

Item 4 (i)

Minutes of the Annual Meeting of the TYNE AND WEAR FIRE AND RESCUE AUTHORITY held in the Fire and Rescue Service Headquarters, Barmston Mere on MONDAY 19 JUNE 2017 at 10.00am.

Present:

Councillor T Wright in the Chair

Councillors Burdis, Dodds, Emerson, Flynn, Forbes, Haley, Harrison, Kilgour, Maughan, Oliver, Perry, Pickard, Renton and Stephenson.

Part I

Appointment of Chairman

1. RESOLVED that Councillor T Wright be appointed as Chairman of the Authority for the ensuing period until the next Annual Meeting.

The Chairman welcomed all Members to the meeting.

Apologies for Absence

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

Appointment of Vice-Chairman

2. RESOLVED that Councillor N Forbes be appointed as Vice-Chairman of the Authority for the ensuing period to the next Annual Meeting.

Announcements

Councillors Emerson and Flynn were welcomed to their first meeting of the Authority and thanks were extended to retired members Councillors Bell and Waller for their dedication and service to the Authority throughout their period of office.

The Chairman announced that one minutes silence would be held at 11.00am in remembrance of the victims and those injured in the Grenfell Tower fire on 14th June, 2017.

Members were advised that the Black Kite exercise was scheduled to take place on Wednesday 21st June at 10.20am. All Councillors were invited to attend.

The Chief Fire Officer provided Members with detailed information in relation to the Grenfell Tower fire (North Kensington, West London) which had taken place at approximately 00.54 on 14th June, 2017 and tragically resulted in many residents of the 24 story tower block losing their lives or being seriously injured.

Approximately 200 firefighters and over 45 fire engines attended the scene in attempt to control the blaze which lasted over 60 hours. Some Firefighters entered the building over 20 times demonstrating unprecedented bravery.

Whilst it was too early to make judgement, the Government had announced that a public enquiry would consider the reasons for the fire occurring, how it developed so quickly and resulted in the death and injury of so many people. A further update would therefore be given in due course.

Declarations of Interest

There were no declarations of interest.

Minutes

3. RESOLVED that:-

- (i) the minutes of the Authority, Part I held on 20 March 2017 be confirmed and signed as a correct record;
- (ii) the minutes of the meeting of the Human Resources Committee held on 6 February 2017 be noted for information; and
- (iii) the minutes of the meeting of the Policy and Performance Committee held on 20 February 2017 be noted for information.

Membership of the Authority, Appointment to Committees and Appointment of Spokesmen for 2017/2018

The Deputy Clerk to the Authority submitted a report to notify the appointments of the Constituent Authorities to the Fire and Rescue Authority and to consider the appointments to the Committees and the spokesmen for 2017/2018.

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

4. RESOLVED that: -

- (i) the membership of the Authority for the Municipal Year 2017/2018 be noted;
- (ii) the Members listed below be appointed to serve on the following Committees of the Authority for the Municipal Year 2017/2018 and be appointed as Chairmen and Vice-Chairmen where indicated: -

(a) **Governance Committee**

Independent Chairman	-	Mr G N Cook
Independent Member	-	Mr M Knowles
Independent Member	-	Ms G Goodwill

Councillors Burdis, Dodds, Emerson, Kilgour, Middleton and Maughan.

(b) **Policy and Performance Committee**

Councillors Dodds, Forbes, Harrison, Middleton, Perry, and Renton.

Chairman	-	Forbes
Vice-Chairman	-	Perry

(c) **Human Resources Committee**

Councillors Emerson, Flynn, Haley, Pickard, Stephenson, Wright, Oliver and Renton.

Chairman	-	Haley
Vice-Chairman	-	Pickard

(d) **Appointments Committee**

Councillors Forbes, Flynn, Haley, Pickard, Stephenson, Wright, and Oliver.

Chairman	-	Wright
Vice-Chairman	-	Forbes

(e) **Disciplinary Appeals Committee**

Councillors Forbes, Haley, Harrison, Renton and Wright.

Chairman	-	Wright
Vice-Chairman	-	Forbes

(f) **Personnel Appeals Sub-Committee**

Councillors Burdis, Maughan, Forbes, Kilgour, Middleton and Perry.

Chairman	-	Forbes
Vice-Chairman	-	Burdis

(g) **Emergency Sub-Committee**

Councillors Forbes, Oliver and Wright.

Chairman	-	Wright
Vice-Chairman	-	Forbes

(h) **Pension Board of Tyne and Wear Fire Authority**

Councillor	-	Perry
Councillor	-	Flynn (Substitute)

- (iii) the following Members be appointed as Spokesmen for the purpose of answering questions from Members of the Constituent Councils on the discharge of the Authority's functions: -

Gateshead	-	Councillor Haley
Newcastle	-	Councillor Forbes
North Tyneside	-	Councillor Burdis
South Tyneside	-	Councillor Flynn
Sunderland	-	Councillor Wright

- (iv) the following Members be appointed as Lead Members and Support Members: -

Community Engagement and Partnerships

Lead Member	-	Councillor Haley
Support Member	-	Councillor Burdis

Diversity and Equality

Lead Member	-	Councillor Forbes
Support Member	-	Councillor Stephenson

Performance Management

Lead Member	-	Councillor Wright
Support Member	-	Councillor Forbes

- (v) Councillor Wright and Dodds be appointed as the Authority's representatives on the Local Government Association; and
- (vi) Councillors Wright and Dodds, with Councillors Forbes as substitute, be appointed to the Association of Metropolitan Fire and Rescue Authorities (AMFRA).

Date, Time and Venue of Future Meetings

The Chief Fire Officer/Chief Executive (Clerk to the Authority), and the Deputy Clerk to the Authority, the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report setting out the proposed dates, times and venues of meetings of the Authority and its Committees, together with the training sessions for the Municipal Year 2017/2018.

5. RESOLVED that the cycle of meetings 2017/2018 as set out in the report be approved.

Request by the Police and Crime Commissioner to Become a Member of the Authority and Constitutional and Other Matters Arising from the Request

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Deputy Clerk to the Authority submitted a joint report requesting Members to consider the Police and Crime Commissioner's (PCC's) request, under section 26(6) of the Local Government Act 1985 (as amended by section 7 of the Policing and Crime Act 2017) (PCA 2017), to become a member of the Tyne and Wear Fire and Rescue Authority ("the Authority"). The report also set out the changes to the Authority's constitutional provisions that would have to be considered should the Authority agree to the PCC's request.

The Deputy Clerk to the Authority reminded Members that parts of the PCA 2017 that were relevant to fire and rescue authorities subsequently became operable from 3 April 2017. These included a new duty placed upon blue light emergency services to collaborate and also the option for PCCs to seek greater involvement in the governance of fire and rescue authorities.

Members were advised that section 7 amended relevant local government legislation to provide for the involvement of PCCs in fire and rescue authorities by them becoming members of existing fire and rescue authorities, with voting rights, where the authorities agreed.

On 9 February, 2017 the PCC for Northumbria made such a request and following the coming into force of the legislation, the PCC had confirmed that she wished the request to be considered.

Given the benefits of closer collaborative working already achieved, and the clear intention for further collaboration set out in the PCA, members discussed and looked favourably on the request. The reasons for this being:

- To encourage continued collaboration between Police, Fire and Rescue services;
- To identify further opportunities for sharing premises, support services and joint procurement;
- To ensure greater alignment of the Police and Crime Plan and the Integrated Risk Management Plan;
- To identify opportunities for joint public consultation on service changes and developments; and

- To enhance a shared focus on mutually agreed areas of targeted community risk.

Members agreed that the reasons outlined above would be published on the Tyne and Wear Fire and Rescue Service website for a period of at least 28 days.

The Deputy Clerk to the Authority then outlined the governance arrangements in that the PCC would become a full member of the Authority, with the same rights and responsibilities as other members. Advice from the Home Office was that it was to the effect that it was the office of the PCC that became a member, rather than the membership being personal to the individual holding that office, at the time of the request.

Members noted that the Code of Conduct set out what was expected of 'elected and co-opted members' of the Authority. Therefore:

- a) The PCC would be required to comply with the Members' Code of Conduct.
- b) The definition of a 'member' or 'elected councillor' for the purposes of the Code of Conduct should be updated to include the PCC, and
- c) The Authority's procedures for Dealing with Complaints against Members would be required to include provision for any allegation against the PCC to be referred to the police and crime panel for the Commissioner's police area and for the Authority to take any report or recommendation made by the panel into account in determining whether the PCC had failed to comply with the Code of Conduct, whether to take action in relation to the PCC and, if so, what action to take.

Consideration having been given to the matter, it was:

6. RESOLVED that:

- (i) The PCC's request to become a member of the Authority be approved;
- (ii) The reasons outlined above be published on the Internet for a period of at least 28 days;
- (iii) The political balance of the Authority's Committees and Sub-Committees be reviewed if necessary/appropriate;
- (iv) Consideration having been given to the amendments to the Authority's Constitution referred to in the report, the Clerk to the Authority, in consultation with the Chair and Vice-Chair of the Authority, be authorised to make all necessary and consequential amendments to the Standing Orders of the Authority, the Members' Code of Conduct and the procedures for Dealing with Complaints against Members; and
- (v) Further reports be received as appropriate.

Annual Governance Review 2016/2017

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to provide the findings of the 2016/17

Annual Governance Review and seeking approval of the Annual Governance Statement, which would be incorporated into the Statement of Accounts.

ACFO Baines reminded the Authority that the Code was last reviewed in March 2016 where some changes to the core principles within the Framework saw the 6 previous principles increased to 7. The Authority's existing Code of Corporate Governance was therefore to be revised and modified to reflect the revised CIPFA framework principles and would be reported back to members in due course.

The Framework identified four key roles of a local authority as follows:

- To engage in effective partnerships and provide leadership for and with the community
- To ensure the delivery of high quality local services whether directly or in partnership or by commissioning
- To perform a stewardship role which protects the interests of local people and makes the best use of resources
- To develop citizenship and local democracy.

Members were then referred to the findings of the Corporate Governance Steering Group detailed within section 4 of the report and were advised that of the 14 corporate risks faced by the Authority, the most significant (high priority risks) were:

- Failure to effectively and safely deploy and manage operational staff and resources at incidents leading to staff and the public being exposed to unnecessary risks
- Risk that spending and / or policy decisions of one of our partners had a negative impact on our collaborative work and therefore a detrimental impact on the communities that we serve.
- Risk that further budget cuts would mean that we have to make decisions that would detrimentally affect the delivery of front-line services.

ACFO Baines explained that plans were in place to address all of the issues raised and none were considered significant in terms of the Authority's overall governance and control arrangements.

A survey of the views of employees was undertaken in relation to a range of issues with an overall response rate of 44%. In addition, a questionnaire regarding Corporate Governance was issued to Members and 11 were returned.

Councillor Dodds commented that the 44% response rate was quite low and asked whether different approaches could also be considered. ACFO Baines explained that work was already underway to use different methods of engaging with staff for example visiting external locations to seek an improved response.

Councillor Oliver questioned whether additional work needed to be undertaken in response to only 54% of staff thinking that SMT tell them about changes that were happening, and 59% being satisfied with job security.

ACFO Baines advised members that work was constantly on-going with both middle and senior managers to improve communication with staff and a lot of information regarding changes was also published on the Authority's intranet.

Members of the Authority acknowledged that following numerous reviews the workforce had been reduced, without the need for compulsory redundancies, however this had naturally been a worrying time for staff and caused feelings of uncertainty in relation to job security. The feedback from Unions however had been extremely positive especially given the significant organisational changes implemented.

The Annual Governance Statement had been drafted taking into account the findings of the annual governance review. Based on the evidence examined, the Authority had robust and effective governance and internal control arrangements in place. The views elicited during the review from Members and all senior managers across the Authority demonstrated that the principles of good governance were embedded, and independent assurance had been provided on all areas required, as well as some areas not specifically required.

6. RESOLVED that:

- (i) the revised Code of Corporate Governance would be updated and reported to members in due course;
- (ii) the report and the Annual Governance Statement for 2016/17 be approved (Appendix A); and
- (iii) the Corporate Governance Action Plan 2017/18 (Appendix C) be noted.

Capital Programme Outturn 2016/2017 and Capital Programme First Review 2017/2018

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Strategic Finance Manager submitted a joint report outlining the capital outturn for 2016/2017, highlighting the main variances from the 2016/2017 Capital Programme Third Review; and to review the current year's programme to reflect the 2016/2017 outturn position and other changes since the original programme for 2017/2018 was approved.

The Strategic Finance Manager advised members that the Capital Outturn reflected the final position for the year because of earlier closure of the accounts and that a net reduction in spending of £304,674 from £2,750,853 to £2,446,179. Members were referred to the list of variations detailed within the report in Section 2, which set out savings from completed projects of £265,650, (the bulk of the saving coming from the lower cost of the new Aerial Ladder Platform), new schemes totalling £171,581, approved additional costs of £74,986 for some existing works and acceleration of Vehicle acquisitions from 2017/18 in 2016/17 of £87,490.

The Strategic Finance Manager outlined that some of the variation also related to further slippage of £373,081 into 2017/2018 on the following projects, which were detailed in section 2.2.6 of the report:

- Estates - £140,422
- Operational Equipment - £129,721
- IT - £15,000
- Carbon Management Plan - £75,477
- Technical Service Centre Non Vehicle Replacement Programme - £12,461

The projects that had slipped were to be financed from earmarked reserves and capital grant. This funding would therefore be utilised in 2017/2018.

The Capital Programme for 2017/2018 as detailed in Appendix A had increased by £229,791 from £7,301,432 to £7,531,223 mainly due to the variations detailed previously in the report but summarised at Section 3.2.

Members were advised that there were no further variations to the Capital Programme 2017/2018 at this early stage in the financial year, but the programme continued to be effectively managed and monitored and any variations would be reported to members regularly throughout the year.

Councillor Oliver referred to the late contractor invoices received in respect of Marley Park Community Fire Station totalling £63,543 which had to be paid in 2016/17 and asked whether penalties had been applied. The Strategic Finance Manager advised that as the contractor was late in issuing the invoices, no additional costs had been incurred and that the invoices had been appropriately verified. The overall scheme had still come in under budget despite the late costs incurred.

7. RESOLVED that:

- (i) the projected outturn position for 2016/2017 be noted;
- (ii) the transfer of the anticipated slippage (£373,081) into 2017/2018; and
- (iii) the revised Capital Programme for 2017/2018, as set out at Appendix A, in light of the capital outturn position for 2016/2017 be approved.

Revenue Budget Outturn 2016/2017 and Revenue Budget First Review 2017/2018

The Chief Fire Officer/Chief Executive (Clerk to the Authority) submitted a joint report to set out the reported outturn which reflected the final position and the clear benefit of the earlier closing of the accounts process.

The Strategic Finance Manager advised Members that the Revenue Budget Outturn for 2016/17 position, after year end accounting issues had been completed, showed an improved net underspend of £0.353 million, an increase of £0.192 million from that previously reported. Appendix A of the report summarised this position.

Members were referred to section 2.3 of the report which detailed the main variations.

A statement showing the movement on earmarked reserves in 2016/17 was provided at Appendix B of the report, for information at this stage. Members were advised that this took into account the Pension Injury issue to satisfy accounting requirements, which corresponded with the Authority's published accounts for 2016/17 but could not be regarded as reflecting the final position at this stage until this matter had been resolved.

It was proposed to allocate the net underspend of £0.353m to the Capital Development Reserve to help provide funding to support the proposed Capital Programme, in light of the fact that capital funding no longer featured within the government's grant funding allocations.

A discussion then ensued in relation to Injury Pensions and Members were reminded that a financial issue was identified during a government enquiry into the way injury pension awards were claimed and accounted for since 1st April 2006 when the government made a number of significant and complex changes to the way in which firefighter pensions were financed. Tyne and Wear Fire and Rescue Authority was deemed to be not fully compliant from the period 2006/07 to 2011/12.

The Strategic Finance Manager informed Members that a meeting of affected authorities took place in December 2014 and a number of options were agreed with the aim of avoiding full repayment where possible. In order of preference these options were:

Option 1 - No repayment;

Option 2 - Applying the 3 Year Pension cycle regulations to limit exposure to 2011/12 (2011/12 to 2013/14);

Option 3 - Applying the 6 year statutory debt limitation rules to limit exposure to 2008/09 (2008/09 to 2013/14)

In addition, the group put forward a case to rebut any government claim to apply statutory interest. In early January 2015 representatives of the group met DCLG officials and after detailed discussions agreed to the proposed options with Ministers and that they accepted that statutory interest was not applicable. Notification was then received on 27th March 2017 of the government's intention to recover the amount in full (£10,532 million for Tyne and Wear Fire and Rescue Service) and payment was expected within 30 days.

Members were advised that the Chief Fire Officer had requested to meet Ministers to discuss matters before any agreement could be reached both on the amount and the proposed payment plan, which would incorporate how the Authority proposed to fund this and the time frame involved. There had however been significant delays in receiving a response which had been further delayed by the General Election held in June. To date no reply had been received.

As the amount had been notified within the 2016/17 financial year provision of the amount owed of £10.5m had to be fully accounted for in order to fully comply with accounting standards. The use of reserves had been used as a temporary measure

to fund the total amount until the agreed position was clarified with government and the Authority had agreed and finalised its preferred funding options.

Members were reminded that the impact of having to find £1.8m of revenue budget savings by 2019/20 which was set out in the Authority's 4 Year Efficiency Plan already had significant implications for the operations of the Authority. The fact that this could possibly be increased by a further £10.5m meant that this would have a significantly detrimental impact not only on the finances of the Authority, should the government pursue full recovery, but also inevitably have major implications on front line service delivery therefore contingency plans would need to be considered.

The Chief Fire Officer added that the Authority would therefore be lobbying against the decision to pay the amount in full and commented that as the Authority had levied the lowest precept over the period 2006/07 to 2011/12 the tax payer could be viewed as the main beneficiary of this issue rather than the fire service. In addition to this, the error had not been identified by external auditors and in fact, the Authority had been commended on its financial statements. All of these factors would be discussed with Ministers in reaching a resolution.

8. RESOLVED that:

- (i) the Revenue Budget Outturn position for 2016/2017, set out in paragraphs 2.2 and 2.3 be noted;
- (ii) the position with regard to the Revenue Budget for 2017/2018 detailed at section 5.1 be noted;
- (iii) the General Fund position detailed at paragraph 4.1 be noted;
- (iv) the transfer to reserve as set out in paragraph 2.5 be approved; and
- (v) the position with regard to the Pensions Injury issues in Section 3 of the report be noted.

Investors in People (IIP) Achievement of Gold Award Standard

The Chief Fire Officer/Chief Executive (The Clerk to the Authority), the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report to inform members of the findings from the Investors in People (IIP) assessment which took place between 27th February and 3rd March 2017 and the achievement of gaining the Gold Award standard.

ACFO Baines reminded members that TWFRS originally gained the Investors in People (IIP) award in December 2007 and to maintain accreditation, IIP assessed TWFRS during early 2017 (late February/early March), as part of the mandatory review and re-accreditation process.

Members were advised that prior to a 5 day onsite assessment, 296 surveys were completed by staff, representing a 33% response rate. Semi structured interviews were also carried out with 54 personnel, including 22 individual interviews, 8 paired interviews and 4 group interviews.

ACFO Baines reported that the Service was successful in once again achieving Gold accreditation against the new 2017 standard, whilst retaining Champion status. It was noted that the 'Gold' standard was awarded to only the top 2% of organisations.

The report highlighted several areas that were considered by the assessors as Key Strengths (Appendix 1) and also development areas, which were being formulated into an action plan.

Members acknowledged that maintaining the award represented a significant achievement for TWFRA. It acknowledged the efforts of the Service in establishing excellent management practices and the support of staff who had embraced considerable change. It also demonstrated that TWFRS staff were fully committed to, and enthusiastic about their work.

Members of the Authority asked that staff be congratulated on this excellent achievement.

9. RESOLVED that:-

- (i) the contents of the report be noted and endorsed; and
- (ii) further reports be received as appropriate.

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

10. 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.