



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 19 FEBRUARY 2024 at  
10.30am.

**Present:**

**Item 3**

Councillor Tye in the Chair

Councillors Bell, Dodds, Haley, Hunter, Johnson, Mullen, Usher, Kilgour, Warne,  
Welsh, Wood and Woodwark.

**Part I**

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors  
Keegan, Patterson and also Kim McGuinness (PCC).

**Declarations of Interest**

There were no declarations of interest.

**Minutes**

48. RESOLVED that:-

- (i) The Minutes of the Meeting of the Authority held on 22 January 2024, Part I be confirmed and signed as a correct record;
- (ii) The Minutes of the Meeting of the Policy and Performance Committee held on 13 November 2023, Part I be noted for information; and
- (iii) The Minutes of the Meeting of the Governance Committee held on 29 January 2024, Part I be noted for information.

## **Appointments to the Role of Vice-Chair of the Fire Authority and Committee Vacancies**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) submitted a report advising that following the passing of Councillor Carole Burdis, the role of Vice Chair of the Fire Authority had become vacant, together with a number of committee positions and other roles.

The Chief Fire Officer explained that in addition to her role as Vice Chair of the Fire Authority, Councillor Burdis was a member of the following committees:

- Policy and Performance Committee (Vice Chair)
- Appointments Committee (Vice Chair)
- Emergency Committee (Vice Chair)
- Disciplinary Appeals Committee (Vice Chair)
- Personnel Appeals Committee (Vice Chair)

Members gave consideration to the appointments and it was:-

49. RESOLVED that:-

- (i) Councillor Haley be appointed as Vice Chair of the Authority;
- (ii) Councillor Hunter be appointed as Chair of the Human Resources Committee;
- (iii) Councillor Kilgour be appointed as Vice-Chair of the Human Resources Committee;
- (iv) Councillor Usher be appointed as Vice-Chair of the Policy and Performance Committee; and
- (v) Councillor Haley be appointed to the Emergency Committee.

## **Capital Programme 2024/2025 to 2027/2028 including Prudential Indicators for 2024/2025 to 2027/2028**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report to present to Members the proposed Capital Programme for 2024/2025 to 2027/2028, including the Prudential Indicators for the next four year period from 2024/2025 to 2027/2028.

The Finance Director referred Members to the revised Appendix B (Detailed Prudential Indicators 2024/2025 to 2027/2028) and explained that there had been an error in P5 and P6.

Members noted that the proposed Capital Programme and Vehicle Replacement Programme for the four year period from 2024/2025 to 2027/2028 totalled an estimated £24.329m.

The Finance Director explained that the Authority was to fund the 2024/2025 Capital Programme from the following sources:

	<b>£m</b>
Capital Reserve	7.550
Mobilisation Smoothing Reserve	2.840
Revenue Contribution to Capital Outlay (RCCO)	0.500
<b>Total Resources</b>	<b>10.890</b>

The Authority would also need to utilise a further £10.141m of its capital reserves and capital receipts to fund the projected costs of the proposed Capital Programme over the following three years to 2027/2028, in addition to the £7.550m already earmarked from reserves for 2024/2025.

Members were then advised that the Authority's Capital Programme over the next four year period, from 2024/2025 to 2027/2028 would cost an estimated £24.329m, with almost half of the schemes expected to be expended in 2024/2025 at this stage.

Members were reminded that all authorities must follow the Prudential Code published by the Chartered Institute of Public Finance and Accountancy (CIPFA). This involved setting various prudential limits and indicators that must be approved by the Authority before the start of the relevant financial year as part of their budget setting process.

Members were requested to specifically and separately approve the statutory Prudential Indicators, (P5) the Authorised Limit for External Debt of £33.550m and (P6) the Operational Boundary for External Debt of £28.550m for 2024/2025, in accordance with the regulations (as detailed within the revised Appendix).

The Finance Director then advised that since the Third Quarterly Review, there was a requirement to slip £2,750,000 for the replacement of Hebburn Fire Station and the BTC Phase 3 developments. Hebburn Fire Station would be subject to a final account which could take up to 12 months to agree, along with a final retention fee due after completion. Budget had been retained to cover the interim certificates that were due before the end of the financial year and it was anticipated that the station would be complete in April 2024. The Finance Director also indicated that there were plans in 2024/25 to build an all hazards village to provide a new and more realistic firefighter training experience and facility. A list of other planned and essential developments were highlighted on pages 26 and 27 of the report for members information, all of which would be funded by the Fire Service.

With regards to the whole capital programme, Members were advised that the Authority funded 93% of this from its own internal funds and reserves due to the fact Government funding had ceased in 2014/15 and that whilst borrowing was being avoided, this would be necessary at some point in the future as reserves were being used up.

Members were then advised that in relation to the Annual Medium Revenue Provision Statement, Option 1 was the preferred option.

The Chief Fire Officer advised reminded Members that the Authority was continuing to deliver its services out of reserves through prudent management and that this did come with increasing pressure due to price increases as this was not new money it was money which had been set aside to fund essential developments to help make firefighters and the community safer.

Councillor Haley thanked the Finance Director and all his team for their hard work commenting that there had been no support from Government and expressed his concerns regarding the need to borrow in future.

Councillor Woodwark also congratulated the Finance Director on his report and also expressed his concerns regarding borrowing in the future as the boundaries for debt reduced significantly.

The Finance Director explained that whilst borrowing was not required for the next 4 years, it would be required after that period and that it needed to be highlighted that unexpected things did happen therefore the budget was constantly being monitored to ensure that it was fit for purpose. The Authority was therefore under extreme pressure to now use its reserves.

50. RESOLVED that:-

- (i) The Capital Programme and Vehicle Replacement Programme for 2024/2025 as set out in the report and detailed in Appendix A be approved;
- (ii) The Prudential Indicators for the years 2024/2025 to 2027/2028 as set out in Appendix B, and specifically the Authorised Limit for External Debt of £33.550m and the Operational Boundary for External Debt of £28.550m for 2024/2025 be approved; and
- (iii) The Annual Minimum Revenue Provision Statement as specified in Section 2.12 of Appendix 1 be approved.

### **Revenue Budget 2024/2025 and MTFs 2024/2025 to 2027/2028**

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report to present for consideration and approval by members:

- the Revenue Estimates for 2024/2025;
- the Authority's Council Tax Requirement for 2024/2025;
- the Council Tax Precept required to be levied on the District Councils in Tyne and Wear for 2024/2025; and
- an updated Medium Term Financial Strategy Statement for 2024/2025 to 2027/2028.

The Finance Director advised that although the report set out a balanced revenue

budget position for 2024/25, it should be noted that this process had been one of the most difficult in recent times and it was without doubt becoming more and more challenging each year. Unavoidable cost pressures, high inflation, limited revenue grant funding, a grant system that was arguably over complex and a general lack of capital investment in the fire service were all factors impacting on the services this Authority could provide to its community.

Members were advised that the Government's Core Spending Power (CSP) for Tyne and Wear Fire and Rescue Authority would increase by £3.120m or 5.22% in 2024/2025 with increases seen across most of the resources due to changes announced in the settlement. In addition, the government figures assumed a Council Tax increase of 3.87%, made up from an increase in precept to the maximum allowed of 2.99% and an assumption that the Authority's Tax Base would grow by 0.88%. The Finance Director commented that given that the average for all local government was 7.5% that this was still disappointing outcome for the Service.

Members were then advised that the Government had unexpectedly continued the Service Grant for 2024/2025, although significantly reduced, which had still been allocated based on all authorities SFA's. The Authority would receive an allocation of only £0.109m, compared to £0.629m received in 2023/2024.

Taking the overall resource position for 2024/2025 into consideration, this allowed the Authority to propose a net revenue budget for 2024/2025 of £63.373m and a Council Tax Requirement of £28.720m.

The Finance Director then explained that taking all government funding, precept income and the estimated local share of business rates into consideration, it was possible to construct a balanced budget on the assumption that a 2.99% increase in the Precept (within the capping criteria) if approved by Members. This now meant that the precept was funding 46% of the Revenue Budget as opposed to 35% ten years ago.

The proposed increase in Council Tax in 2024/2025 would result in a 'basic' Band D Council Tax of £95.11 compared to the previous years' precept of £92.35, an increase of £2.76. In relation to Band A and B this would result in a precept of £63.41 and £73.97, respectively. Without this income, the budget could not be balanced.

Being referred to Appendix E, Members were advised that in relation to prospects of funding over the medium term that there was a deficit of £3.3m. and that whilst the Authority had a strong track record of balancing its budget and had done so for 2024/2025, future years depended on what resources the Service received from central government and then consider any actions needed to be undertaken to ensure future years budgets could be balanced.

The Finance Director then referred Members to Appendix D (Statement of Earmarked Reserves and Provisions) and explained that the opening balance of £23.233m would be reduced by £10.292m due predominantly by funding the Capital Programme. The projection was that by 2027/28 the current level of reserves would

be expected to be almost fully expended and would be projected to total around £5m based on current financial assessments.

The Chief Fire Officer agreed that this had been the most challenging budget to set and that whilst the use of reserves had been managed the headroom was clearly reducing.

The Chair commented that this could not be sustained however it was a strong testament of the Finance Team, adding that the funding formula was not correct and that this needed to be addressed given that 46% of income was now being generated from Council Tax.

Councillor Haley expressed his concerns in relation to Council Tax charges being lower in other Local Authority's than those in areas of deprivation, like Tyne and Wear however the Council Tax increase was still lower than other areas of inflation for example Broadband.

Councillor Woodwark commented that the funding formula was clearly not fit for purpose and given that the Fire Service was a uniformed service, it should be the same across the Country. Councillor Woodwark went on to say that 2.99% had been factored in, however this was supposed to meet the significant costs of higher salaries and pension contributions which he felt that the public should be made aware of. The budget was under great pressure from increasing costs that the service had little control over.

51. RESOLVED that:-

- (i) The revised estimate for 2023/2024, as summarised at Appendix A be noted;
- (ii) The proposed Revenue Estimates for 2024/2025, as summarised at Appendix A be approved;
- (iii) The Projected Pensions Account 2024/2025 detailed at Appendix B be noted;
- (iv) The associated risks and their mitigation as set out in Appendix C be noted;
- (v) The updated position on the General Reserves and Earmarked Reserves as set out in Appendix D and the proposed movements in 2023/2024 be approved;
- (vi) The updated Medium Term Financial Strategy Statement for 2024/2025 to 2027/2028 detailed at Appendix E be noted;

- (vii) The Council Tax base of 301,966 (known as Item T) for the year 2024/2025, as notified by the billing authorities within Tyne and Wear under the regulations be noted;
- (viii) The following amounts for the Authority for the year 2024/2025 which represents a Band D Council Tax increase of 2.99% for 2024/2025, in accordance with Sections 42A to 47 of the Local Government Finance Act 1992 as amended be approved:

- (i) £70,702,800 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act;
- (ii) £41,982,814 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) adjusted for item of the Act;
- (iii) £28,719,986 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 42A(4) of the Act, as its Council Tax Requirement for the year, Item R in the formula in Section 42B of the Act;
- (iv) £95.11 - being the amount at (iii) (Item R) above divided by the Council Tax Base (Item T), calculated by the Authority in accordance with Section 42B(1) of the Act, as the basic amount of its Council Tax for the year.

**(v) Valuation Bands**

£

<b>A</b>	<b>63.41</b>	being the amount given by multiplying the amount at (iv)
<b>B</b>	<b>73.97</b>	above by the number which, in the proportion set out in
<b>C</b>	<b>84.54</b>	Section 5(1) of the Act, is applicable to dwellings listed in
<b>D</b>	<b>95.11</b>	a particular valuation and divided by the number which
<b>E</b>	<b>116.25</b>	that proportion is applicable to dwellings listed in
<b>F</b>	<b>137.38</b>	valuation band D, calculated by the Authority in
<b>G</b>	<b>158.52</b>	accordance with Section 47(1) of the Act, as the amounts
<b>H</b>	<b>190.22</b>	

to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (ix) It be noted that under Section 52ZB of the Local Government Finance Act, the increase in the Authority's relevant basic amount of council tax for 2024/2025 was not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum was required).
  
- (x) It be approved that in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £28,719,986 for the financial year beginning 1<sup>st</sup> April 2024, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

(Signed) P. TYE  
Chairperson