

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 11
JANUARY 2010 at 10.30 a.m.

Present:

Councillor N. Forbes in the Chair

Councillors Boyes, Mortimer and Wright.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillor Renton, Val Bowman and Lindsey Horwood.

Declarations of Interest

None.

Minutes

13. RESOLVED that the minutes of the meeting of the Policy and Performance Committee held on 26 October 2009 (circulated) be confirmed and signed as a correct record.

Update

Page 3, NI33(i) Number of all Deliberate Fires per 10,000 Population

Joy Brindle reported that at the last meeting Members had expressed concerns that the policies of Local Authorities regarding wheeled bin provision (and in particular collection times) could contribute to deliberate fires in wheeled bins if collection times were so early that people tended to put their bins out the night before.

An update on Council policies regarding wheeled bins had been produced for the Committee which provided information on local practices and also examples of joint initiatives in place between the Fire and Rescue Service and partners to tackle this issue.

Members had also requested further information on the level of strategic commitment to reducing automatic fire alarms in hospitals. Joy Brindle confirmed that an update for the Committee had been produced on automatic fire alarms in hospitals.

Draft Revenue Budget 2010/2011

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Chief Emergency Planning Officer submitted a joint report which outlined the financial position facing the Authority for 2010/2011, in light of the recent Provisional Revenue Support Grant Settlement for 2010/2011 and related matters.

(For copy report – see original minutes).

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

The government had not made any changes to the formula grant system, and the Authority's grant entitlement for 2010/2011, of £35.57 million, remained unchanged from the figure announced previously. The level of grant entitlement represented an increase of 1.10% for 2010/2011. The Finance Officer advised that whilst a review of the funding formula was underway it was uncertain as to when the outcome of the review would be implemented and given the potential implications for Metropolitan Fire Authorities, the proceedings were being monitored closely.

The Authority's grant allocation for 2010/2011 has been scaled back in order to help fund the 'floor', which meant that all fire authorities would receive at least a minimum grant increase.

On 15 December, 2008, the Department of Communities and Local Government had announced its proposals for distributing the Fire Capital Grant, totalling £78 million nationally, with the Authority due to receive a capital grant allocation of £745,323 in 2009/2010 and £959,579 in 2010/2011. With the exception of a requirement that the capital grant only be used for capital expenditure, the grant would not be ringfenced. The Finance Officer stated that this funding was welcome and would assist in funding the capital programme, but, in light of the future expected restraint of public spending it remained to be seen whether such funding would be forthcoming for the period 2011/2012 onwards.

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

In relation to Actuarial Valuation, the average cost of benefits accruing had increased from 36.5% of pensionable pay to 37.7% for the Firefighters' Pension Scheme (FPS) and from 22.7% of pensionable pay to 23.7% for the New Firefighters' Pension Scheme (NFPS), which was primarily due to the increased pensioner longevity.

It was envisaged that any increase would apply from 1 April 2011 onwards. At this stage, it was not clear what proportion of the overall increase in contribution would be borne by employers and employees, and this was something that the Authority would keep under close review, given the potentially significant additional cost that could arise.

In relation to Interest on Investments, given the significant and sustained reduction in the base rate, the budget had been revised accordingly and would be kept under review until the final budget proposals were made to the Authority in February 2010.

As part of the 2009/2010 IRMP Action Plan, the Authority was currently working in partnership with the Carbon Trust and other FRAs in the region to develop a Carbon Reduction Plan. It was likely that discreet proposals would feature in the proposed capital programme and revenue budget as appropriate to be submitted to the Authority in February, 2010.

A review of all Joint Service arrangements was currently ongoing, although the review of TWEPU was still at an early stage. In December 2009, the Tyne and Wear Leadership Group agreed Joint Service budgets for 2010/2011, and the position for TWEPU was a reduction in contributions from the District Councils of 4%, resulting in a budget provision of £513,887.

In September 2008, the Chief Emergency Planning Officer had introduced a degree of flexibility into the budget through a number of fixed term posts, and it was intended that this flexibility would be utilised in delivering the required efficiency savings.

The Revenue Budget 2009/2010 Second Review, reported in November 2009, that uncommitted general balances were estimated to be approximately £3.98 million by 31st March 2010. The report also highlighted a number of specific service pressures, and work was underway to identify the potential impact that these might have on the level of uncommitted general balances. These pressures included:-

- Carbon Reduction Initiatives
- Equality and Diversity
- Firelink
- LGPS
- Estates Development Strategy

The Estates Development Strategy outlined 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 was proposed to fund this building programme from the Development Reserve on a phased basis.

In the course of discussion the following comments were made:-

- In reply to a question from Councillor Boyes relating to the LGPS deficiency payments, the Finance Officer reported that the current deficiency was £8m. The next review at the end of March 2010 would be implemented in 2011/2012. As the Authority was entering into a period of very severe financial restraint the most appropriate time to come to a judgement as to the case for making a one off lump sum payment to reduce or extinguish the deficiency would be when the results of the actuarial review were considered and then implemented in 2011/2012. Councillor N. Forbes commented that the intention was for the option for the Authority to make a lump sum contribution to the Pension Fund in order to reduce the annual revenue payments to be reviewed regularly.
- Councillor Mortimer asked how much had been lost in investments in the current economic climate. The Finance Officer replied that there had been a decrease of £1m taken into account in preparing the 2009/2010 budget and a further £150,000 in preparing next year's budget.
- Councillor Wright thanked the Finance Officer and the Chief Fire Officer for the continuation of the same prudent financial strategy which had been consistently adopted and for the steps taken to identify and realise the significant efficiency savings being brought forward over recent years.
- Councillor N. Forbes noted that the Authority in recent years had set comparatively low increases in its precept in order to minimise the burden on the Council taxpayer and this had been possible through the realisation of a number of efficiency savings. The Authority had sensibly prepared for the future through a coherent approach to financial and business planning and recognised the potential loss of capital funding in 2011/2012 and future possible financial difficulties in generating efficiency savings.

14. RESOLVED that:-

- (i) the contents of the report and the draft Revenue Budget position for 2010/2011 be noted;
- (ii) the draft revised Medium Term Financial Strategy attached as Appendix A to the report be noted; and
- (iii) the Committee note that the provisional budget proposals will be reported to a meeting of the Authority on 25 January 2010.

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

At the instance of the Chairman, it was:-

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

(Signed) 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.