

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 5 NOVEMBER 2018 at
10.30am.

Present:

Councillor Curran in the Chair

Councillors Burdis, Dodds, Forbes, Flynn, Haley, Harrison, Oliver, Perry, Pickard, Stephenson, Taylor and Woodwark.

Part I

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Duggan and Kilgour together with Dame Vera Baird DBE QC.

Declarations of Interest

There were no declarations of interest.

Minutes

33. RESOLVED that the minutes of the Authority, Part I held on 15th October 2018 be confirmed and signed as a correct record.

Capital Programme 2018/2019 – Second 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 any further changes necessary to those that were presented to the Authority as a consequence of the First Capital Programme Review on 18th June.

The Strategic Finance Manager advised Members that the Capital Programme was showing an increase in total of £80,583, from £8,233,795 at the First Review stage to £8,314,378.

Regular monitoring continued to take place and the following issues were brought to Members' attention:

- Estates – It was anticipated that there would be a saving against the budget set aside to meet the costs of the disposal of Fulwell Community Fire Station, however issues with the water supply to adjacent properties meant that some of the anticipated underspend would be required.
- ICT – Additional funding of £32,205 was required to integrate a recruitment module into the Core IDS system which once implemented, was expected to make a modest annual revenue budget saving as existing recruitment arrangements were replaced.
- Operational Equipment – An additional £10,000 was required to fulfil the project and this would be provided for within the operational equipment replacement programme.
- Community Safety – An overspend of £24,000 was projected on the purchase of smoke detectors. The budget was reduced significantly in 2017/2018 which then required an acceleration of £28,000 from the 2018/2019 budget.
- Control/Mobilising Project – A revised business case from the Home Office was expected early next year therefore slippage into 2019/2020 was now anticipated.
- TSC – Non-Vehicle Replacement Programme Items – The order was now complete for the appliance CCTV and it was expected to be fully installed across the service by December. A saving of £17,480 had been made which would be required to fund the replacement of the breathing apparatus valves.
- Additional Projects – An additional project had been added to purchase a demonstration fire container unit. This cost was expected to be £29,555 and would be funded from capital reserves.
- During scheduled testing of breathing apparatus, it was highlighted that a greater number of valves were failing than normal, and as these are business critical to ensure that the BA equipment can continue to operate effectively, there was an imperative to have these replaced. The total cost was estimated to be £86,030, with £57,500 in 2018/2019 and £28,530 in 2019/2020.

Members were then advised that 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.

Councillor Pickard expressed his concerns in relation to the reduction in capital funding from the government and commented that the sale of land and appliances to generate capital reserves, were very limited and consequently in the future could place a risk on the delivery of services.

The Chief Fire Officer agreed with these concerns and commented that it was not sustainable for the Authority to sell land to self-fund capital projects.

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

Revenue Budget 2018/2019 – Second Quarterly Review

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to advise Members of issues relating to the 2018/2019 Revenue Budget position at the half way point of the financial year.

The Strategic Finance Manager advised Members that regular monitoring of the budget continued to take place and at this stage, variances had been identified which produced a projected underspend of £0.749m.

In addition, the Revenue Budget was balanced with a proposed temporary drawdown from the Reform and Transformation Reserve of £0.694m.

Members were referred to Appendix A of the report and were advised of the following:

- Employee Costs – There was a projected net underspend of £0.738m due to a significantly greater number of retirements than those anticipated in the Budget, and also savings on employer pension costs. The pension cost reductions had arisen from firefighters opting out of the pension scheme and there were savings because of a number of temporary staffing arrangements where pension costs are based on their lower substantive post. It was proposed to transfer the underspending on the opted out firefighter pension budget of £250k into a reserve to deal with this issue more appropriately, in order to secure a longer-term revenue saving.

Overtime costs, although reduced, continued to be a significant budget pressure but these were currently being absorbed by savings in salaries and pensions.

The service was also aware of a significant budget issue emerging from the triennial valuation of the firefighter's pension scheme which would affect employers pension contributions in 2019/2020. Although £0.482m had already been built in to the current Medium Term Financial Strategy, recent indications suggested costs may be in the region of £2.6m if the government did not provide any additional funding.

Councillor Flynn commented that this on top of the savings which already had to be made, was extremely challenging for the Authority.

- Premises – An overspend of £19,000 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 £24,000, generally due to revised travel arrangements resulting in reduced travelling expenses and car mileage claims.
- Supplies and Services – A small underspend of £5,000 was projected across supplies and services.

The general fund balance of £3.943m was deemed to be within reasonable and agreed tolerances.

35. RESOLVED that the position with regard to the Revenue Budget for 2018/2019 as set in the report and summarised at Appendix A be noted and the proposed transfer to the Pension Reserve was agreed.

Budget Planning Framework 2019/2020

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report which set out the main considerations in drafting the Revenue Budget 2019/2020 and the longer term financial planning for the Authority which included:

- Identifying the key factors influencing the development of the Authority's financial plans into the medium term and sets out specifically the Budget Planning Framework for 2019/2020;
- Providing an update on the current Medium Term Financial Strategy and sets out the headlines and context for the Medium Term Financial Strategy 2019/2020 to 2022/2023 which would be formally considered later in the budget cycle; and
- Providing an update on performance against the four year Efficiency Plan 2016/2017 to 2019/2020.

The Chief Fire Officer introduced the item and explained that the primary purpose of the IRMP was to assess and mitigate risk whilst trying to protect appliances and response times with regard to the resources available. As previously mentioned, TWFRS had once again seen one of the biggest reductions in funding with a £3.6m funding gap by 2022 therefore the Authority would be faced with some very difficult decisions.

The Authority was advised that the budget deficit within the Four Year Efficiency Plan period which ended 2019/2020, had increased to £2.316m from an original estimate of £1.8m.

The Strategic Finance Manager referred Members to the Autumn Budget 2018 (29 October 2018) and commented that the Fire Service had not been mentioned within the budget which implied that the 4 Year Settlement the Authority agreed and accepted in October 2016 would be the basis of government funding for the next financial year.

Based on the indicative budget allocation, Government funding was forecast to reduce overall by £0.548m in 2019/2020 when compared to the previous year. Of this, Revenue Support Grant (forecast to be £8.797m), accounted for most of this reduction (i.e. £0.824m or -9%).

The government did announce some additional funding for certain parts of the public sector but disappointingly none of this related to the fire service.

Members were advised that the government had recently given assurance that the Provisional Settlement would be released around 5th December each year in future with the Final Settlement no later than 31st January.

The Strategic Finance Manager explained that the UK's exit from the European Union may potentially have an impact on local government that could not be factored in at this time and added more uncertainty to the budget planning process.

With regards to Council Tax, an increase of 2.99% had been assumed within the MTFs, however should flexibility be granted around the level of precept increase, options would be considered to maximise income from this funding stream.

In consideration of spending pressures and commitments that were not funded by Government, it was proposed to take the following into account in the Budget Planning Framework for 2019/2020, noting that some costs would be subject to further review and refinement, once further information had been provided:

- Pay and Pensions
- National Living Wage
- Pensions
- Apprenticeship Levy
- Energy Prices; and
- Capital Financing

The Strategic Finance Manager referred members to Section 8 of the report and reminded Members that the Efficiency Plan originally identified savings totalling £8.248m to be achieved over the four year period, however the actual budget gap had continued to widen, which the Authority would need to address.

Members were pleased to note that the Authority had found savings of £8.086m by the end of 2018/2019, a total of £1.327m more than that set out in the Efficiency Plan and had to this point exceeded its planned 4 Year Efficiency saving total by £74,000, achieving total savings of £8.322m. However, the Authority was still currently £2.316m short of balancing its Revenue Budget in 2019/2020 despite these savings. Any additional savings would however help to reduce the budget gap of £3.7m identified at the end of 2021/2022.

The Vice-Chairman disagreed with the Prime Minister's recent announcement that austerity had ended and commented that a 50% cut had fallen on the 6 Metropolitan

Fire and Rescue Authorities with TWFRS being one of them. TWFRS was being severely disadvantaged with the current funding formula. In addition the difficult budget challenges that lay ahead were reliant upon the ability of the Authority to generate higher business rates and council tax and furthermore no information was available regarding income or finances post 2020.

Councillor Forbes went on to say that in fact, austerity measures were apparent for a very long time with further cuts to the Revenue Support Grant and further potential pension costs.

Councillor Stephenson agreed and commented that the messages from Government were deceiving. Whilst the Authority had managed the cuts to funding to the best of its ability during very difficult circumstances, further reductions were unsustainable.

Councillor Haley referred to the Retained Business Rates and the 'fairer funding regime' and hoped that a 'status quo' impact on the funding position for each authority was achieved and commented that business rates should be redistributed.

Councillor Oliver commented that he shared the frustrations however explained that there had been large boosts to some areas of public spend, for example the NHS, social care and education. Councillor Oliver also went on to say that the low Council Tax base was a significant problem for the Authority as when cuts to funding were made, it was difficult to meet the shortfall and raise additional funds.

36. RESOLVED that:

- (i) The contents of the report and the estimated funding gap based on the most up to date information be noted;
- (ii) The proposed Budget Planning Framework summarised at Section 11 of the report which would guide the preparation of the Revenue Budget for 2019/2020 be agreed; and
- (iii) It be agreed that the updated current Medium Term Financial Strategy and that the full Medium Term Financial Strategy 2019/2020 to 2022/2023 would be presented to Authority in February 2019.

Integrated Risk Management Action Plan 2017-2018 – Update

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 to update Members regarding the process against the Authority's Integrated Risk Management Plan (IRMP) 2017-2018.

Members were advised that taking into account all of the remaining IRMP 2014-17 savings identified in the updated and refreshed MTFS presented to the Authority, including the limited additional resources provided within the Finance Settlement 2018-19, the Authority was still projecting a gap in financial resources of approximately £2.2m by 2019-20. The resources gap set out in the updated MTFS

also projected an increase to £3.0m by 2020-21, and to £3.6m by 2021/22. Temporary use of reserves was also agreed to meet the shortfall in funding until IRMP actions are developed, approved and implemented.

ACFO Baines provided an update in relation to each action point and in doing so, explained the following:

- Action 1 – this would be discussed as the next item of business on the agenda;
- Action 2 - The growth in collaborative income in 2018/19 had increased by £0.322m per annum (64%) since 2011/12, but significantly most of this increase had been made over the last 3 years where the Authority had taken a more proactive and commercial approach. To put this into context income over the last 3 years had increased by £0.283m (53%); and
- Action 3 - The review was considering the use of devices to capture information with a view to consolidate the number of devices currently utilised whilst minimising double keying of information.

With regards to estates, to date, good progress had been made and Capital Receipts were expected later in this financial year in respect of the ongoing disposals of the unoccupied Technical Services Facility and Fulwell Fire Station. Other sites were being considered which may generate capital receipts in the following financial year, with the land at the rear of Tynemouth Fire Station being the most prominent.

In relation to finance, in year savings from the 2017/18 budget review of £195k were achieved, £164k of which was ongoing reductions to the base budget. In addition the procurement team continued to work closely with all departments to maximise the amount of spend attributed to contracts and as a result, the Authority's spend on contract had increased to over 80%.

37. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received regarding the findings of the reviews and associated consultation exercise prior to final approval and implementation of any outcomes.

The Chairman, proposed that Item 9 – IRMP – Review of how we respond relative to risk, be considered at this juncture and open to the press and members of the public.

38. RESOLVED that the item of business be considered under Part I of the agenda.

IRMP – Review of how we Respond Relative to Risk

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

to present proposals resulting from the Integrated Risk Management Planning (IRMP) review of how TWFRS respond relative to risk and seeking the Authority's approval to carry out detailed staff, public and key stakeholder consultation regarding the proposals.

ACFO Robson began by explaining that proposals detailed within the report were not requiring approval of the Authority at this stage. Instead, the report was seeking approval for a targeted consultation period commence in relation to the proposals and to seek the views of staff and all relevant stakeholders.

Members were reminded that accounting for cost pressures the Authority had had to manage were a real cut to its revenue budget of just under £25m up to and including, 2019/20 budget projections. The real underlying cut, which the Authority had had to manage, was therefore just over 42% of its 2010/11 Net Budget Requirement.

ACFO Robson referred Members to the three distinct actions of the current IRMP, namely to:

- a) Explore further opportunities for collaborative working with emergency services and partners;
- b) Examine ways of working and consider opportunities for further efficiency and effectiveness; and
- c) Review how TWFRS respond relative to risk.

ACFO Robson advised the Authority that based on the proposals about to be explained, the 'best mix' was developed with the aim of reducing costs whilst having the least impact on response times, weight of response, community and firefighter risk. In addition, the proposals were operationally integrated and as such, they had been developed as a programme of changes rather than isolated options.

The strategy employed in the design of the proposals, was to protect as far as reasonably practicable the average response time and weight of response to life and significant property risk incidents (risk level one and two), whilst allowing a planned increase in the average response times to lower risk incidents (risk level three and four). If approved, a staged implantation over the next three years would take place.

The Proposals were as follows:

Proposal 1 – Dynamically adjust the distribution and availability of appliances based on risk and demand

Under these proposals, resources including pumping appliances, special appliances and targeted response vehicles (TRVs) would be re-positioned based on community risk and expected demand.

Following a review of the response model and in particular, risk level four incidents by hour of day, it had become clear that there was an opportunity to respond

differently to this type of incident. Examination of the data suggested the highest levels of demand for risk level four incidents was from 16:00 to 23:00hours.

In addition to daily trends, there were seasonal trends for risk level four incidents namely March – April, June, July and August, and the bonfire period during November.

The review group therefore proposed relocating one category 02 appliance from Gosforth to Newcastle Central and a further category 02 appliance from Washington to Sunderland Central. This relocation supported the additional relocation of the two Washington based TRVs to Newcastle Central and Sunderland Central respectively.

This proposal would involve reducing the operational establishment by 16 firefighting posts and result in full year savings of approximately £717,000.

Proposal 2 – Introduce a range of duty systems based on risk and demand

This proposal involved redefining the duty system operated on certain stations to better accommodate relatively lower levels of community risk and incident related demand whilst minimising the impact on attendance times.

The introduction of an urban on-call duty system directly supported this approach. Following implementation of this proposal, the expectation was that employees would operate a range of duty systems that provided a more sustainable and balanced response option rather than the removal of frontline resources completely.

Analysis indicated that Wallsend and Hebburn were most appropriate for the use of the Day Crewing (On-call) duty system.

To facilitate an effective transition to Day Crewing (On-Call) at both locations the review group proposed a cover arrangement utilising the category 02 appliances at Tynemouth and South Shields.

Analysis also indicated that the Category 02 appliance (Q02) at Farringdon was suitable for conversion to the on-call duty system. This would involve the appliance being available on-call as required to support incident requirements.

Data analysis indicated that the implementation of proposal 1 and 2 simultaneously would increase response times to all incidents. The time taken to reach risk level one incidents would increase by 17 seconds for the first appliance and 35 seconds for the second appliance. Average attendance time for risk level two incidents would also increase by 20 seconds for the first appliance and 34 seconds for the second appliance.

The introduction of proposals 1 and 2 would involve a reduction in whole time operational establishment of 58 posts and increase on-call (retained) establishment by 12 posts with a combined net full year saving of £2.337m.

Proposal 3 – Adjust the staffing model to deliver a more effective and efficient use of resources

Within this proposal there were three elements proposed by the review group, namely:

- Adjust start and finish times of shifts
- Moderate staffing levels at all stations
- Amend staffing levels in mobilising control

With regards to adjusting start and finish times of shifts, the review group proposed that dayshifts should be eight hours in length and finish no later than 17:00hrs. Nightshifts should be 16 hours length and incorporate some flexibility to support demand and training requirements.

Councillor Stephenson sought clarification in relation to the proposed shift pattern changes and was advised that this did not suggest a 3 pattern shift rota.

In relation to moderate staffing levels at all stations, the proposal was that staffing on all stations be aligned in a consistent way so that two-pump stations had 10 staff per watch and one-pump stations would have six staff per watch, staffing at DC(CC) locations was not affected by this proposal.

The review group identified that efficient staffing management could achieve a potential reduction in the establishment of 20 firefighter posts. This would be undertaken in a phased manner to limit any impact on service delivery and facilitate effective monitoring of the implementation.

By implementing this proposal, the operational establishment would reduce by 20 firefighter posts with full year savings of approximately £820,000.

With regards to the final element, amend staffing levels in mobilising control, the review group proposed a reduction of the mobilising control establishment in a phased approach over a three-year implementation period. Under this proposal, further work would be undertaken to prepare for the reduction in establishment, redesigning work routines and administrative support so as reduce the impact this proposal when fully implemented.

It was proposed to reduce the mobilising control establishment by four firefighters (control) providing full year savings of just over £165,000.

ACFO Robson then explained that if the Authority approved outline consent for these options, there would follow a period of formal consultation with staff, partners and the public.

The proposed timescales for that internal and external consultation were as follows:

- 5th November 2018 – Fire Authority – present proposals and seek consent to consult

- 5th November 2018 – 14th January 2019 – consultation on proposed actions
- 14th January 2019 – Consultation close and analyse results for feedback to Fire Authority
- 14th February 2019 – Consultation outcomes and final proposals reported to Fire Authority for approval
- April 2019 onwards – Implementation.

In response to a question from Councillor Oliver, ACFO Robson advised that a Managers Briefing would take place the following day, to provide management with the relevant information to brief staff and invite them to consult on the proposals. This would be done via the website and surveys. Following this, therefore throughout December, answers would be provided to the questions raised.

Councillor Haley commented that the consultation lasted a period of 10 weeks and questioned if there were any implications of extending this to 12 weeks.

ACFO Robson explained that this had been considered, and that guidelines did not stipulate that a consultation period should last for twelve weeks and instead suggested a proportionate amount of time. If a consultation was 'too long' this was deemed to cause unnecessary delays. As a result, ten weeks was deemed to be appropriate, especially given the electronic means which allowed access 24 hours a day.

The Chief Fire Officer added that if proposals were submitted to the February meeting of the Authority for consideration, implementation would take place in April 2019.

Members of the Authority discussed the importance of the consultation period and hearing the views of staff and stakeholders. In addition, they commented that any alternative suggestions could be considered.

Councillor Forbes commented upon the importance of understanding the views of stakeholders during this consultation exercise. The Vice-Chairman referred to the significant period of change the Authority had been faced with over the last ten years and explained that moving forward, it was imperative that speed and response times be protected whilst matching risk against resources based upon evidence.

Councillor Forbes went on to say that whilst historically, all incidents were responded to in the same way, changes which had been made for example, the introduction of TVR's and not responding to false alarms between the hours of 8am and 6pm had realised benefits for the service by using a risk based approach.

39. RESOLVED that:

- (i) the content of the review of how TWFRS respond relative to risk be noted and endorsed;

- (ii) Determination had been given to which options and associated proposals should go forward for consultation;
- (iii) All three options and associated proposals should go forward for consultation;
- (iv) The period of consultation on the review proposals be approved; and
- (v) future reports be received as required

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

40. 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.