

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 16 NOVEMBER 2015 at  
10.30AM.

**Present:**

Councillor T Wright in the Chair

Councillors Bell, Burdis, M. Forbes, N. Forbes, Haley, Harrison, Lauchlan, Maughan, Mole, Perry, Pickard, Price, Renton and Stephenson.

**In Attendance:**

Gavin Barker (Mazars).

**Part I**

**Apologies for Absence**

An apology for absence was submitted to the meeting on behalf of Councillor Stockdale.

The Chairman asked that the Authority stand for one minute's silence at 11.00am in memory of those who had sadly lost their lives, in Paris over the weekend.

Members were advised that the December Meeting of the Authority would take place at the usual time of 10.30am, followed by two training sessions and a Carol Service.

**Declarations of Interest**

There were no declarations of interest.

## **Minutes**

37. RESOLVED that the Minutes of the Meeting of the Authority, Part I, held on 19<sup>th</sup> October, 2015 be confirmed and signed as a correct record.

## **Revised Standing Orders**

The Chief Fire Officer and the Deputy Clerk to the Authority submitted a joint report to seek Authority approval of a revised and updated set of Standing Orders for the Authority.

Members were advised that the Standing Orders had been periodically updated based on legislative and policy changes and that it was considered timely to bring a revised set to the Authority for approval. The proposed Standing Orders were appended to the report.

The Deputy Clerk to the Authority then referred Members to proposed changes detailed at section 3 of the report, together with proposed changes to delegated spending and procurement limits.

The Vice-Chairman proposed that the Chief Fire Officer should notify Members of the Authority, at the next available meeting, of the acceptance of a tender between £250,000 and £500,000.

38. RESOLVED that:-

- (i) the revised set of Standing Orders, including the re-designation of the Chief Fire Officer, as set out in the report be approved including the proposal that the Chief Fire Officer notify Members of the Authority, at the next available meeting, of the acceptance of a tender between £250,000 and £500,000; and
- (ii) The period for submission of expressions of interest under the Community Right to Challenge be approved as being 1 June to 31 July in any year.

## **Revenue Budget 2015/2016 – Second Review**

The Chief Fire Officer and the Finance Officer submitted a joint report advising Members of issues relating to the 2015/2016 Revenue Budget position at the half way point of the financial year.

Members were advised that regular monitoring of the Revenue Budget continued to take place and variances had been identified which produced a projected net saving at outturn of £361,000 at this stage. A summary was detailed within an appendix to the report.

The general fund balance was £3.882m and was not expected to change within the financial year.

39. RESOLVED that the position with regard to the Revenue Budget for 2015/2016 as set out in the report and at Appendix A be noted.

### **Capital Programme 2015/2016 – Second Review**

The Chief Fire Officer and the Finance Officer submitted a joint report to review the current year's Programme and reflect any further changes necessary to those that were presented to the Authority as a consequence of the First Capital Programme Review on 8 June 2015.

The Finance Officer advised the Authority that the Capital Programme (set out at Appendix A) was showing a reduction in total of £35,368, from £7,640,007 at the First Review Stage, to £7,604,639 which was now the current level of the Programme.

Members were assured that regular monitoring of the Capital Programme continued to take place and minor issues in relation to the Carbon Management Plan, Cold Cutting Extinguishing System and the Vehicle Replacement Programme were brought to Members' attention which accounted for the net variation to the Capital Programme at this stage.

40. RESOLVED that the variations since the First Review be noted and the revised Capital Programme for 2015/2016, as set out at Appendix A be approved.

### **Budget Planning Framework 2016/2017**

The Chief Fire Officer and the Finance Officer submitted a joint report to identify the key factors influencing the development of the Authority's financial plans into the medium term and setting out the Budget Planning Framework for 2016/2017. The report set out the headline and context for the Medium Term Financial Strategy 2016/2017 to 2018/2019 which would formally be considered later in the budget cycle.

Members were advised that the Government had set out its plans through an updated 'Consolidation Plan' which required a total of £37bn of savings, £32bn of which would come from the public sector expenditure cuts by 2019/2020. This represented an increase in the cuts of £7bn, compared to that announced in the Summer budget.

At present, the Government had not published details of funding for local government as this would depend on both the outcome of the autumn Spending Review which was to be announced on 25<sup>th</sup> November and the Local Government Finance Settlement expected to be released late December. There were no implications to the Authority of the in-year funding reductions announced by the government, and the figures provided were still based on existing planning which assumed a 34% reduction in government core funding over the next 4 years as this represented the best available intelligence at the present time, until the outcome of both the Spending Review and the Finance Settlement were known.

The Finance Officer explained the other considerations that could impact on longer term planning in particular the proposed new local government funding system (where 100% of Business Rates would be retained although this would come with additional funding responsibilities and would see the end to RSG and to uniform business rates) and the Devolution Agenda and how it may affect the fire service especially as the North East Combined Authority was actively seeking devolution.

Members were advised that the outlook for local government funding remained bleak and at this stage, the Authority was planning for a 34% (£2.711m) reduction in funding. Hopefully the worst case scenario had been planned for, however this could increase to 40% on the basis of the Chancellor's request of non protected government departments to identify savings of between 25% to 40%.

The Finance Officer advised that the Council Tax precept had only been increased to reflect 1% growth in the tax base, as this position would still need to be agreed by members and also explained that at the current time, the Government had given no indication as to whether a Council Tax Freeze Grant would be available in 2016/2017 or in future years.

It was proposed within the report to take into account the following spending commitments in the Budget Planning Framework for 2016/2017: Pay and Pensions, Energy Prices and Capital Financing and a summary of the current budget position over the medium term which took into account all of the assumptions was presented to members in the Table at paragraph 9.3 of the report.

It was pointed out that a potential cumulative budget gap of £5.651m was projected at this stage however the Authority had further IRMP actions in progress, namely an organisational review and closer collaboration with its key partners that would help to identify further savings although these would not close the anticipated gap at this stage. It was also pointed out there remained great uncertainty around the levels of future government grant funding that could significantly change once more data was provided by the government.

In response to a question from the Vice-Chairman, the Finance Officer agreed to provide a written response in relation to the proportion of Business Rates, Council Tax and Central Government Grant for the Authority in the current year, and also how much the Authority had seen both in government grant cuts and savings through its IRMP that it had generated since 2010/11.

41. RESOLVED that:-

- (i) the contents of the report and the revised estimated funding gap based on the most up to date information held be noted, recognising that there was considerable uncertainty around government funding allocations;
- (ii) the proposed Budget Planning Framework summarised at Section 10 of the report be approved, which would guide the preparation of the Revenue Budget for 2016/2017; and
- (iii) the full Medium Term Financial Strategy 2016/2017 to 2018/2019 would be presented to the Authority in February 2016.

## **Annual Audit Letter 2014/2015**

The Finance Officer submitted a report detailing information in relation to the Annual Audit Letter for 2014/2015 issued by the External Auditors, Mazars LLP. A copy was attached at Appendix A of the report.

Members were advised that the Annual Audit Letter was very positive, providing a strong endorsement of the financial management and governance arrangements in place across the Authority.

The External Auditor issued an unqualified opinion on the Authority's financial statements and an unqualified Value for Money conclusion. Details of which were included in the Audit Completion Report, that had been presented to members in September.

Members were advised that a number of late changes were required to the financial statements. The Pensions Ombudsman's Determination in May 2015 in the case of Mr Milne v Government Actuary's Department (GAD) resulted in the need for GAD to revisit commutation factors used in the calculation of pension lump sum payments between 2001 and 2006. This amounted to £3.4m (costs to be met by Government).

Gavin Barker explained the main findings of the audit which were:

- apart from amendments for the GAD commutation issue mentioned above, a very small number of amendments were made to the financial statements;
- there were a few unadjusted misstatements where errors were not material; and
- the overall quality of the final statement of accounts was good.

With regards to Value for Money, the audit work considered whether the Authority had proper arrangements for securing financial resilience and challenging how it secured economy, efficiency and effectiveness.

Members were advised that the Authority had experienced a £10m reduction in central government revenue spending power between 2011 and 2015, which represented 19% of the 2014/15 revenue budget. The Authority had faced a disproportionately greater reduction in central funding compared to most other fire authorities but has consistently delivered services within budget.

As part of the budget setting process for 2014/15, the Authority set aside a total of £6m of reserves to temporarily fill the estimated budget gap over the three years 2014/15 to 2016/17. This was seen as a temporary arrangement until Integrated Risk Management Plan (IRMP) actions were fully implemented.

Like most fire and rescue authorities, the Authority was planning to operate with significantly reduced resources and had in place a clear Integrated Risk Management Plan (IRMP) to address the budget gap.

Based on performance data, performance was good overall despite the spending cuts but further, difficult decisions lay ahead to meet the scale of the financial challenge. The net budget requirement for 2015/2016 was established at £49.8m.

Further IRMP 2013-2016 reviews were still to be implemented by the Authority which would help to address the continuing reductions in government funding. However, additional IRMP actions may need to be developed if government funding reductions continue at the same, or at an increased, pace.

Mr Barker went on to say that audit fees remained unchanged at a cost of £40,848 and outlined the future challenges facing the Authority detailed at page 6 of the report.

42. RESOLVED that the contents of the report be noted and endorsed.

### **Response Review Implementation: Phase 1 Monitoring**

The Chief Fire Officer submitted a report to provide an update for Members on the implementation to date of the Integrated Risk Management Planning (IRMP) Review of Operational Response.

Members were advised that the average attendance time of the first appliance to all incident types had increased by 34 seconds when compared to the same period in the previous year. The average attendance time for the first appliance at risk level one incidents had reduced by 5 seconds. The average attendance time for the second appliance had increased by 2 seconds in comparison to the same period in the previous year. There were also no issues to report regarding operational performance, operational firefighter injuries or near misses.

ACFO Lowther went on to outline the performance statistics in relation to the following:

- Removal of Appliance from Wallsend CFS
- Removal of Appliance from Swalwell CFS
- Stand Down of Two Appliances between 00.00 and 8.59 Hours
- Introduction of Two TRVs from 18.00 to 24.00 Hours; and
- Unwanted Fire Signals Policy and Procedure

Councillor Haley commented that from June to August 2015, 87% of mobilisations were to exempted premises and asked what could be done to reduce these numbers. ACFO Lowther explained that the Service needed to be confident in the alarm systems used by exempt premises which may help inform a change in response and improve performance further.

43. RESOLVED that:-

- (i) The interim monitoring update be noted; and
- (ii) Further reports be received as appropriate.

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

44. 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 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, Paragraphs 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.

