meaning of "the collection fund position of each of the Billing Authorities". The Finance Officer provided a detailed explanation of the statement.

Councillor Clark enquired how and at what point did the Authority get paid by the five district authorities. The Finance Officer advised that a report would be submitted to the next Authority meeting on this issue. However, he confirmed that in bringing forward the report, consultation and negotiation had taken place with the authorities, and that the dates would be detailed in the report.

Councillor Clark raised a further enquiry regarding whether the Fire Authority had ever experienced any problems receiving the money from the other authorities on time? The Finance Officer confirmed that there had never been an issue in this regard and that if it ever came to that, then the authority in question would pay over interest on the monies owed.

Councillor Clark commented in relation to percentage increases on employees pay, explaining that he did not consider them to be fair as increases were dependent on the existing size of an individual's salary. He therefore enquired whether a flat pay increase could be considered an option. The Finance Officer and the Chief Fire Officer recognised this as an issue and pointed out that a lump sum approach had been adopted in recent pay rounds in relation to Green Book employees towards the bottom end of the pay scale. Detailed consideration having been given to the matter, the Committee:-

3. RESOLVED to:-

- (i) note the contents of the report and the draft Revenue Budget position for 2009/2010;
- (ii) note the draft revised MTFS attached at Appendix A; and
- (iii) note that the provisional budget proposals would be reported to a meeting of the full Authority on 19<sup>th</sup> January, 2009.

## **Safetyworks**

The Chief Fire Officer, the Clerk to the Authority and the Finance Officer submitted a joint report (circulated) outlining a proposal to defer the new Safetyworks! project, contained within the Estates Development Plan, in favour of continued occupation of the existing Safetyworks! Centre.

(For copy report – see original minutes).

The Chief Fire Officer (CFO) advised that a report on this item would be presented to the full Authority at its meeting on Monday, 19<sup>th</sup> January, 2009. Nevertheless, he wished to draw this matter to Members' attention prior to it being presented to allow time for a full exploration and consideration of the issues.

Members were informed that Safetyworks! was established in 2001 as part of the Newcastle Healthy City Project and was originally supported by grant funding through the Single Regeneration Budget (SRB), together with support from other agencies. The facility had proved to be effective and popular, hence the Authority had taken on the financial support role when the SRB funding ceased.

Due to its ongoing success, the Authority had previously determined that the Chief Fire Officer consider the relocation of Safetyworks! to an alternative building that would be capable of housing enhanced facilities and also examine the potential commissioning of a purpose built facility.

A site had been identified at the Bentall Business Park in Washington, and subsequent research had been undertaken into leasing costs, the outcome of which was that a lease of £120,000 per annum would need to be taken on (although an initial six month rent free period would be available), however there would also be a requirement to meet the annual business rates of approximately £56,000 per annum. This figure had been built into the Authority's Medium Term Financial Strategy (MTFS) as a growth item.

However, given the recent downturn in the economy, and the potential detrimental financial effect this will have on the public sector finances in the short to medium term, coupled with the publication of the Audit Commission national report entitled, 'Rising to the Challenge' the content of which proposes that there are further financial efficiencies of £200 million to be realised from fire and rescue services, the Chief Fire Officer proposed to defer the Safetyworks! project in favour of maintaining the existing Community Safety facility in Benwell. By maintaining the existing facility the Authority would not incur additional revenue costs of approximately £180,000 per annum in future financial years.

Councillor Jordan commented that he was in agreement with the Chief Fire Officer to defer the relocation of the Safetyworks! project.

Councillor Boyes commented that she would be interested to see the Safetyworks! facility and, given the reasons for deferral, she also agreed with the Chief Fire Officer to postpone the project.

Councillor Boyes then referred to paragraph 2.3, and in doing so enquired how the "replacement" of fire stations at Fulwell, Rainton Bridge and Hebburn was progressing.

The Chief Fire Officer provided a brief outline on the current position and also advised that a report would be submitted to the full Authority at its meeting in February regarding the consultation process that had taken place with Fulwell residents on the recommendations to relocate the Fulwell Fire Station to Southwick.

Councillor Clark, in referring to paragraph 3.3, enquired how the Audit Commission's comment in relation to potential efficiencies of up to £200 million could affect Authority. The Chief Fire Officer responded that whilst the Authority had been very successful with regard to achieving real efficiencies in the past it would be necessary to consider the content of the Audit Commission report and respond to the various challenges accordingly.

Upon consideration of the report, it was:-

4. RESOLVED to recommend:-

- (i) deferring the relocation of Safetyworks!;
- (ii) refurbishing the existing Safetyworks! with the capital funding currently earmarked for the move to the new centre; and
- (iii) receiving further reports as appropriate.

### **Proposed Amalgamation of the Performance Review Committee and Policy Advisory Committee**

The Chief Fire Officer and the Clerk to the Authority submitted a joint report (circulated) outlining a proposal to amalgamate the current Performance Review Committee and the Policy Advisory Committee.

(For copy report – see original minutes).

The CFO explained to Members that the Audit Commission, during its first Comprehensive Performance Audit in September 2005 identified a number of potential actions, which, if implemented, would help to improve the performance of the Authority.

A subsequent full review was then undertaken of the role and structure of the Authority's Committees and a revised structure, with associated terms of reference took effect from June 2006. It was at this point that the Performance Review Committee and Policy Advisory Committee were implemented.

Members of the Committee were advised that whilst both Committees had played a valuable role in improving the performance of the Authority, it had been stated previously that the Performance Review Committee had a key role to play in reviewing the past performance of the Service and providing recommendations based on that information. However, it fell to the Policy Advisory Committee to examine emerging trends and issues and consider potential policy initiatives as a result.

As such, it was no longer considered the best option to have these functions separated, particularly as this places an unnecessary burden upon Members, given that there were only sixteen Councillors representing the whole Authority.

It was therefore proposed that the two Committees be amalgamated and that the new Committee take on a greater responsibility for analysing past performance and, with the assistance of management, critically assess proposed policy initiatives aimed at improving performance and/or address emerging internal or external challenges.

Councillor Forbes commented that he could not quite understand why the two Committees were ever separate, and raised two issues arising from the report. The first was in relation to paragraph 3.2 where he commented that if issues were to be debated at the new amalgamated Committee meeting prior to being presented to the full Authority, then the timeliness of agenda required looking into to take on board appropriate planning for this. The second issue was a suggestion that discussion at the new Committee should be geared so as to not duplicate that at the full Authority meeting.

The Chairman agreed and commented that he appreciated that Officers would need time to take on board and make any alterations to reports before presenting them to the full Authority.

The CFO added that the timings of all future meetings would be considered at the AGM, at its meeting due to be held in June 2009. However, he confirmed that there would remain to be four meetings of the new Committee each year.

Members having given full consideration to the matter, it was:-

5. RESOLVED to recommend:-
  - (i) agreeing to the CFO's proposals contained within the report; and
  - (ii) receiving further reports as appropriate.

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

At the instance of the Chairman, it was:-

6. 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 is 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) T. WRIGHT,  
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.