

CONSULTATION WITH INDUSTRIAL AND COMMERCIAL INTERESTS

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

Present:-

Representing Tyne and Wear Fire and Rescue Authority

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

Representing the North Eastern Chamber of Commerce, Trade and Industry

Mrs. Rachel Anderson	-	NECC
Johnathon Walker	-	NECC

Budget Consultations 2011/12

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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