

<b>COMMITTEE</b>	<b>COMMUNITIES SCRUTINY COMMITTEE</b>
<b>DATE OF THE MEETING</b>	<b>21 MAY, 2015</b>
<b>TITLE</b>	<b>THE NORTH WALES FIRE AUTHORITY</b>
<b>PURPOSE</b>	<b>Scrutinising the Council's arrangements to challenge the effectiveness and accountability of the Fire Authority</b>
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### Background and Context

1. The Fire Authority has the right to set a precept on the councils of North Wales in order to pay for the service. This precept counts against the Council's expenditure. This is different to the Police Authority that raises a separate precept.
2. This difference is fundamentally important since any increase in the Fire Authority's precept is part of the Council's deliberations in terms of spending and raising the rates, compared to any increase in the Police expenditure that is passed on directly to the ratepayers through a precept raised on them. In practical terms, that means that every £10,000 increase in the precept from the Fire Authority on Gwynedd Council is £10,000 that the Council must find either by cutting its own services or increasing the rates.
3. Over recent years, this has been the position with the Fire Authority precept as compared to the settlement received by Gwynedd Council in Welsh Government grant:-

<b>Year</b>	<b>Gwynedd Council Grant</b>	<b>Fire Authority Precept</b>
2009/10	168,503,870	31,311,563
2010/11	169,919,000 (+0.84%)	32,093,400 (+2.50%)
2011/12	168,026,300 (-1.44%)	31,932,654 (-0.50%)
2012/13	168,066,700 (+0.05%)	31,772,011 (-0.51%)
2013/14	181,633,250 (+1.22%)	31,772,011 (0.00%)
2014/15	174,970,570 (-4.56%)	31,772,011 (0.00%)
2015/16	168,311,989 (-3.97%)	31,885,843 (+0.27%)
<b>Total</b>	<b>-7.75%</b>	<b>+1.74%</b>

NB The Fire Service precept on Gwynedd Council in 2015/16 is £5,603,000. Therefore, any increase of 1% would mean a further £56,030 that the Council would have to meet either through cuts or raising the rates.

4. Therefore, over the six years since 2009/10, the Fire Authority precept has increased by approximately 1.74% whilst the Gwynedd Council grant has reduced by 7.75%. This gap developed in the past two years as the Council grant reduced substantially.

5. The Fire Authority does have a working party looking at their Improvement Plan and it considered the funding deficit it has over the next 5 years. The Authority has been working on a plan to limit that increase to a sum similar to £1 per head of population but that this be extended to 2019/20.
6. The Authority decided at its meeting on 16<sup>th</sup> June, 2014 to consult with authorities on this. There was a presentation to cabinet members by the Chief Fire Officer and, at that meeting, he expressed his view that the Authority was as efficient as it could be and that if we did not agree to what was being proposed that there would be a substantial impact.
7. Clearly, it is difficult to come to a decision on efficiencies when considering a service that deals with life and death. The concern therefore is that the Fire Service budget could be protected without asking important questions about that expenditure and that that would be at the expense of the Council's other services for the reasons noted above
8. It is clear that the Fire Service is a key service and vital when individuals' lives are concerned but that does not equate to not expecting it to be as efficient as possible. Indeed, it must be acknowledged that Fire Authorities cannot be exempt from being challenged to look for savings to be more efficient.

### **The Council's Arrangements for Challenging the Efficiency of the Service**

9. This brings us to the core of the problem. With every other service within the Council, it is possible for the Council to see clearly whether there are opportunities to be more efficient but, as a Council, we do not have this opportunity for the Fire Service; we must entrust that to our representatives on the Authority to ensure that this happens.
10. The Council's representatives on the Authority have been invited to this meeting in order to make an initial assessment of what information they have about whether the Service is as efficient as possible and what evidence they have to support that.
11. An initial assessment shows that the Fire Service in North Wales spends less per head than the rest of Wales' fire authorities but it is also true that other rural authorities in England spend less. This does not necessarily mean that they are performing but there are questions that need to be asked about how they are doing so. See the table attached.
12. Naturally, if the service is as efficient as it could be, it needs to be protected but, in the current financial climate (and its effect on the Council's other services), efficiency questions must be asked. Maybe lessons could be learnt from other similar areas where expenditure is less and there may be scope to ask questions about the Authority's Improvement and Risk Reduction Plan, for example about the location of small stations across the area. No doubt there are other examples that could be considered.

13. In December, the Authority received a report noting that they had service pressures equivalent to £750,000 in 2015/16 but that implementing some savings could reduce this to £337,000. It is also understood that elements of reserves were used with this year's increase being only £113,832. However, as for the Council, the use of reserves is not sustainable and it is a concern that the report setting the budget for 2015/16 notes the need for an increase of 3.9% in 16/17 and 1.4% in 17/18.
14. Although the matter can be difficult and emotional, the price of not addressing the issue of course would be a further reduction in the Council's vital services, beyond the reductions we will have to make anyway; members will see this all too clearly at the workshops during June on potential cuts in the Council's services. This is not simply a matter of adding another £1 to the Council Rates, as claimed by the Fire Authority – we have already maximised the sum that can be placed on the rates and the only answer would be cutting more of the Council's own services.
15. The intention is to question the Council's representatives on the Fire Authority on:-
- The Authority's plans to seek a further increase in the precept in the coming years and the implications of that for the Council's own services
  - The Fire Authority's own arrangements for challenging the efficiency of the Service and the evidence that it is as efficient as it can be
  - The Authority's willingness to look at other similar areas spending less to assess whether there are lessons to be learnt from them
  - The extent to which further efficiency ideas are being considered
  - The role of individual members from the Council in scrutinising and ensuring accountability for the Authority's arrangements and the extent to which they are able to fulfil those roles

Gwariant net ag ethrio costau cyfalaf fesul 1,000 o'r boblogaeth (2012/13) Awdurdodau gwleidyddig yn unig (cynnwys Alban a Gogledd Iwerddon)  
Net expenditure excluding capital charges per 1,000 population (2012/13) Rural authorities only (including Scotland an

