

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 14 JUNE 2021 at
10.30am.

Present:

Item 3 (i)

Councillor Taylor in the Chair

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

Part I

Appointment of Chairman

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

Apologies for Absence

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

Declarations of Interest

There were no declarations of interest.

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.

Minutes

3. RESOLVED that: -

- (i) the minutes of the Authority, Part I held on 15 March 2021 be confirmed and signed as a correct record; and
- (ii) the minutes of the meeting of the Governance Committee, Part I held on 24 May 2021 be noted for information.

Membership of the Authority, Appointment to Committees and Appointment of Spokespersons for 2021/2022

The Deputy Clerk to the Authority submitted a report to notify the appointments made by the Constituent Authorities to the Fire and Rescue Authority and to consider the appointments to the Committees and the spokespersons for 2021/2022.

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

4. RESOLVED that: -

- (i) the membership of the Authority for the Municipal Year 2021/2022 be noted;
- (ii) the Members listed below be appointed to serve on the following Committees of the Authority for the Municipal Year 2021/2022 and be appointed as Chair and Vice Chair where indicated: -

(a) Governance Committee

Independent Chair	(Mr. G. Cook)
Independent Member	(Mr. M. Knowles)
Independent Member	(Ms. G. Goodwill)

Councillors Burdis, Dodds, Flynn, Dick, Bell, and Ord.

(b) Policy and Performance Committee

Councillors Forbes, Dodds, Johnson, Dick, Samuels, and Woodward.

Chair – Councillor Forbes

Vice Chair – Councillor Dodds

(c) Human Resources Committee

Councillors Dodds, Flynn, Haley, Taylor, Hunter, Warne, Bell and Woodward.

Chair – Councillor Haley

Vice Chair – Councillor Hunter

(d) Appointments Committee

Councillors Taylor, Forbes, Haley, Samuels, Kilgour, Hunter and Woodward.

Chair – Councillor Taylor

Vice Chair – Councillor Forbes

(e) Disciplinary Appeals Committee

Councillors Taylor, Forbes, Haley, Hunter and Doyle.

Chair – Councillor Taylor

Vice Chair – Councillor Forbes

(f) Personnel Appeals Committee

Councillors Burdis, Forbes, Kilgour, Dick, Samuels and Doyle.

Chair – Councillor Forbes

Vice Chair – Councillor Burdis

(g) Emergency Committee

Councillors Taylor, Forbes and Woodward.

Chair – Councillor Taylor

Vice Chair – Councillor Forbes

(h) Pension Board of Tyne and Wear Fire Authority

Employer Representatives

Three Members of the Strategic Management Group (SMG) – Peter Heath, John Rawling and Phil Clark

Scheme Manager Representative

Councillor Flynn (substitute Councillor Dick) – Non-voting observer/Member of the Human Resources Committee

Member Representatives

Three Member representatives nominated by the relevant representative body or organised employee group and appointed by the Authority – Wayne Anderson, Chris Smith and a vacancy

(iii) Appointment of Spokespersons

Nominations for spokespersons required 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 Taylor

(iv) Lead Member Roles

(i) Community Engagement and Partnerships

Lead Member	-	Councillor Burdis
Support Member	-	Councillor Kilgour

(ii) Diversity and Equality

Lead Member	-	Councillor Haley
Support Member	-	Councillor Hunter

(iii) Performance Management

Lead Member	-	Councillor Taylor
Support Member	-	Councillor Forbes

(v) Local Government Association

Councillor Taylor
Councillor Dodds

(vi) Association of Metropolitan Fire and Rescue Authorities (AMFRA)

Councillor Taylor
Councillor Dodds

Date, Time and Venue of Future Meetings

The Chief Fire Officer/Chief Executive (Clerk to the Authority), 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 training sessions for the Municipal Year 2021/2022.

The Vice Chair, when referring to the timing of the appointment of Members to the Authority, proposed that a report be submitted to the September meeting if necessary considering the date of the Annual Meeting in June 2022, to ensure governance arrangements had been satisfactorily met.

In addition to this, a request was made for the Governance Committee to build a review of the Fire Authority's Standing Orders into its future work Programme.

In response to a question from Councillor Woodwark regarding North Tyneside and the difficulty this had caused, the Deputy Clerk explained that the date at which a change in appointment took effect depended on the particular circumstances and matters such as whether the previous Member had been up for election and whether the full one month period of notice applied..

Councillor Burdis suggested that the Annual Meeting next year be held on 27th June.

DCFO Heath advised that there would be an induction, for all new Members, prior to the next meeting of the Authority.

5. RESOLVED that the cycle of meetings 2021/2022 as set out in the report be approved.

Authority's Status as a Going Concern

The Finance Director submitted a report to consider the Authority's status as a going concern and requesting that the Authority formally recognised and noted this position based on the evidence provided and the overall assessment of the Finance Director.

Members were advised that the External Auditor would be considering any concerns going forward and undertaking an in-depth analysis of sustainability, therefore it was deemed timely, to undertake this assessment now.

Governance Committee had scrutinised the report at its meeting held on 24th May 2021 and recommended that this report should be presented to full Authority and furthermore that the report and appendix should be provided to members of authority in advance of the formal meeting to be held in June.

The Finance Director explained that Authorities were required by Section 32 of the Local Government Finance Act 1992 to set a balanced budget. However, financial pressures within the local government sector meant that the Chief Finance Officer (Section 151 officer) may need to consider whether action was required under Section 114 of the 1988 Act, where the Section 151 officer must report, following consultation with the Authority's Monitoring Officer, to all of the Authority's members if they believed expenditure was likely to exceed incoming resources in the current or in any future year.

The provisions in the Accounting Code on the going concern accounting requirements reflected the economic and statutory environment in which local authorities operated. The provisions confirmed that local authorities had no ability to cease being a going concern as described by International Accounting Standard (IAS) 1 Presentation of Financial Statements. As local authorities could not be dissolved without statutory prescription, it would not be appropriate for the Authority's financial statements to be prepared on any other basis than as a going concern.

Members were advised that although the financial context continued to be challenging and uncertain, the Authority had a track record of meeting its financial obligations and maintaining financial sustainability. Over at least the past 10 years the Authority had

always delivered an outturn within its original budget and never overspent, despite austerity.

The Annual Audit Letter from Mazars included a value for money conclusion, which considered the identification, monitoring and achievement of savings. The latest letter issued in relation to 2019/2020 concluded that the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

The assessment considered the following 5 key areas which were outlined to Members as follows:

- Budgets 2020/2021

The Authority agreed the original revenue budget for 2020/21 and was set at £49.961m. The revenue outturn position was to be reported in July for 2020/21, including any further transfers to and from reserves but based on the latest reported forecast presented to members in January 2021, the Authority was projecting an underspend of £1.490m and members had agreed a £1.000m transfer to the Transformation and Reform Reserve to help fund the Authority's TWFRS25 vision for the service from planned in-year budget reductions which were also inevitably impacted by the COVID-19 pandemic.

The projected capital outturn position forecasted an overall underspend of £3.061m when compared to the revised budget of £8.133m, although further reductions were envisaged. There were there no concerns and Members were asked to note that the only way to bolster reserves, was by an underspend on revenue budget or to dispose of assets.

- Audited Statement of Accounts

Referring to section 4.4 of the report, Members were advised that the latest audited Statement of Accounts for 2019/20 showed the health of the Authority's Balance Sheet which covered the following key points:

- The general reserve had been maintained at a planned level of £3.944m and this represented 8.1% of the 2019/20 revenue budget, which was well within the tolerances.
- Useable revenue reserves had increased by £3.778m to £35.771m as at 31 March 2020.
- Long Term Assets had decreased from £79m to £77m mainly due to the disposal of surplus assets in the year and a small decrease in the value of Property, Plant and Equipment.
- Current Assets had increased from £143m to £189m mainly due to an increase in both short term debtors and in cash and cash equivalents.
- Current Liabilities had increased from £8m to £11m mainly due to an increase in short term creditors.
- Long Term Liabilities had decreased from £989m to £908m mainly as a result of a decrease in pension liabilities.
- Net Liabilities had decreased from £872m to £790m.

Members were asked to note that whilst the Authority showed a net liability or a negative net worth of £789.890m, most of the implied 'deficit' related to the pensions deficiency of £872.935m.

If this accounting requirement was removed, then the Authority had a 'real' net worth of £83.045m. The Authority had assets worth £77.161m and also cash backed reserves of £35.771m which further supported the view that the Authority's Balance Sheet and finances were in fact healthier than implied by the published accounts which must comply with international reporting standards and is as such a going concern. This view was shared by the external auditor.

- Reserves at 31st March 2020

The Finance Director referred Members to section 4.5 of the report which detailed a breakdown of the £35.771m revenue reserves as at 31 March 2020.

Members were advised that over next four years reserves would be used to fund the capital programme which would then reduce this to c£14m and of that, £3.5m was earmarked to ensure the service could function in terms of resilience over time. In addition to this, c£7m of the reserve was planned for the PFI Scheme. This reserve was therefore fully committed and would reduce over time.

- Future Budget Position – 2021/22 Budget

Members were advised that the Authority agreed the original revenue budget for 2021/22 which was set at £48.542m, the budget was balanced by increasing council tax by 1.99%, budget savings of £4.711m and temporary use of reserves of £1.178m as government funding to guarantee 75% of the in-year 2020/21 Council Tax and Business Rates losses was not made available when the budget was approved. It was expected this funding would replenish the reserve once finalised by the government, which was expected around January.

The original budget for the capital programme for 2021/22, totalled £13.224m.

The Finance Director explained that the pandemic had had a substantial financial impact on the Authority's revenue position. However additional government grant funding totalling £1.483m to date had been received to help the Authority address the additional costs incurred and income lost due to the pandemic. The special grant was yet to be received by the Authority to compensate it for 75% of its losses in Council Tax and Business Rates incurred in 2020/21 which would replenish the temporary use of reserves approved when setting the revenue budget for 2021/22. The government also recognised that council tax and business rates may be impacted in 2021/22 and the Authority was allocated an additional £0.872m to help with anticipated reduced council tax receipts.

Cash had been managed effectively to ensure a positive cash flow for the Authority throughout the pandemic and this continued to be the position projected forward. The Finance Director commented that this was a credit to the Finance Team and reminded Members that both the Revenue and Capital Budget was reported on a quarterly basis.

The Authority's General Reserve remained at £3.944m. This was 8% of the 2021/22 revenue budget which was in accordance with both the Authority's MTFS principles and its Reserves policy and in line with best practice.

- Future Position – Medium Term Financial Strategy (MTFS)

Members were advised that the current MTFS covered the period 2021/22 to 2024/25 and this estimated a broadly neutral funding position over the four-year period. The MTFS however would be refreshed once the government released the details of their planned Comprehensive Spending Review 2021 (CSR21) in the summer.

Reserve levels and their use would be kept under regular review and the latest position was set out in the Authority's Reserves Policy 2020/21 to 2024/25 (attached as Appendix 1 to the report). Members were asked to note that the temporary use of £1.178m of reserves was approved by Authority to balance the revenue budget for 2021/22, however these would be replenished when the government pay over grant in compensation for 75% of the Authority's in-year losses of both Council Tax and Business Rates income for 2020/21 as set out in the Chancellor's Autumn Budget announced in November 2020.

The Finance Director explained that Payroll for 2021/2022 had impacted on the budget provision as the Authority was not expecting an additional cost of c£600k given that a pay freeze had been originally proposed in February. The Chief Fire Officer was therefore lobbying Central Government for additional funds to offset these costs.

Members were also advised that the financial system in relation to the distribution of grants would change again next April, therefore whilst the current position of the Authority was financially neutral, this could change.

The Finance Director explained that based on the assessment undertaken, the view was that the Authority was aware of the challenges it faced and was equipped to continue to deliver its services taking account of its future known risks and therefore the Authority was a going concern and the Statement of Accounts continued to be prepared on this basis.

Councillor Forbes commented that the Authority was a going concern as it had sound governance arrangements in place, sound financial management procedures, an excellent track record with both Internal and External Audit and also strong Union relations.

Councillor Forbes expressed his disappointment that Government originally announced a pay freeze, when staff had had an incredibly difficult year and that whilst the pay increase was welcomed and well deserved, funding should be made available to Authorities to meet the budget shortfall.

Councillor Forbes welcomed the report commenting that this intelligence could be used in advance of the next CSR, given the very challenging circumstances ahead.

Councillor Woodward referred to the discussions of the Governance Committee and commented that it was useful for this report to be brought to the attention of all Fire

Authority Members as it provided a very clear picture of where the organisation was currently at.

6. RESOLVED that the Authority noted the contents of the report and endorsed the view that the Authority was considered to be a going concern based upon the Assessment from the Finance Director and the evidence provided in the report and that the Accounts of the Authority would continue to be prepared and approved on this basis.

IRMP 2021-24 Communication, Consultation and Engagement Plan

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 Tyne and Wear Fire and Rescue Service (TWFRS) Integrated Risk Management Plan (IRMP) 2021-2024 proposals, public consultation questionnaire and information leaflet.

Members were reminded that the IRMP 2021-2024 proposals represented a significant investment by TWFRS Fire Authority to the communities of Tyne and Wear with the prudent, efficient and effective use of finances by the Fire Authority over many years enabling the funding of the proposals to be both affordable and sustainable.

DCFO Heath explained that the current proposals were based on community safety, effectiveness and efficiency and also addressed the previous request of the Fire Authority for the Chief Fire Officer to highlight any opportunities to revisit previous decisions where there was a sound business case.

The proposals, if accepted and implemented, would result in continued investment in community safety and effective and efficient deployment of assets and resources to match community risk and demand with the creation of 54 new high quality Firefighter jobs.

DCFO Heath advised the Authority that the four IRMP proposals were; to primary crew both Aerial Ladder Platforms (ALPs); to add an additional fire engine into the response fleet; to amend the crewing and staffing working patterns at Rainton Bridge and Birtley Community Fire Stations.

A communications plan had been prepared to ensure that a meaningful consultation was undertaken. Given that the country was still emerging from the covid-19 pandemic, the consultation would make extensive use of online consultation methods over face to face to limit and mitigate potential virus spread.

It was proposed that the consultation period opened on week commencing 14 June 2021, following the Fire Authority meeting where approval to commence would be sought, and run for a period of 8 weeks, concluding in August.

Analysis of consultation feedback would be undertaken in July and August, with the aim of presenting findings to the Authority in September 2021, along with any recommended changes as a result of consultation.

Members were referred to the proposed consultation questions (attached to the report) and DCFO Heath explained the rationale behind each of the 5 questions and advised that people were encouraged to read the leaflet prior to undertaking the survey.

Councillor Haley welcomed proposals, particularly in relation to Aerial Ladder Platforms given the recent fires within high rise buildings in Tyne and Wear. In addition, Councillor Haley commented that the proposals, if agreed would still ensure that Tyne and Wear had the fastest response across the Country.

DCFO Heath agreed and assured Members that overall the average response time would remain unchanged, with Tyne and Wear still being more than 2 minutes faster to attend incidents than the rest of England.

Councillor Woodward referred to reports in previous years whereby Members of the Authority had been assigned a link station and commented that this had been useful.

DCFO Heath advised that Members would be aligned to stations and that a report would be submitted to a future meeting of the Authority.

7. RESOLVED that:

- (i) the contents of this report, the proposed consultation questionnaire and associated information be noted and endorsed;
- (ii) the previous Fire Authority agreement (March 2021 FA meeting) for an eight week public consultation period as set out in the report be confirmed; and
- (iii) Further reports be received as appropriate following public consultation.

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

8. 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, 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.

