

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 FEBRUARY 2018 at  
10.30am.

**Present:**

Councillor N Forbes in the Chair

Councillors Burdis, Dodds, Flynn, I. Galbraith, Haley, Kilgour, Maughan, Oliver, Perry, Pickard, Renton and Stephenson.

**Part I**

**Apologies for Absence**

An apology for absence was submitted to the meeting on behalf of Dame Vera Baird.

**Announcements**

ACFO Robson was congratulated on his appointment.

**Declarations of Interest**

Councillor Dodds declared an interest in relation to Item 6 - Revenue Budget 2018/2019 and MTFS 2018/2019 to 2021/2022 as a Member of the Pension Scheme.

**Minutes**

76. RESOLVED that:-

- (i) The minutes of the Authority, Part I held on 15 January 2018 be confirmed and signed as a correct record; and
- (ii) The Minutes of the Appointments Committee held on 16 January, 2018, Part I, be noted for information.

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

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) submitted a report for the Authority to recognise the meritorious and brave actions taken by Mr and Mrs Corkhill during a serious dwelling fire.

The Authority was advised that on 31 August 2017 a serious house fire broke out, with the occupant, Mr Miller, being trapped by smoke and fire in an upstairs bedroom. Mr and Mrs Corkhill selflessly went to help their neighbour prior to the arrival of fire crews. With quick speed of thought and little concern for personal safety, they attempted to rescue Mr Miller with a set of ladders. When the first set was not found to be long enough, Mr Corkhill continued his endeavour by getting a second set.

Mr Corkhill then climbed up and bridged a gap of over 1 meter to rescue Mr Miller; this was a difficult and extremely awkward action to carry out. Had it not been for Mr and Mrs Corkhill's actions, Mr Miller may well have been more seriously injured as conditions became unbearable throughout the house.

Upon receiving the award, Mrs Corkhill commented that both herself and her husband were very humbled. Both her brother and nephew were Firefighters and she was aware of, and proud of, the outstanding work of the Fire Service.

77. RESOLVED that:-

- (i) the Gold Award for Meritorious Action be noted and endorsed; and
- (ii) Mr and Mrs Corkhill be congratulated and thanked for his actions.

## **Public Sector Audit Appointments**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report setting out the outcome of the procurement exercise carried out by Public Sector Audit Appointments Ltd (PSAA), for appointing on the Authority's behalf, the External Auditors following the closure of the Audit Commission and the expiry of the current contract with Mazars (the current provider) which would end on 31<sup>st</sup> March 2018.

The report also provided updates on the further re-distributed funds that PSAA had made to all Authorities in 2017/18 which related to the previous administration, the Audit Commission, and finally how the Authority performed in closing its 2016/2017 accounts compared to other authorities.

Members were advised that as a result of the highly successful procurement of auditor services, opted-in Authorities collectively would benefit from reduced fees for audit services in 2018/19 compared to 2016/17. Aggregate savings were expected to exceed £6 million per annum, equivalent to a reduction of approximately 18% in the scale fees payable by local bodies. The reduction in costs had actually increased with an overall average saving of 23%.

The Strategic Finance Manager reminded Members that the Authority in late September 2017 was notified that Mazars LLP (our current auditors) had been appointed from 1<sup>st</sup> April 2018 and that if no objections were received then the PSAA Ltd Board would ratify this appointment at its meeting held on 14<sup>th</sup> December 2017.

The Authority consequently had recently received written confirmation from PSAA that Mazars LLP would be the external auditors for the five financial years (2018/2019 to 2023/2024), once the current contract expired.

The current audit scale fees for 2017/18 amounted to £30,636 per annum which had been frozen for the last 2 years. The revised cost for 2018/2019 from the tender exercise would be £23,590, a saving of £7,046 equivalent to a reduction of 23%, which was welcomed and justified the decision made by the Authority to follow the PSAA Ltd procurement option.

In addition, PSAA during the course of this financial year (2017/2018) notified the Authority that it would receive a refund of £4,550 out of the total remaining funds available, and this rebate had now been received.

Members were then referred to Appendix A of the report the 'Report on the results of auditors' work 2016/17' and noted that the Authority:

- a) was one of only 7 Fire and Rescue Authorities to achieve the earlier closedown of 31st May 2017 with the audit being completed by 31st July 2017. This was achieved a year in advance of the statutory requirements. Importantly this was achieved whilst still gaining an unqualified audit opinion from our external auditor on both the financial statements and the Value for Money conclusion.
- b) To put this further into context the Authority was one of the 83 (17%) public sector bodies that achieved the earlier closedown out of the total (497) bodies audited.
- c) This helps to show that the Authority is in a very good position to meet the earlier statutory deadlines for 2017/2018, that came into force from 1st April 2017.

78. RESOLVED that:-

- (i) The appointment of Mazars as the Authority's external auditor from 1<sup>st</sup> April 2018 be noted in line with the PSAA Ltd procurement exercise and the 23% reduction in the audit fees by 'opting in' to the arrangement carried out by PSAA Ltd which would save the Authority £7,046 in 2018/2019 be noted.
- (ii) The in-year rebate of £4,550 in respect of the redistributed funds held by the previous Audit Commission regime be noted and welcomed.

- (iii) The positive performance of the Authority in respect of publishing its Statement of Accounts 2016/2017 be noted.

### **Capital Programme 2018/2019 including Prudential Indicators for 2018/2019 to 2020/2021**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to present to Members the proposed Capital Programme for 2018/2019, including the Prudential Indicators for the years 2018/2019 to 2020/2021.

Members were advised that the proposed Capital Programme and Vehicle Replacement Programme totalled an estimated £6.983m for 2018/2019 and that the Authority had plans to incur a further £5.316m of capital costs within the proposed Programme for 2019/2020 and 2020/2021. This meant that the total Capital Programme totalled £12.299m over the three year period to 2020/2021.

The Strategic Finance Manager explained that Members were requested to specifically and separately approve the statutory Prudential Indicators, (P5) the Authorised Limit for External Debt of £47.213m and (P6) the Operational Boundary for External Debt of £42.213m for 2018/2019, in accordance with the regulations. It was important to note that all of the Prudential Indicators detailed in Appendix B helped to show that the proposed Capital Programme of the Authority was prudent, affordable and sustainable as required by the Prudential Code.

The Strategic Finance Manager then set out the preferred option to be approved by members in respect of the Minimum Revenue Provision Statement to be applied in 2018/2019 as that set out in paragraph 2.10 of Appendix 1.

79. RESOLVED that:-

- (i) the Capital Programme and Vehicle Replacement Programme for 2018/2019 as set out in Appendix A be approved;
- (ii) the Prudential Indicators for the years 2018/2019 to 2020/2021 as set out in Appendix B, and specifically the Authorised Limit for External Debt of £47.213m and the Operational Boundary for External Debt of £42.213m for 2018/2019 be approved; and
- (iii) the Annual Minimum Revenue Provision Statement as set out in Section 2.12 of Appendix 1 be approved.

### **Revenue Budget 2018/2019 and MTFs 2018/2019 to 2021/2022**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to present for consideration and approval

by members:

- the Revenue Estimates for 2018/2019;
- the Authority's Council Tax Requirement for 2018/2019;
- the Council Tax Precept required to be levied on the District Councils in Tyne and Wear for 2018/2019, and
- the updated Medium Term Financial Strategy covering 2018/2019 to 2021/2022.

The Strategic Finance Manager referred the Authority to the revised financial information which had been circulated.

Members were advised that the 2018/2019 Revenue Budget had been set taking full account of the significant funding reductions facing the Authority this year and the ongoing implications anticipated for the next three years. The 2020/2021 and 2021/2022 position could only be projected at this stage because of the unknown impact of changes to how the Authority would be funded under the proposed new self-sufficiency agenda and whether austerity measures would still be in place. There was also the added uncertainty that Brexit may have on public sector budgets and the fact that the four year settlement ends in 2019/2020. The MTFS would be updated as these developments became clearer over the next two years.

As the Chief Fire Officer undertook a base budget review of all delegated Budgets on an annual basis, Members were asked to note that savings of £195,000 had been identified in 2017/2018, with an ongoing impact in to 2018/2019 of £164,000 from this review.

The Strategic Finance Manager went on to say that the 2018/2019 updated budget position had improved to that indicated in the Provisional Local Government Finance Settlement report presented to Authority in January. The main impact had been a number of positive outcomes received from the District Council's in respect of higher Council Tax Surpluses, a slightly higher growth in the Council Tax Base and an increased Business Rates share to that originally anticipated. The combined impact of taking all of these changes into consideration, allowed the Authority to propose a revenue budget for 2018/2019 of £48.098m and a Council Tax Requirement of £22.747m.

Members were then advised that the Council Tax Base and the Surplus / Deficit on Collection Funds had now been received from the five District Councils within Tyne and Wear. The Council Tax Base for 2018/2019 was 284,551, a 1.5% increase in growth, this alone had generated £0.108m extra from the proposed Council Tax precept for 2018/2019. The income from the additional 1% flexibility had, as reported previously, increased Council tax revenues by £0.218m, this was already reflected in the revised MTFS presented in January. There was also a one-off net surplus on the Council Tax Collection Fund for 2017/2018 of £0.539m, which considerably improved the financing of the 2018/2019 budget.

The Authority's local share of business rates income, as notified by the five District Councils within Tyne and Wear for 2018/2019, totalled £4.001m. This compared favourably to the assessed business rates income total included in the MTFS of

£3.734m. However, there was an added cost pressure of £0.154m in relation to the Authority's share of the net deficit position on the business rates element of the Collection Fund for 2017/2018. In effect, the actual Business Rates income in total at £3.847m was £0.113m more than that anticipated in the MTFS but still remained below the government assumption in the Settlement that the Authority's Business Rates share would be £3.921m.

Members were then advised that it was not possible to construct a balanced budget without the need to draw down on the Authority's reserves. The amount required at this stage was estimated to be approximately £0.693m. A further report in relation to the Authority's Earmarked Reserves would be submitted to the March meeting.

The proposed increase in Council Tax in 2018/2019 would result in a 'basic' Band D Council Tax of £79.94, an increase of £2.32 from the previous years' precept of £77.62. As this was the maximum increase allowed without the need for a referendum, then the temporary use of balances of £0.693m was considered unavoidable.

Councillor Haley questioned what the appropriate levels of held reserves were and was advised that new set requirements included an explanation and justification of all earmarked reserves held and that the Government were also looking for Authorities to explain and justify General Fund Balances over 5% of their Net budget Requirement.

Members were also referred to the revised Medium Term Financial Strategy detailed at Appendix E of the report and the changes were highlighted and explained. The accumulative shortfall in resources projected to the end of 2021/2022 was £3.600m, with deficit position in all financial years covered by the analysis.

Councillor Dodds referred to the projected Pensions Accounts 2018/19 (Appendix B of the report) and queried additional expenditure in future years if there were any back payments for those retired. The Strategic Finance Manager explained that there were change management reserves in place, should that situation arise. All known pension implications were also covered within the Budget for 2018/2019 and in the MTFS as appropriate.

80. RESOLVED that:-

- (a) the Revised Estimates for 2017/2018, as summarised at Appendix A be noted;
- (b) the proposed Revenue Estimates for 2018/2019, also summarised at Appendix A be approved;
- (c) the Projected Pensions Account 2018/2019 detailed at Appendix B be noted;
- (d) the associated risks and their mitigation as set out in Appendix C be noted;

- (e) the updated position on the General Reserves and Earmarked Reserves (Appendix D) be approved;
- (f) the updated Medium Term Financial Strategy Statement for 2018/2019 to 2021/2022 detailed at Appendix E be noted;
- (g) the Council Tax Base of 284,551 (known as Item T) for the year 2018/2019, as notified by the billing authorities within Tyne and Wear in accordance with the regulations be noted;
- (h) the following amounts for the Authority for the year 2018/2019 which represents a proposed Council Tax increase of 2.99% for 2018/2019, in accordance with Sections 42A to 47 of the Local Government Finance Act 1992 as amended be approved:

- (i) £58,627,927 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act;
- (ii) £35,880,920 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) adjusted for item of the Act;
- (iii) £22,747,007 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 42A(4) of the Act, as its Council Tax Requirement for the year, Item R in the formula in Section 42B of the Act;
- (iv) £79.94 - being the amount at (iii) (Item R) above divided by the Council Tax Base (Item T), calculated by the Authority in accordance with Section 42B(1) of the Act, as the basic amount of its Council Tax for the year.

(v) **Valuation Bands**

	£	
<b>A</b>	<b>53.29</b>	being the amount given by multiplying the amount at (iv) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation and divided by the number which that proportion is applicable to dwellings listed in valuation band D, calculated by the Authority in
<b>B</b>	<b>62.18</b>	
<b>C</b>	<b>71.06</b>	
<b>D</b>	<b>79.94</b>	
<b>E</b>	<b>97.70</b>	
<b>F</b>	<b>115.47</b>	
<b>G</b>	<b>133.23</b>	

**H 159.88** accordance with Section 47(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (i) that under Section 52ZB of the Local Government Finance Act, the Authority's relevant basic amount of council tax for 2017/2018 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum is required).
- (j) It be approved that in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £22,747,007 for the financial year beginning 1<sup>st</sup> April 2018, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

### **Stonewall Workplace Equality Index**

The Chief Fire Officer and Chief Executive (Clerk to the Authority) and the Personnel Advisor to the Authority submitted a joint report to provide members with an update regarding the Stonewall Workplace Equality Index 2017/2018 (WEI).

ACFO Baines advised Members that following the 2015 framework changes, further significant changes were made to the submission process for 2017/18, with a greater focus on Trans inclusion and a clear criteria of gender identity being assessed towards the overall score and ranking.

For some time now, the Authority had worked hard to embed equality, diversity and inclusion within policies, procedures and practices, mainstreaming all equality and diversity strands as business as usual; the benefits of which being recognised through the FRSEF and Inclusive Top 50 Employers list. This strategy of embedding presented a challenge when completing the 2017 Stonewall submission, where evidence of each strand of LGBT and the key focus on the Trans agenda was sought.

ACFO Baines explained that following a detailed review, the Authority's submission was presented to Stonewall, who reported a high number of applications.

Members were proud to note that as a result of the ongoing commitment to equality, diversity and inclusion, the Authority had achieved 59<sup>th</sup> place for the 2017/18 Stonewall Top 100 Employers list.



Councillor Haley, on behalf of the Authority asked that all staff involved be thanked and congratulated for this outstanding achievement despite ongoing reductions in resources.

81. RESOLVED that:-

- (i) the contents of the report be noted;
- (ii) the drive to continuously improve equality, diversity and inclusion within the Service and the community of Tyne and Wear be supported; and
- (iii) Further reports be received as required.

#### **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 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 in respect of which a claim to legal professional privilege could be maintained in legal proceedings (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2, 3 and 5).

(Signed) N FORBES  
Vice - 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.

