

Item 3 (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 14 JANUARY 2019 at
10.30am.

Present:

Councillor Curran in the Chair

Councillors Burdis, Dodds, Forbes, Haley, Kilgour, Perry, Pickard, Stephenson,
Taylor and Woodwark together with Dame Vera Baird DBE QC

Part I

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors
Duggan, Flynn, Harrison and Oliver.

Declarations of Interest

There were no declarations of interest.

Minutes

52. RESOLVED that the minutes of the Authority, Part I held on 10th December
2018 be confirmed and signed as a correct record subject to the following
amendment:

IRMP – Review of How we Respond Relative to Risk' to refer to the fact that
Councillor Woodwark spoke in the debate about the length of the consultation period
which was being proposed.

Meritorious Conduct Award

The Chief Fire Officer and Chief Executive (Clerk to the Authority) submitted a report
to present a Meritorious Conduct Award for brave and meritorious actions to
Firefighter Darren Fenton in recognition of his actions in rescuing a casualty from the
River Tyne on 15 December 2018 and Chief Fire Officer, Chris Lowther, would

present a Chief Fire Officers Commendation to members of Blue Watch from Byker, Gateshead and Newcastle Central Community Fire Stations, for their actions at the same incident.

CFO Lowther advised Members that unfortunately Firefighter Fenton was unable to attend the meeting that day, therefore the Chief Fire Officer and Chairman would make a presentation at a later date.

CFO Lowther explained that On 15 December 2018 at 04:55hrs crews from Newcastle Central and Gateshead Community Fire Stations, led by Watch Manager Lee Denny, supported by the Fire Boat crew from Byker Community Fire Station, responded to reports of an adult male in the River Tyne having jumped from either the Redheugh or High Level Bridge.

Firefighter Fenton alerted the fire boat crews who made their way to this area. Once they made contact they found a semi-responsive and profoundly hypothermic man with no obvious injuries. He was then transferred on the fire boat and handed over to North East Ambulance Service (NEAS) colleagues at the NE1 pontoon after which he was taken to hospital.

The professional actions of and use of the thermal scanner by Firefighter Fenton along with the swift actions of the members of Blue Watch undoubtedly brought the incident to a successful outcome and saved this man's life. To remain calm and focussed during a difficult incident, in challenging conditions, was imperative to rescuing the casualty.

Members of the Authority:-

53. RESOLVED that:-

- (i) The Meritorious Conduct Award and Chief Fire Officers Commendation be noted and endorsed;
- (ii) Congratulations and thanks be extended to Firefighter Darren Fenton and members of Blue Watch at Byker, Gateshead and Newcastle Central Community Fire Stations for their actions; and
- (iii) A presentation of the award be made at a later date.

Capital Programme 2018-2019 – Third Quarterly Review

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to review the current year's Programme and reflect further changes to those that were presented to the Authority as a consequence of the Second Capital Programme Review on 5th November 2018.

The Strategic Finance Manager advised the Authority that the Capital Programme was showing a reduction in total of £5,274,995, from £8,314,378 at the Second Review stage, to £3,039,383.

Members were referred to sections 2.4 – 3.2 of the report and noted detail in relation to the following:-

- Estates - £4,250.000

Members were advised that the replacement of Hebburn Station would be delayed in to 2019/2020. The full £4,250,000 would be slipped into next year as a result and the Capital Programme had been amended accordingly.

- ICT - £66,679
- Operational Equipment - £41,066
- Control/Mobilising Project
- TSC – Non Vehicle Replacement Programme Items
- Additional Projects - £162,750

The Strategic Finance Manager then referred Members to the Vehicle Replacement Programme (£1,080,000) and explained that to streamline the procurement process for the appliances and to accommodate the lead in time, a specification had been drawn up for 14 appliances, with a minimum of 4 to be delivered by the end of the 2019/2020 financial year with a further 10 during 2020/2021. This would replace more than half of the current fleet of 24 by March 2021. The allocation of £1,080,000 would therefore be slipped in to 2019/2020 to recognise this change and the Capital Programme had been amended.

In response to a question from Councillor Taylor, the Strategic Finance Manager explained that TRVs were currently replaced over a 3 year period however consideration was being given to extending this to a 4 year period as this was deemed to be more appropriate.

With regards to prudential indicators, at this stage the Authority was operating within its Authorised Borrowing Limit, which was a statutory limit determined under Section 3 (1) of the Local Government Act 2003. There were no areas for concern or any issues which required any review of the indicators as originally approved.

Members were advised that the revised Capital Programme was detailed at Appendix A of the report and any comments or questions were welcomed.

Councillor Woodward referred to the replacement of the breathing apparatus facemasks and questioned whether this had been foreseen.

The Strategic Finance Manager confirmed that no, it had not, and explained that a condition survey had identified that a significant proportion of the existing Breathing Apparatus facemasks had become deformed with use. By providing new masks to all breathing apparatus sets, respiratory protection could be maximised. A discounted price with the supplier had been negotiated and the replacement cost was expected to be £12,750.

Members raised concerns that a significant amount of capital reserves were being used and commented that this was not sustainable and that the purpose of these reserves needed to be communicated to the Minister at the meeting that week. The Strategic Finance Manager agreed and commented that reserves were allocated and that a robust policy was in place.

Councillor Dodds asked for further information in relation to the New Fit for Life project which had been added to the programme and was advised that the introduction of functional fitness equipment, along with exercise bikes and treadmills, would afford operational personnel the best opportunity to maintain their levels of fitness. This was estimated to cost £150,000 and the resources had been identified within the 2018/2019 budget.

Members were assured that a procurement exercise was undertaken to ensure best value for money.

54. RESOLVED that the reported variations since the Second Quarterly Review and the addition of the new projects be noted, and the revised Capital Programme for 2018/2019, as set out at Appendix A, be approved.

Revenue Budget 2018 -2019 – Third Quarterly Review

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report advising Members of issues relating to the 2018/2019 Revenue Budget at the third quarterly review stage.

Members were advised that the Revenue Budget Second Review reported to Members in November 2018 projected an underspend of £0.749m. Regular monitoring of the Revenue Budget had continued to take place and there was now an underspend of £0.877m projected at outturn.

Members were referred to a summary of the position set out at Appendix A of the report and were asked to note the following variances:-

- Employee Costs - At this stage in the financial year there was a projected net underspend on the overall employees budget of £0.875m. As reported at second review, there had been a significantly greater number of retirements than anticipated, resulting in a reduction in expenditure on salaries and oncosts.
- Premises - An overspend of £18,000 was projected on premises costs, mainly due to higher than estimated utility costs and an increase in rates, with phased rates revaluations impacting in 2018/2019.
- Transport - The transport budget was expected to underspend by £23,000, generally due to revised travel arrangements resulting in reduced travelling expenses and car mileage claims.
- Supplies and Services – A small underspend was projected across supplies and services.

Councillor Dodds referred to the general fund balance of £3.943m which may need to change in the year depending on the outcome of the pensions issue and asked whether any further information including costs was available and also whether an appeal process was in place.

CFO Lowther explained that the pension liability would be at significant cost, and should be funded, with no cost to the Authority and that this case would be fought. A further update would be given in due course.

55. RESOLVED that the position with regard to the Revenue Budget for 2018/2019, as set out in the report and summarised at Appendix A, be noted.

Schedule of Precept Instalments 2019-2020

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report requiring Members to review and approve the precept instalments for the financial year 2019/2020.

The schedule of precept instalments was detailed within the report.

In response to a question from Councillor Haley, the Strategic Finance Manager confirmed that the same dates were used for the collection of Business Rates.

56. RESOLVED that the schedule of instalments proposed under paragraph 4(4) of the Local Authorities (Funds) (England) Regulation 1992, as set out in paragraph 2.1 of the report, be approved.

Provisional Local Government finance Settlement 2019-2020

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report updating members on the implications of the Provisional Finance Settlement for 2019/2020, which was announced on 13th December 2018. Further detail was set out in Appendix 1 of the report for information. Appendix 6 of the report set out the comments made on the Authority's behalf by the Chair, the Chief Fire Officer and the Strategic Finance Manager in respect of the Government's consultation on the Provisional Grant settlement for 2019/2020 as the deadline for responses was required by 10th January 2019.

The Strategic Finance Manager advised Members that the information provided in the Settlement was broadly in line with the indicative figures released in February 2018 apart from the following changes, most of which were trailed in the Chancellor's Autumn Budget:

- a) Adult Social Support Care Grant Funding increased by £410m and Winter Pressure Grant Funding of £240m was announced in the Autumn Budget and had been incorporated into the Core Spending Power measure for local authorities
- b) An increase in New Homes Bonus of £20m to reflect housing growth

- c) Further Pot Holes Grant Funding of £420m which was also announced in the Autumn Budget
- d) Elimination of Negative Revenue Support Grant (RSG) costing the government £152.9m to remove the downward adjustment to tariffs and top-ups which would otherwise have been necessary
- e) Rural Services Delivery grant was to be increased by £16m to £81m in 2019/20

Members were asked to note that none of the above changes totalling almost £1.259bn however, would benefit the Authority.

The Strategic Finance Manager then referred Members to section 2.2 of the report and advised that:-

- There was a one-off grant allocation in respect of a surplus on the Business Rates Account (Levy) for 2018/2019 which totalled £180m. The authority was therefore expected to receive £234,668 in 2019/2020.
- The government had confirmed the Pensions Grant Funding for 2019/2020 totalling £98.5m of which the Authority would receive £2.22, to meet the increased costs of employer pension contributions because of changes to the discount factor. This had an estimated cost to the Authority of around £2.6m.

There was provision for this increased cost in the Authority's MTFS of £0.48m so potentially this budget pressure was covered.

Members were then advised that most of the limits set by the government for council tax increases before a referendum was triggered remained unchanged, which meant the Fire Authority limit remained at an increase in 2019/2020 of below 3%. The only exception to this was that the government was allowing Police and Crime Commissioners to increase Council Tax by a flat rate of increase of £24 at Band D in 2019/20 (previously this was £12). Members were advised that the Authority had requested a flat rate increase of £10 at Band D as a one off which would have generated £2.8m to meet the funding gap, however this had been rejected.

The Strategic Finance Manager then referred to the Provisional Local Government Finance Settlement 2019/2020 and explained that the impact of reductions in grant funding for 2019/2020 were broadly in line with those forecast in November. There was a marginal increase in the Top Up Revenue Grant of £8,000 more and an increase in the Compensation for under-indexing Business Rates funding of £30,000. In total resources had improved by £38,000.

The Authority's Core Spending Power (CSP) increase in 2019/2020 continued to show that the Authority's resources were lower than the other Authorities with an increase of 1.5% in 2019/2020 compared to the average increase for all local authorities of 2.8%. The net reduction in resources shown in the Authority's CSP over the 4 Year Settlement of 2.28% showed that, in summary, the Fire Authority had continued to see its resources eroded more than the national average of a 3.83% increase.

Members were referred to Appendix 4 and 5 which provided more detail on the comparable CSP information amongst fire authorities for 2019/2020, over the 4 Year Settlement period and since austerity began and also how they compared to the national position across England. Members noted that Tyne and Wear had suffered some of the worst funding reductions since 2010/2011 using the government's own measure of resources. The Strategic Finance Manager highlighted that Tyne and Wear were to experience a 1.5% change in 2019/2020 which was a -2.3% change in the 4 Year Settlement and a -18.4% change since 2010/2011 resulting in them being the worst affected Metropolitan Authority in the Country. Disappointingly, other authorities for example Dorset and Bedfordshire had in fact seen increases of 3.6% and 3.3% respectively.

The Authority welcomed the additional funding provided by the government for the increased Pension costs in 2019/20 of £2.2m. It remained concerned however that the total cost of £2.6m to the Authority was not being fully funded at a time when it was facing other significant cost pressures that were outside of its control.

The Strategic Finance Manager commented that it was also pleasing to note that the £180m surplus on the Business Rates Levy Account in 2018/19 was being returned to local government. The Authority would receive £234,000 of additional one-off funding as a result.

In summary, the Provisional Settlement had confirmed, that there had been little real change to the resources already set out in the Revenue budget, and the position in 2019/20 had improved marginally by £38k.

Councillor Stephenson commented that the direct negative affect of the current governments funding formula on the Authority was devastating and suggested that this needed to be communicated to the Minister as Tyne and Wear, despite using best endeavours in previous years to manage a significantly reduced budget, was being penalised and was one again, one of the worst to be hit with cuts in funding. Councillor Stephenson went on to say that these decisions affected people's lives and that funds needed to be available to carry out duties and protect the residents of Tyne and Wear.

Councillor Dodds welcomed the discussions which were about to take place with the Minister and commented that a strong message needed to be communicated that it was not appropriate to use reserves to balance the Authority's budget. Councillor Dodds also commented that the restraints the Authority was faced with also needed to be widely communicated and suggested that the press had a role to play in relation to this.

Dame Vera Baird raised the issue that policing had also suffered and commented that it was incredibly damaging to the welfare and safety of the residents of Tyne and Wear. In addition to this Tyne and Wear was a deprived area, whereas Bedfordshire who had seen an increase, was an affluent area with no deprivation.

The Vice-Chairman commented upon the effect that the abolition of the Revenue Support Grant had had on the Authority and that in addition to this, government had not acknowledged risk or deprivation. Councillor Forbes went on to say that the risk

in Tyne and Wear had increased, not decreased, yet further funding cuts were again being seen in the most deprived areas.

Councillor Pickard referred to sections 3.6 and 3.7 of the report in particular, the proposal that the one-off additional resource from the Business Rates Levy Account be transferred to the Capital Developments Reserve to help fund the Capital Programme. It was moved by Councillor Pickard, and seconded by Councillor Burdis, that a different approach to this be taken.

The Chairman, on behalf of the Authority, thanked the Strategic Finance Manager and his team for the detailed budget preparations which had been carried out.

57. RESOLVED that:-

- (i) the contents of the report which included the updated Draft Revenue Budget resources position for 2019/2020 taking into account the implications of the provisional local government finance settlement be noted;
- (ii) the comments made on the Authority's behalf to the government's consultation on the Provisional Grant Settlement for 2019/2020 be noted;
- (iii) that the final Revenue Budget and Precept for 2019/2020 would be presented to the Authority at its meeting in February together with an updated MTFS; and
- (iv) That a different approach to that set out in sections 3.6 and 3.7 of the report be undertaken.

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

58. 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 or which was likely to reveal the identity of an individual or information relating to the financial or business affairs of any particular person (including the Authority holding that information) or information relating to consultations/negotiations in connection with any labour matter arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2, 3 and 4).

(Signed) B. Curran
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.

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