

Minutes of the Meeting of  
the TYNE AND WEAR FIRE AND  
RESCUE AUTHORITY held in the  
Fire and Rescue Service  
Headquarters, Barmston Mere on  
MONDAY 24 MARCH 2014 at  
10.30am.

**Present:**

Councillor T Wright in the Chair

Councillors Bell, M. Forbes, N. Forbes, Haley, McAtominey, Mole, Mortimer,  
Harrison, Ord, Price and Stephenson

**Part I**

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors  
Burdis, Padgett, Renton and Stockdale.

**Declarations of Interest**

There were no declarations of interest.

**Minutes**

In referring to the minutes of the Fire Authority held on 17 February 2014, Councillor  
M. Forbes reported that she had also seconded Councillor Price's motion in relation  
to putting on hold the implementation of any of the options for closure of the fire  
stations. She therefore requested that the minutes be amended to reflect that she  
had seconded the motion in addition to Councillor Padgett.

The attention of the Authority was then drawn to the minutes of the Human Resources Committee held on 3 February 2014 and the Chairman congratulated Councillor Bell, ACO Alan Robson and his team for winning an award for health and safety. He added that a report on the award would be submitted to the next meeting of the Authority.

Consideration having been given to the matters, it was:-

68. RESOLVED that:-

- (i) the minutes of the Authority, Part I held on 17 February 2014 be confirmed and signed as a correct record, subject to the addition of Councillor M. Forbes as a seconder to Councillor Price's motion on the closure of fire stations; and
- (ii) the minutes of the meeting of the Human Resources, Part I held on 3 February 2014 be noted for information.

### **Meritorious Conduct Award**

The Chief Fire Officer submitted a report for the Authority to recognise the meritorious and brave actions taken by Ms Christine Stafford in alerting and aiding the Fire Service during a fire in a neighbour's flat on 6 December 2013.

The Chairman reported that unfortunately Ms Stafford had been unable to attend the meeting and therefore proposed that arrangements be made to present her with the award at her convenience.

Councillor Mole requested that a letter be sent to Ms Stafford on behalf of the Members of the Authority to congratulate her and thank her for her brave actions.

69. RESOLVED that:

- (i) the Meritorious Conduct Award for Ms Christine Stafford be noted and endorsed; and
- (ii) a letter be sent to Ms Stafford to congratulate and thank her for her brave actions and to make arrangements to present her with her award.

### **Date and Time of Annual Meeting**

The Chief Fire Officer, Clerk to the Authority, the Finance Officer and Personnel Advisor to the Authority submitted a joint report requesting that Members consider and approve the rescheduling of the Annual Meeting of the Fire Authority in 2014 in view of the Constituent Councils having to delay their Annual Meetings as a result of the Local and European Elections on 22 May 2014.

70. RESOLVED that the Annual Meeting of the Authority be approved to take place on Monday 23 June 2014 at 10.30 a.m.

### **Review of Members' Allowances Scheme by the Independent Remuneration Panel**

The Clerk to the Authority and the Finance Officer submitted a joint report for the Authority to consider the review of the Members' Allowances Scheme by the Independent Remuneration Panel.

The Authority having been advised that the Independent Remuneration Panel had recommended no changes to the Scheme, it was:-

71. RESOLVED that the report and recommendations of the Panel be noted and endorsed, and agreed that the scheme for 2014-2015 should continue in the same terms as the current scheme, such scheme to apply until further review and consideration by the Authority.

### **Treasury Management Policy and Strategy 2014/2015, including Prudential 'Treasury Management' Indicators for 2014/2015 to 2016/2017**

The Finance Officer submitted a report to set out the Treasury Management Policy and Strategy (including both borrowing and investment strategies) proposed for 2014/2015 and to note the Prudential 'Treasury Management' Indicators for 2014/2015 to 2016/2017 for approval.

The Finance Officer stated that the Authority was required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential Indicators (including specific Treasury Management Indicators) for the next three years to ensure that the Authority's capital investment plans were affordable, prudent and sustainable. The Authority was also required to adopt a Treasury Management Policy and to set out a Treasury Management Strategy which comprises the Authority's strategy for borrowing and the policies for managing its investments and giving priority to the security and liquidity of those investments.

Members were directed to Appendix 2 of the report, the Treasury Management Policy Statement, which set out the Borrowing and Investment Strategies. The Finance Officer stated that interest rates were monitored on a daily basis and the benchmark financing rate of 5.00% for long term borrowing was a reasonable rate for the year ahead. Opportunities for debt rescheduling had been dramatically reduced due to the changes which had been made to Public Works Loan Board (PWLB) rates.

With regard to the Investment Policy, the Authority had adopted a careful and prudent approach where the utmost consideration would be the security of capital. Cash flows were maintained in such a way as to ensure that the Authority had enough funds to operate on a day to day basis.

The Finance Officer explained that there were no major changes being proposed to the overall Treasury Management Strategy in 2014/2015 which maintained the prudent approach adopted by the Authority in previous years. The Treasury Management Policy and Strategy report had already been considered by the Governance Committee and positive comments in relation to these had been received.

In relation to the prudential Treasury Management indicators formerly approved by the Authority, the Finance Officer highlighted that the limit of external debt was set for 2014/2015 at £54.828m. He assured Members that the necessary preventative action would be taken to prevent this limit being exceeded however in the event it occurred it would be reported to the Authority at the next meeting following the change.

The Finance Officer summarised the key points of the report, highlighting that the Authority had always operated a prudent and low risk approach and this was borne out within the report. The environment in which the Authority was operating was still at risk from fluctuations within the Eurozone and US markets. The Bank of England base rate continued to be held at 0.50% and it was felt that this was unlikely to change until late 2014 at the earliest. Rates continued to be low for borrowing and the Council was able to be flexible in its approach to this.

The proposed Treasury Management Strategy Statement for 2014/2015 was set out in Appendix 3 and was based upon the views of the Finance Officer, supplemented with market data, market information and leading market forecasts provided by the Authority's treasury adviser, Capita Asset Services.

The strategy was subject to regular review to ensure compliance to the agreed treasury management strategy and that the strategy adapts to changing financial markets as appropriate. The Finance Officer highlighted that it was pleasing to note that the current average rate of borrowing at 3.48% was low in comparison with other local authorities whilst the current rate earned on investments was higher than the overall benchmark rate. The lead authority's, Sunderland City Council, TM performance was also benchmarked with the majority of local authorities and is highly ranked within the top ten authorities for both its low average rate of borrowing and also for the rate of return achieved on its investments.

Appendix 4 detailed the interest rate forecasts published by Capita Asset Services, Capital Economics and UBS. It was noted that there was not much difference between the forecasts and it was likely that the low rates would continue during the financial year.

Turning to appendix 5 which provided an update on the global economy, the Finance Officer reported that growth in the Eurozone was likely to remain weak and dampen any expected growth in the UK. He highlighted that in comparison with the debt to GDP ratio of other European countries (Greece 176%, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%) which remained a cause of concern, especially as many of these countries were experiencing continuing rates of increase in debt in excess of their rate of economic growth. The UK remained in a much better place and currently stands at 76%.

The Lending List Criteria and Approved Lending List was also set out at Appendices 6 and 7 of the report. These documents took into account expert advice and the opinions of the Treasury Management team and were reaffirmed on an annual basis.

Councillor Haley drew attention to the increase in the proposed authorised limit of external debt from 2013/2014 to 2014/2015 and enquired whether that was a comfortable position. The Finance Officer explained that the level of debt had been reviewed and at 3.48% cost of interest, it still remained in the low quartile. There would be premiums to withdraw from the arrangement which would represent good value for money. He assured Members that this position would continue to be monitored to assess if the level of debt was appropriate. He explained that this limit has to take into account the Authority's capital spend and capital programme. It was not expected to go anywhere near the limits set and that the authorised limit would be the maximum amount the Authority could borrow taking into account possible unplanned temporary borrowings for example.

Councillor Harrison referred to the operational boundary limits of external debt as opposed to the maximum level set out in the report and enquired what the Authority's current borrowing position was. The Finance Officer advised that Sunderland Council, as lead authority, limits also included the Fire Authority limits in parts of the report and that the level set for the operational boundary was appropriate.

72. RESOLVED that:-

- (i) it be noted that the Treasury Management Policy and Strategy Statement for 2014/2015 and associated Prudential Indicators 2014/2015 and associated Prudential Indicators had already been scrutinised by the Governance Committee in line with best practice; and
- (ii) the 2014/2015 Treasury Management Policy and Strategy (including specifically the Annual Borrowing and Investment Strategies) and the Prudential 'Treasury Management' Indicators for 2014/2015 to 2016/2017 be approved.

## IRMP Review of Diversionary Activities

The Chief Fire Officer submitted a report to present the findings of partner consultation on the options set out for changes to the Authority's diversionary activities with young people, and to seek Member approval of a future approach to this work in light of the responses.

ACFO Brindle explained each of the diversionary activities and that the review assessed the cost, targeting and impacting of these activities. In terms of cost, resources were relatively modest (£450,000 net), representing around 9% of the Authority's total Community Safety spend.

Activities were found to be generally effective in terms of stated outcomes however a number of risks were identified with the financial sustainability of activities which were either commissioned or had been co-funded to deliver projects with objectives beyond fire safety. The issue of whether Phoenix, Safetyworks and Princes Trust activities should continue was a key for consultation with partners.

The consultation document indicated that:

### Prince's Trust and Phoenix programmes

- *should be retained and developed so long as they are commissioned*
- *any cessation of funding of these should lead to cessation of the activity and/or particular programme*

### SafetyWorks!

- *still delivering wide safety outcomes despite no longer being co funded*
- *preferred option is that it should be retained if significant co funding can be reinstated, so that TWFRS is not bearing all the cost and risk of what was a partnership venture*
- *as a fall back option, the centre will need to close since its funding is not sustainable in its current form*

ACFO Brindle summarised the findings of the review as follows:

It was universally acknowledged that early intervention/prevention was cheaper than cure, however the principle was challenged by the reality of severe and disproportionate cuts faced by public sector partners.

The overall reductions in funding for preventative community safety work had been accompanied by changes in how community safety commissioning was done. For example a move in some of the funding streams from Community Safety Partnerships to the new role of the Police and Crime Commissioner. The commissioning process for community activities in 2014-2015 was therefore not yet clear. Partners did accept that TWFRS had no statutory duty to deliver diversionary activities, and was currently investing £400,000 into these activities. Partners had indicated a willingness to include TWFRS activities in future commissioning discussions which made it clear that these activities were valued. TWFRS would

therefore seek to engage in these discussions prior to making any decisions about the future of Safetyworks and Phoenix.

A number of partners had indicated a willingness to enter into commissioning/co funding arrangements in relation to Safetyworks! and the positive response of the Prince's Trust indicated that it would continue to support TWRFS as deliverer of the programme subject to funding through FE colleges. There was nothing to indicate that this would not continue although funding had reduced from 4 to 3 programmes in 2013-14.

With regards to potential funding in 2014-2015 it was estimated that the following proportions of current delivery costs may be covered by commissioning or co funding :- Princes Trust 100%, Phoenix 41% and Safetyworks 16%.

The position that the Authority had consulted upon was that Phoenix and Prince's Trust should continue only if commissioned, and Safetyworks should continue only if co-funded. Members were referred to the running costs detailed within the report.

Councillor Stephenson commented that the work undertaken to date with the above three projects was of tremendous value and clearly helped change the lives of some young people in very difficult circumstances. Councillor Bell agreed and commented that other partners also needed to play a part and take some responsibility for the financial implications.

ACFO Brindle agreed and added that the consultation made clear the importance of co-funding these arrangements in order to prevent termination, given the extremely difficult economic circumstances the Authority was facing in the future.

73. RESOLVED that the:-

- (i) feedback from consultation on the diversionary review be noted,
- (ii) current position on partner funding as set out in section 7.15 of the report be noted, subject to caveats expressed in the report,
- (iii) diversionary work continue, but be based on the principles set out in section 4.5 of the report, and
- (iv) Chief Fire Officer prepare a further report on the financial sustainability of Safetyworks, Phoenix and Princes Trust following engagement in community safety commissioning processes during 2014

## **Pay Policy**

The Chief Fire Officer, the Clerk to the Authority, the Finance Officer and the Personnel Adviser submitted a joint report seeking approval of the revised Pay Policy Statement for subsequent publication by 31 March 2014 in accordance with the Localism Act 2011.

AFCO Baines referred Members to the proposed draft Pay Policy appended to the report and explained that it was drawn from current guidance and references or incorporated the Authority's related policies where they existed. It also reflected the Authority's practice and position in aiming to be an employer of choice within the context of managing scarce public resources.

Members were advised that the statutory pay policy statement needed to cover the Authority's policies relating to:

- The level and elements of remuneration for each chief officer (including salary, bonuses and benefits in kind);
- The remuneration of its lowest-paid employees (together with its definition of "lowest paid employees" and its reasons for adopting that definition);
- The relationship between the remuneration of its chief officers and other officers;
- Other specific aspects of chief officers' remuneration: remuneration on recruitment, increases and additions to remuneration, the use of performance-related pay and bonuses, termination payments, and transparency (i.e. publication of and access to information relating to their remuneration).

74. RESOLVED that:-

- (i) the draft Pay Policy Statement be approved for publication by 31 March 2014; and
- (ii) further reports be received as necessary.

### **Primary Authority Scheme**

The Chief Fire Officer submitted a report on the Government's plans to extend the Primary Authority Scheme (PAS) to include the Regulatory Reform (Fire Safety) Order 2005 (FSO). The paper also describes the statutory duty placed on Tyne and Wear Fire and Rescue Authority in relation to the enforcement of fire safety legislation, as a result of the inclusion of the FSO into the PAS.

The PAS was one area the Government was promoting to assist in the economic growth strategy, whilst also aiming to support the better regulation agenda. The Government's economic growth strategy is focussed on providing consistency of advice, enforcement and reducing regulatory burden on businesses, whilst recognising that the people who do not wish to comply should be 'punished' to create a level playing field for all businesses.

The PAS was one element that was proactive, rather than passive, and full participation would ensure that the TWFRAs were meeting the expectations of Government in supporting local economic growth and sustainability.

Members were advised that PAS was a statutory scheme available to businesses with a presence in more than one local authority area.



Better Regulation Delivery Office (BRDO) and Chief Fire Officers Association (CFOA) agreed to run the two schemes on behalf of BIS and DCLG, one managed the statutory PAS scheme and the other managed a voluntary scheme. The two pilots were run simultaneously, going 'live' in the field on the 1st February 2013 and concluded on the 30th June 2013. The objective was to judge which of the two was most suitable for businesses in relation to the application of the FSO.

Fire and Rescue Services partnered up with businesses. TWFRS partnered with Sainsbury's and participated in the statutory side of the pilot.

The outcome of the pilot and consultation was that the PAS would be extended to cover fire safety law, subject to Parliamentary processes, in April 2014; therefore, the pending introduction would have a legislative impact on TWFRS. Every Fire Authority in the country would be legally bound to comply with the terms and conditions contained within the PAS as an enforcing authority. Fire Authorities would decide if they wished to participate as a primary authority partner and seek businesses to partner with and agree terms and conditions within the parameters of the PAS.

Members were advised that TWFRS and J Sainsbury Plc. currently had an existing statutory PAS agreement framework for the storage of fireworks under the Manufacture and Storage of Explosives Regulations (MSER). The partnership with Sainsbury's had realised benefits to both organisations including; sharing best practice in management processes, Ban the Pan campaign and Sainsbury's support with SafetyWorks and other community safety campaigns.

75. RESOLVED that:-

- (i) the extension of the Primary Authority Scheme to the Regulatory Reform (Fire Safety) Order 2005 and the requirement to abide by the terms and conditions of the Scheme when undertaking its regulatory activities be noted; and
- (ii) the active participations of TWFRS in delivering the Primary Authority Scheme be noted and endorsed and prospective partners be sought.

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

76. 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 likely disclosure of information relating to an individual, which was likely to reveal the identity of an individual, the financial or business affairs of any particular person (including the Authority holding that information) or to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraph 1, 2, 3 and 4).

(Signed) T WRIGHT  
Chairman

**Note:**

The above minutes comprise those relating to items of business during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.