

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 12 JULY 2021 at
10.30am.

Present:

Item 3 (I)

Councillor Taylor in the Chair

Councillors Burdis, Dick, Dodds, Doyle, Forbes, Flynn, Haley, Hunter, Kilgour, Ord, Samuels, Warne and Woodward.

Part I

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Bell, and Johnson, and also Ms. K. McGuinness (PCC), CFO Lowther and ACFO McVay.

Declarations of Interest

There were no declarations of interest.

Minutes

11. RESOLVED that: -

- (i) the minutes of the Authority, Part I held on 14 June 2021 be confirmed and signed as a correct record subject to the following amendments:

Membership to the Authority, Appointment to Committees and Appointment of Spokespersons for 2021/2022 - Councillor Kilgour to replace Councillor Dick on the Policy and Performance Committee; and

Date, Time and Venue of Future Meetings – Resolution to read ‘ RESOLVED that the cycle of meetings 2021/2022 as set out in the report be approved, with a further report to be submitted to the September meeting of the Authority to consider postponing the Annual Meeting in June 2022’.

- (ii) the minutes of the meeting of the Policy and Performance Committee, Part I held on 22 February 2021 be noted for information; and
- (iii) the minutes of the meeting of the Governance Committee, Part I held on 28 June 2021 be noted for information.

Capital Programme Outturn 2020-2021 and First Quarterly Review 2021-2022

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to present the capital outturn position for 2020/2021, highlighting the main variances from the 2020/2021 Capital Programme Third Review presented to members in January 2021.

The report also reflected the 2020/2021 outturn position and other changes to the original Capital Programme for 2021/2022 which was approved on 15th February 2021.

Members were reminded that the COVID-19 pandemic had unsurprisingly adversely impacted on a number of projects within the Capital Programme during 2020/2021 and was also continuing to affect the 2021/2022 Programme. Government had allocated grant funding of which £229,566 had been used to fund capital expenditure on COVID related capital projects added to the Capital Programme during the 2020/2021 financial year.

Members were advised that the Authority approved a capital programme for 2020/2021 of £9,794,167 which was subsequently revised to £8,133,174 during the year. At the end of the financial year, the Capital Programme outturn reflected a further reduction in spending of £4,569,728 from £8,133,174 to £3,563,446.

There had been further slippage of £4,452,297 into 2021/2022 on a number of projects set out within section 2.2 of the report. These were to be financed from Reserves, Revenue Contribution to Capital Outlay and Section 31 Grant. Adjustments had been made as part of the final accounts year end process and this funding would now be utilised in 2021/2022.

The Finance Director explained that the Capital Programme for 2021/2022 had increased by £1,734,611 from £13,224,677 to £14,959,288.

Two new projects had also been added to the 2021/2022 Programme (£89,000) to replace the BA Compressor at Hebburn and also an additional ICT project to replace all fireground radios.

The prudential indicators set during the budget process were continually monitored and there were no issues with the PI's for 2020/2021 now that final outturn position had been reported.

The PI's for 2021/2022 were also in line with expectations and there were currently no issues to report for the first quarter of the current financial year.

Councillor Haley questioned whether COVID had resulted in additional costs and was advised that whilst the cost of materials had increased (which could resultantly impact on the Tri Station), some contracts had been agreed by a fixed tender, for example the new fire appliances, which had helped to prevent increasing costs.

12. RESOLVED that:

- (i) the final outturn position for 2020/2021 be noted;
- (ii) the transfer of the additional slippage (£1,645,611) into 2021/2022 be approved;
- (iii) the additional projects (£89,000) for 2021/2022 be approved; and
- (iv) the revised Capital Programme for 2021/2022, as set out at Appendix A be approved, in light of the capital outturn position for 2020/2021.

Revenue Budget Outturn 2020-2021 and First Quarterly Review 2021-2022

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to advise Members of the Revenue Budget Outturn position for 2020/2021, outlining the main areas of variation and the reasons behind them. It was proposed that the Finance Director, in consultation with the Chief Fire Officer/Chief Executive and the Chairman of the Authority, be given delegated authority to take any further additional final accounts decisions beyond those included in the report. If any material changes did occur to the current position, these would be reported to the next Authority meeting.

Members were reminded that the Third Review, reported to Members in January 2021, identified a projected net underspend of £0.490 million. The Revenue Budget Outturn for 2020/2021 was very positive, however, as the underspend had increased by a further £0.475 million, this meant that the net underspend for the year was now cumulatively £0.965 million.

A large part of the underspend was due to changes in the way of working and restrictions to activities caused by the COVID-19 pandemic. It was therefore anticipated that most of these further savings would be one-off in nature as normal business resumed in 2021/22 and that these savings would not be realised in future years.

Improved financial management was embedded throughout the Authority, with increased financial awareness and tighter budgetary control achieving savings in delegated budgets of £0.209m across the full service.

Insurance services provided by the Lead Authority were reviewed and a revised approach was adopted by Sunderland City Council, whereby all policies were separately tendered to ensure best value. This had led to a further year end saving on insurance premiums of £0.132m across particularly employee and transport related insurances.

The Finance Director explained that at third review stage there was a projected underspend of £0.128m on all employee costs. Further changes in staffing numbers (particularly senior green book vacancies) and those in firefighter development roles and pension memberships had continued to vary significantly from the prudent estimates used, with the consequence that this underspend had increased to £0.694m which was also a result of reduced overtime costs.

A review of the property portfolio identified a number of surplus assets. Members were asked to note that the sale of the Technical Services Facility on Saltmeadows Road had been completed in the 2020/2021 financial year generating a capital receipt in excess of £0.220m (net of fees).

The Finance Director referred to Section 2.4 of the report which detailed and explained the following variations:

- Employee Costs - £0.694m net underspend
- Premises – £0.026m net overspend
- Transport - £0.098m net underspend
- Supplies and Services - £0.072m net underspend
- Contingencies - £0.058m underspend
- Support Services and Recharges - £0.035m overspend
- Income - £0.467m overachieved
- Interest Received - £0.229m under budget
- Capital Financing - £1.211m under budget
- Reserves and Provisions Appropriations - £1.345m increase

Members were advised that a statement showing the movement of earmarked reserves in 2020/2021 was attached at Appendix B of the report, for information and had been categorised as follows:

Reserves to prevent an increase in revenue budgets (£27.842m); and
Reserves to support service delivery requirements (£5.425m).

This analysis helped to further confirm that all reserves were not only fully earmarked for specific purposes but that the bulk of the reserves (£27.842m or 83.69%) were being held to mitigate against known future costs that the revenue budget would otherwise have to accommodate.

It was proposed, subject to Members' approval, to allocate the surplus funds resulting from the net revenue budget savings totalling £0.965m into the Transformation and Reform Reserve.

Members were reminded that the Authority had received additional government grant funding of £1.483m to date, although the additional funding of £0.228m from the Home Office was only announced on 16th March 2021. As at 31st March 2021, the Authority had used £1.256m. Of the remaining £0.227m unspent grant that had been transferred into the COVID Reserve in line with the Fire Authority decision at the June 2021

meeting, there were firm commitments of £0.124m, and the balance of £0.103m would be held to meet any potential additional costs.

Referring to Section 3 of the report, Members were advised that the balance of the general fund as at 31st March 2021 was expected to remain at £3.943 million on the basis that this was viewed as an appropriate level of General Fund Balance for the size and risks faced by the Authority.

The MTFS approved by Members in February 2021 was predicated on the Fire and Rescue Service receiving annual increases in funding in line with CPI. Whether or not this position was sustainable was very difficult to predict with the uncertainty caused not only by a further one year settlement, but the unknown and ongoing impact on public finances of both the current coronavirus pandemic and BREXIT. The financial position for the Authority would therefore not be clear until the outcome of the Spending Review expected later this year was known and a multi-year funding settlement was put in place by the government.

A further uncertainty on the Authority's financial resources was the unknown impact of the government's planned changes to how local government resources were to be distributed, under the 'self-sufficiency' agenda which had been further delayed to 2022/2023.

The Finance Director explained that the 1.5% pay award for Firefighters had not yet been finalised however the impact on the Revenue Budget was c£600,000. This was a cost the Authority had no control over and had not been included within original financial plans as a 0% pay award was predicted which had now been reversed.

Councillor Woodward questioned how this would affect future financial years and was advised that the £600,000 additional cost would either need to be met from savings within the Revenue Budget, the use of reserves or additional funding from Government. The Authority would as part of the Spending Review be lobbying Central Government in relation to additional funding being provided, as this would cumulatively impact year on year.

13. RESOLVED that:

- (i) the Revenue Budget Outturn Position for 2020/2021, as set out in paragraphs 2.2 to 2.5 be noted with the Finance Director, in consultation with the Chief Fire Officer/Chief Executive and the Chairman of the Authority, being given delegated authority to take any further additional final accounts decisions beyond those included in the report. If any material changes did occur to the current position, these would be reported to the next Authority meeting.
- (ii) the proposed transfers of £0.880m and £0.965m to the Transformation and Reform Reserve as set out in paragraphs 2.4 and 2.6 be approved;

- (iii) the General Fund position detailed at paragraph 3.1 be noted; and
- (iv) the position with regard to the Revenue Budget for 2021/2022 detailed at section 4 of the report be noted. **Annual Governance Review 2020-2021**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to present Members with the findings of the 2020/21 Annual Governance Review and to seek approval of the Annual Governance Statement for 2020/21 that was to be included within the Statement of Accounts.

Members were advised that the Authority's Governance Framework had continued to be in place for the year ending 31 March 2021 and up to the date of approval of the 2020/21 Statement of Accounts. The Annual Governance Review had demonstrated that the Authority's internal control systems and governance arrangements were appropriate and that effective structures were in place to safeguard financial, operational and risk management.

The Annual Governance Statement had been produced as part of the Annual Governance Review and included an action plan to address the governance issues identified. The Annual Governance Statement was included within the Authority's Statement of Accounts each year as well as being provided as a separate document as required by the Accounts and Audit Regulations 2015.

In order to achieve good governance, the Authority had to demonstrate that its governance arrangements complied with the seven principles of the CIPFA / SOLACE framework.

The first two principles focused on acting in the public interest:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.

The remaining five principles required effective arrangements for:

- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of intended outcomes.
- Developing the Authority's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Fire and Rescue National Framework for England placed a further duty on the Authority to produce an Annual Statement of Assurance. The Authority first published this statement in 2013 and was combined with the Authority's Annual Report. The Authority was compliant with the National Framework as the 2019/20

Statement of Assurance and Annual Report (SOAAR) was approved by Members at the 16 November 2020 Fire Authority.

Members were advised that in order to assess the framework, the Annual Governance Review followed a structured approach, comprising of a number of stages, which were overseen by the Corporate Governance Board. A summary of the Annual Governance Review methodology was at Appendix A of the report.

The Finance Director referred Members to Section 4 of the report which outlined, in detail, the findings of the Governance Review.

The Finance Director then explained that using information gathered from the 2020/21 annual governance review the Local Code of Corporate Governance had been updated for 2021 and was attached at Appendix C of the report.

Members were then referred to Appendix D of the report (Annual Governance Statement) which had been drafted taking into account the effects of the COVID 19 pandemic. A small number of minor improvements were identified as part of the annual governance review, resulting in eight new actions on the 2021/22 corporate governance action plan (Appendix Dii). A further seven actions had been carried forward from the 2020/21 action plan, bringing the total number of actions for completion to 15. There had been a delay in completing some of the 2020/21 actions due to the COVID 19 pandemic however, there was a commitment to have all outstanding actions closed by the end of the financial year.

The Finance Director concluded by advising that the review had not identified any weaknesses that would need to be highlighted in the Authority's Annual Governance Statement and a small number of new improvement actions had been identified for progression during 2021/22 as detailed in the Corporate Governance Action Plan.

Councillor Haley referred to the views of elected members and questioned how the views of staff and other representative bodies were sought. The Finance Director explained that Heads of Departments sought the views of staff to ensure that staff continued to contribute towards Departmental Plans and a Governance Board had also been established to ensure that these views were reflected. In addition to this, the Staff Network Groups feed into all work and contribute to policy and procedure.

Councillor Woodward welcomed the report commenting that the organisation was clearly performing well in terms of its governance arrangements.

14. RESOLVED that:

- (i) the contents of the 2020/21 Annual Governance Review report be noted;
- (ii) the revised Local Code of Corporate Governance be noted;
- (iii) the proposed Annual Governance Statement for 2020/21 be approved; and
- (iv) the contents of the Corporate Governance Action Plan for 2021/22 be noted.

Member Links with Community Fire Stations

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Finance Director and the Personnel Advisor to the Authority submitted a joint report setting out for the consideration of Members, a revised list of links between Members and the Community Fire Stations and departments within Tyne and Wear Fire and Rescue Service. It also proposed to assign Members a key point of contact within the Executive Leadership Team of the Service to build relationships and aid communication.

Members were advised that there were many benefits to be realised from Authority Members having direct contact with employees through visiting Community Fire Stations and departments on a regular basis to meet local staff, discuss current issues and to be appraised on progress with regard to the delivery of the Strategic Community Safety Plan.

In addition, the direct link established by this approach also enhanced the communication process by providing for the exchange of local information relevant to the appropriate ward areas and promoting networking between Members, Officers and Local Ward Councillors.

Members would be allocated a key point of contact within the Executive Leadership Team. It was hoped that this would give Members access to any information they may need and would also give Members a more efficient route to gain access to areas of the Service that they may need at short notice.

A revised table of Members Links had been compiled (appendix A), which set out for consideration, the proposed links between each fire station and service departments and Fire Authority Members.

15. RESOLVED that:

- (i) consideration had been given to the report and the proposed link arrangements set out in Appendix A, and;
- (ii) the links between Members and stations/departments be approved.

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

16. 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 any individual, which is 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 1, Paragraphs 1, 2, and 4). The

public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) T. Taylor
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.

