

**Item No. 1(i)**

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 MARCH 2020 at  
10.30am.

**Present:**

Councillor Taylor in the Chair

Councillors Butler, Duggan, Flynn, Forbes, Haley, Hunter, Kilgour, Pickard, Purvis, Stephenson and Woodwark together with Ms K. McGuinness, PCC.

**Part I**

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Burdis, Dodds, Oliver and Samuels.

**Declarations of Interest**

There were no declarations of interest.

**Minutes**

78. RESOLVED that the minutes of the Authority, Part I held on 17 February 2020 be confirmed and signed as a correct record, subject to the following amendment:-

The reference in the commentary on the item, "Revenue Budget 2020/2021 and MTFs 2020/2021 to 2023/2024," relating to the "FRS had continued to be one of the fastest responding services in England and Wales and was still rated outstanding overall by HM Inspectors" being amended to the "FRS had continued to be one of the fastest responding services in England and Wales and was still rated as good overall by HM Inspectors."

## **Meritorious Conduct – Fire and Rescue Authority Award**

The Chief Fire Officer and Chief Executive (Clerk to the Authority) submitted a report on the Bravery and Meritorious Conduct Awards Scheme and to recognise the brave and meritorious actions of Firefighter Wallace who performed a commendable act of bravery, gallantry and community action during a member of the public's attempt to take their own life.

The Authority was advised that the Chair of the Authority would now be presenting the award for brave and meritorious conduct to Firefighter Wallace at the Fire Station in South Shields on Thursday 19 March 2020.

ACFO Heath reported that on 31 December 2019, crews had been deployed to an adult in a distressed state on a cliff top pinnacle at Marsden Grotto. He explained that the person who was known to the Service, had threatened to take their own life on several occasions over the previous weeks. He advised that on each occasion of deployment, Firefighter Wallace had been the Firefighter with most contact with the individual, conversing with, providing reassurance and building trust until the arrival of Police negotiators.

The Authority was advised that despite the severe weather conditions, Firefighter Wallace had made his way out on the pinnacle with a blanket, to provide comfort and to get close to the individual, allowing conversation and security. Firefighter Wallace remained with the individual for three hours. During this time, he was made aware of a shift in the demeanour and mannerisms of the individual and the change in the tone of the negotiators. It was at this point the casualty attempted to jump from the 60 metre cliff. With immediate reaction, Firefighter Wallace put out a hand and was able to seize hold of the individual's garment and pulled them to a safe location.

The Chief Fire Officer reported that in addition an award for meritorious conduct would also be made to a Firefighter J. Houstead in respect of his assistance during the incident.

Members having commended the actions of the firefighters and given consideration to the report, it was:-

79. RESOLVED that:-

- (i) the Awards for Meritorious Action be endorsed; and
- (ii) the congratulations and thanks of the Authority be extended to Firefighters Wallace and Houstead for their actions.

## **Pay Policy 2020/2021**

The Chief Fire Officer and Chief Executive (Clerk to the Authority), the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report on the Authority's Pay Policy Statement for 2020/2021 and to seek approval to publish this information in accordance with the statutory requirements.

The Strategic Finance Manager reported that the Authority was required to produce an annual Pay Policy Statement, setting out the Authorities' policies for the financial year in relation to the remuneration of their senior staff/chief officers, the remuneration of their lowest-paid employees, and the relationship between the pay of chief officers and that of other employees.

The attention of Authority Members was drawn to the Pay Policy Statement appended to the report. It drew from current guidance and references or incorporates the Authority's related policies, as appropriate, including:-

- the level and elements of remuneration for each Chief Officer;
- remuneration of each Chief Officer on recruitment;
- increases and additions to remuneration for each Chief Officer;
- the use of performance related pay for Chief Officers;
- the use of bonuses for Chief Officers;
- the approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority; and
- the publication of and access to information relating to the remuneration of Chief Officers.

The Statement also reflected the Authority's practice and position in aiming to be an employer of choice within the context of managing limited public resources. The Pay Policy Statement 2020/21 must be published by 31 March 2020 as this was the deadline set out by the 2011 Act, however this still requires formal approval by the Authority before publication.

The Strategic Finance Manager reported that one of the requirements of the Localism Act was that the Authority has a policy on pay multiples for senior staff. He explained that the lowest paid employee salary was £17,364 and therefore the current pay multiple for the Chief Fire Officer and lowest paid employee was 8.77:1. He advised that this was well within the Government expectation that the pay multiple relationship should be below 20:1 in local government and that in addition, this was also below the national average of 15:1 in the public sector.

Turning to the trade union facilities time, the Strategic Finance Manager referred to Section 16 of the Pay Policy Statement which set out how much time and resource was dedicated. He assured Authority Members that the levels were well within the requirements of the Local Government Transparency Code and the facility time had key benefits for the Authority when discussing IRMP working practices during the budget setting process.

The Strategic Finance Manager then drew attention to the Statement of Policy on Discretions, attached as Appendix A, to highlight for transparency purposes, the fairness and affordability of any discretionary payment calculations. He advised however that no discretionary payments had been required during the financial year 2019/2020.

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

80. RESOLVED that:-

- (i) the Pay Policy Statement for 2020/2021 be approved and published in accordance with the statutory requirements; and
- (ii) further reports be submitted to the Authority as necessary.

**Treasury Management Policy and Strategy 2020/2021, including Prudential 'Treasury Management' Indicators for 2020/2021 to 2023/2024**

The Strategic Finance Manager submitted a report to provide the Authority with the proposed Treasury Management Policy and Strategy (including both borrowing and investment strategies) proposed for 2020/2021 and the associated Prudential 'Treasury Management' Indicators for 2020/2021 to 2023/2024 for approval taking into account any comments provided by the Governance Committee.

The Strategic Finance Manager advised Members that the Local Government Act 2003 required the Authority to:

- 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential Indicators (including specific Treasury Management Indicators) for a minimum period of three years to ensure that the Authority's capital investment plans were affordable, prudent and sustainable. These were detailed at Appendix 1.
- adopt a Treasury Management Policy Statement (detailed in Appendix 2),
- to set out its Treasury Management Strategy Statement comprising the Authority's strategy for borrowing and the Authority's policies for managing its investments, and giving priority to the security and liquidity of those investments (with more detailed information setting out the basis of the proposed Strategy in Appendix 3).

The Strategic Finance Manager highlighted that the report had been considered by the Authority's Governance Committee at its meeting held on 13 March 2020. He advised that the Committee had indicated that it was reassured by the proposals outlined in the report for the Treasury Management Policy and Strategy and had noted and endorsed the report.

With regards to the Treasury Management Strategy Statement for 2020/2021, the Strategic Finance Manager reported that there were no major changes being proposed to the overall Treasury Management Strategy that had been adopted in 2019/2020 which maintained the prudent approach of previous years which had served the Authority well. The Strategic Finance Manager assured Members that the Prudential 'Treasury Management' Indicators 2020/21 to 2023/2024 would be regularly reviewed for compliance and reported to the Authority's Governance Committee for scrutiny.

The Strategic Finance Manager drew attention to the Borrowing and Investment Strategy and advised that during 2019/2020 the Authority did not employ any external fund managers. The performance of the fund managed by Sunderland City Council's in-house team compared favourably with the relevant benchmarks and performance from the previous year. Performance was above the benchmark rate whilst still adhering to the prudent policy agreed by the Authority in what remained a very challenging market and the Authority's treasury management advisor reported that the rate of return achieved compared well with their other local authority clients.

Members were then referred to Appendix 1 of the report which detailed the Prudential 'Treasury Management' Indicators and were asked to note the Authorised Limit for External Debt in 2020/2021 of £49.250 million and the Operational Boundary for External debt in 2020/2021 of £44.250 million, which had already been agreed by the Authority as part of the prudential requirements within the Capital Programme 2020/2021.

The Strategic Finance Manager drew attention to Appendix 2 of the report which set out the Treasury Management Policy Statement and the summary of the borrowing strategy. He explained that since the report was drafted the effect of the Coronavirus on the economy and financial markets had resulted in the interest rates being reduced to an all-time low of 0.10% from their previous level of 0.75%. He assured Members that the situation would continue to be monitored in order that the Authority might benefit from cheaper borrowing rates however he did not believe there would be an opportunity to reschedule any existing debt because of how low interest rates were forecast.

The Strategic Finance Manager reported that the Authority was required to:-

- 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential Indicators including specific Treasury Management Indicators) for a minimum period of three years to ensure that the Authority's capital investment plans are affordable, prudent and sustainable. These were detailed at Appendix 1.
- adopt a Treasury Management Policy Statement (TMPs) (detailed in Appendix 2), and
- to set out its Treasury Management Strategy Statement comprising the Authority's strategy for borrowing and the Authority's policies for managing its investments and giving priority to the security and liquidity of those investments (set out in Appendix 3).

Members were advised that the content of the treasury management policy statement was detailed in Appendix 2 and the TMP's followed the recommendations contained in Sections 6 and 7 of the Code, subject only to minor variations where necessary to reflect the particular circumstances of the Authority, cleared with the external auditor and these did not result in the Authority materially deviating from the Code's key principles. There were no major changes being proposed to the overall Treasury Management Strategy in 2020/2021, which maintained the prudent approach adopted by the Authority in previous years. Areas that informed the strategy included the extent of potential borrowing included in the Authority's capital programme, the availability of borrowing, and the current and forecast world and UK economic positions, in particular forecasts relating to interest rates and security of investments.

The attention of Members was drawn to the table in appendix 1 which set out the costs of borrowing. The Strategic Finance Manager highlighted that borrowing costs were some of the lowest in the country. He also advised that the Authority had achieved a 1.01% rate of return on its investments as compared to the benchmark of 0.57%. He advised that currently they were slightly outperforming the market and the interest was being used to help fund the revenue budget. He added that at the present time, there was no need to change the strategy, however recently the base rate had been reduced significantly because of the coronavirus pandemic. He explained that whilst the change in rates did not have a massive impact on the borrowing strategy, there would be a negative impact on the rate of return on investments for 2020/2021. He anticipated that the amount of interest received would be halved and that this would have a fairly minor impact on the Revenue Budget that could be accommodated.

The Strategic Finance Manager reassured the Authority that the Treasury Management Policy and Strategy continued to be fit for purpose and if there were any major changes required, they would be brought to the Authority for consideration.

Councillor Pickard referred to the lending list criteria at page 76 of the agenda and noted that the highest credit rating utilised was A+. The Strategic Finance Manager advised that he had presented the information as a 'worst case scenario' where investment decisions used the lowest credit rating score for every financial institution to lower the risk involved. He explained that in the columns to the left-hand side, the maximum AA government rating was in place with a £80 million maximum limit if the institution was government backed. He added that this meant any institution with a credit rating of an 'A' rating would then have applied a £65 million lending limit for example.

Councillor Haley highlighted that he had found it difficult to extricate the Fire Authority's position from the information on the Treasury Management debt limits operated by Sunderland City Council and requested that it was clarified in future reports. This was accepted by the Strategic Finance Manager who would address this issue in future reports. He referred to the PWLB level being raised without notice by the government and enquired whether the lobbying to challenge the increase had had any effect. The Strategic Finance Manager reported that the Authority was required to use the PWLB rates where available and explained that these rates also reduced as they also correlated with the Bank of England Base Rate. He added that

lobbying had been unsuccessful to government and that as the Authority's reserves were finite and the capital programme was ambitious, this meant that borrowing would be inevitable and it would consider borrowing in advance where the Authority could prove the requirement. Councillor Haley felt it was unfair to add an additional burden from the additional cost of borrowing to local taxpayers when the Revenue Support Grant ceased to properly compensate for this cost and in effect the Authority would be penalised for borrowing. Councillor Woodwark reported that this report had also been considered in detail at the Authority's Governance Committee. He drew attention to the limits set for each sector in which the Authority could place investments and a limit of £50 million had been placed on Foreign Banks. He reported that although the financial markets remained volatile, the Authority could take solace from the positive comments from the Governance Committee on the report.

Councillor Forbes reported that it would be very likely that the punitive restrictions placed on the PWLB by the government would need to be revisited, given the impact of COVID-19 on the economy. He then referred to the commitment to addressing climate change and to decarbonising activities and plans. He advised that any holdings which invested in fossil fuels should be reviewed and plans put in place to disinvest with them.

Councillor Butler requested a point of clarification of paragraph 2.5 in relation to the policy on borrowing in advance of need. The Strategic Finance Manager explained that it would be required to prove to the auditor that the spending plans were already in place. For example, that anything in advance of 2021, the Authority would be required to show at what point they would need to borrow and by how much.

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

81. RESOLVED that approval be given to:-

- (i) the proposed Annual Treasury Management Policy and Strategy for 2020/2021 (including specifically the Annual Borrowing and Investment Strategies), and
- (ii) the Prudential 'Treasury Management' Indicators 2020/2021 to 2023/2024.

### **Retirement of Area Manager, John Pratt**

The Chair highlighted that this would have been the last meeting for Area Manager, John Pratt, before his retirement from the Service if he had been able to attend the meeting. He reported that John joined the Service on 7 September 1987 and had served in Stations in Sunderland and South Shields. He became the Service's lead for learning and development across the service and with his first class honours degree in Computing, he led improvements to the training systems and the current mobilising system. He also played a key role in community safety. The Chair commended John for being an excellent role model and wished him well for his retirement after 32 years with the Service.

Authority Members and Officers also wished to convey their congratulations to John and wished him a long and happy retirement.

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

82. 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, 3 and 4). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) T. TAYLOR  
Chair

### **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.