

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 17 JANUARY 2022 at
10.30am.

Item 3 (i)

Present:

Councillor Taylor in the Chair

Councillors Bell, Burdis, Dodds, Doyle, Flynn, Forbes, Haley, Hunter, Keegan, Kilgour, Ord, Samuels, Warne and Woodwark together with Ms. K. McGuinness (PCC).

Part I

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor Johnson.

Declarations of Interest

There were no declarations of interest.

Minutes

52. RESOLVED that:

- (i) The Minutes of the Authority, Part I held on 13 December 2021 be confirmed and signed as a correct record;
- (ii) The Minutes of the Meeting of the Policy and Performance Committee, Part I held on 8 November 2021 be noted for information; and
- (iii) The Minutes of the Meeting of the Governance Committee, Part I held on 29 November 2021 be noted for information.

Precept Schedule Report 2022/2023

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report for Members to review and approve the precept instalments for the financial year 2022/2023.

Members were advised that the Authority must agree with its Billing Authorities all of the precept payment dates for the financial year ahead which are required to be made by twelve equal monthly instalments, commencing in April, and payable on the last working day of each month, to continue the practice adopted in 1993/1994. The proposed dates agreed were therefore:

Friday	29th April 2022
Tuesday	31st May 2022
Thursday	30th June 2022
Friday	29th July 2022
Wednesday	31st August 2022
Friday	30th September 2022
Monday	31st October 2022
Wednesday	30th November 2022
Friday	30th December 2022
Tuesday	31st January 2023
Tuesday	28th February 2023
Friday	31st March 2023

53. 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.

Capital Programme 2021-2022 – Third Quarterly Review

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report to review the current year's Programme and consider any changes necessary to those that were presented to the Authority in the Second Capital Programme Review on 15th November 2021.

The Finance Director advised Members that the position for 2021/2022 was set out at Appendix A of the report and also summarised in table 2.1.

The Capital Programme was showing a net decrease in total of £347,132, from £17,848,159 at the Second Review stage to £17,501,027 (up to December 2021).

Members were advised that that main bulk of the variations related to an additional £20,000 which was required for the Fireground Radios project. Prices had increased by £16,000 since the original estimates due to changing market conditions and additional radios were required to ensure all officers at an incident had access to this facility. The Programme had been amended to reflect the increased budget, which had not initially been anticipated.

Councillor Woodwark commented that the price increases were incredibly frustrating given that the project should have been completed several years ago.

Members were also reminded that it was reported at second review that additional training at the Technical Services Centre (TSC) in the efficient and effective use of the cobra equipment was being completed by the technicians. It was now apparent that this would be effective in extending the life of the current hose for a further four years. The Programme had been amended to remove the budget until replacement of the cobra hose was required, effectively saving £29,430 in the year by prolonging the life of the equipment.

With regards to the Vehicle Replacement Programme, the Specialist Vehicles due to be purchased in 2021/2022 were pending the outcome of the Specials Review. This was almost complete but, irrespective of the recommendations, the lead time of delivery of these specialist vehicles meant that no purchases would be completed by the end of this financial year. The total budget of £335,000 would therefore need to be slipped in to 2022/2023 and would be reconsidered once the review was complete.

Referring to Section 5.2 of the report the Finance Director confirmed that at this stage the Authority was operating well 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.

Councillor Doyle referred to the Hebburn Tri Station Development and the planning application which had been submitted to South Tyneside Council and questioned whether a contingency budget was in place should the application be refused or subject to an appeal. The Finance Director responded by advising that formal engagement was due to commence that week and that the land would not be purchased until planning permission had been approved. He also confirmed projects always had a contingency provision but this would need to be routinely reviewed because of the size of this particular development.

54. RESOLVED that:

- (i) The reported variations since the Second Quarterly Review be noted and the requested slippage into 2022/2023 be approved; and
- (ii) The revised Capital Programme for 2021/2022, as set out at Appendix A be approved.

Revenue Budget 2021-2022 – Third Quarterly Review

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report advising Members of issues relating to the 2021/2022 Revenue Budget position at the third quarterly review stage of the financial year and requesting that they note the report.

Members were reminded that the Revenue Budget Second Review reported to Members in November 2021 projected an underspend of £0.703m. Members agreed

to transfer £0.700m of this to the Transformation and Reform Reserve to be used at a future date for initiatives planned under the TWFRS 2025 Programme.

Regular monitoring of the Revenue Budget had continued to take place and an overspend at outturn was now projected to be £0.051m. Further savings were however anticipated once all costs had been finalised and Members were advised that there were no concerns to raise at this stage within the financial year and that the budget position was relatively neutral.

Members were referred to the main variations detailed throughout section 2 of the report and also the updated position as set out at Appendix A which showed the projected costs compared to both the revised and original budget positions for the main budget headings.

55. RESOLVED that the third quarterly review position with regard to the Revenue Budget for 2021/2022 as set out in the report and summarised at Appendix A be noted.

Provisional Local Government Finance Settlement 2022-2023

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report updating Members on the implications of the Provisional Local Government Finance Settlement for 2022/23, which was announced by the government on 16th December 2021. More detail was included within Appendix 1 of the report and Appendix 6 set out for Members' information the agreed and submitted response to the consultation on the Provisional Finance Settlement for 2022/23. This response was agreed by members of the Emergency Committee because of the timings involved as this had to be submitted to government by 11:45am on 13th January 2022.

Members were advised that this position was unfortunately becoming a regular feature of recent Finance Settlement consultation papers which were being announced continually very late in December with only a short four week period of consultation. This was very challenging given the level of analysis which needed to be undertaken. In addition to this, the Finance Director commented that it was extremely disappointing that a one year settlement had been received when a three year settlement had been anticipated.

The Finance Director referred Members to Section 2 of the report which set out all of the national financial information included in the published one-year Provisional Settlement for 2022/23.

Members were advised that Section 3 of the report outlined the implications of the Finance Settlement for the Authority however the revenue budget still required more information to be included once further detail had been received. The current outstanding information was detailed at Section 6.1 of Appendix 1 of the report for Members' information.

The Authority's Core Spending Power had increased by 4.99% in 2022/23 compared to 2021/22, which was slightly above the national average increase for all standalone Fire and Rescue Authorities (FRA's) of 4.7%.

Members were asked to note however that the 4.99% increase was predicated on a number of underlying assumptions and issues that could have an impact on the real resource position of the Authority in 2022/23. Namely that:

- Government continued to assume that the Authority could still grow its Council Tax base by 0.78% in 2022/23 and would also increase its precept by the maximum allowed of 1.99%.
- Government had assumed that there was no Business Rates detriment to the income yield expected in 2022/23 despite the continued adverse and devastating impact of Covid on businesses. The assumption was that income would remain at £4.088m in 2022/23.
- The government had fully funded both the freeze in business rates for 2022/23 and the concessions outlined in their Spending Review. The LGA had confirmed however that the increase used in the Provisional Settlement used CPI and that the Final Settlement would be updated for RPI thereby increasing funding to local government by approximately £275 million. This meant that the annual inflation increases applied to business rates and all concessions would then remain fully protected, which was welcomed.
- The New Services Grant which according to the government was one-off funding for 2022/23 distorted the sustainable funding position. Whilst this additional funding of £1.072m was welcomed, if this grant was not maintained in future years then the real underlying Core Spending Power increase for 2022/23 was actually lower at 2.85%.

Members were advised that the main conclusion from the Settlement, in overall terms, was that the impact of the increases to grant funding for 2022/23 was a better financial settlement than the position anticipated in the Budget Planning Framework 2022/2023, although additional cost pressures and the final resources position for the revenue budget were yet to be finalised for 2022/23.

The Finance Director referred to the table at Section 3.3 of the report which set out the main changes to the resources position as compared to the existing MTFS forecast for 2022/23 at this stage and also included the main cost pressure variations identified to date.

Members were advised that there were additional NI Employer Costs amounting to £0.325m and also a full year impact of the 2021/2022 pay awards which totalled £0.625 and had not been originally budget for. With additional costs of £0.950m, the remaining resource of £650,000 was forecast to be insufficient given the rise in inflation to almost 5% and the prospect of higher pay demands now that the public pay freeze had ended according to the government.

Members were referred to Appendix 3 of the report and advised that the net increase in resources shown in the Authority's CSP showed that, in summary, the Fire Authority continued to see its resources eroded by more than the national average

by a further 1.9% but was almost 0.3% above the average increase for the fire service. This meant that the Authority's funding position had marginally improved compared to other FRA's in 2022/23 but to put this increase into context overall, the Authority had still incurred significant and disproportionate funding reductions from 2010/11 to 2022/23 compared to most FRA's over this period.

The Finance Director then explained when referring to Appendix 2 of the report that the new Services Delivery Grant (£1,071,639) did not currently feature in future years and was therefore unsustainable. Once removed, as highlighted in Appendix 6, this in fact reduced the ongoing funding increase from 4.99% to 2.85%. In addition to this, whilst a freeze in Business Rates was welcomed, which generated approximately £0.5m of additional resources, Members were asked to note that the rates actually collected was what impacted on the budget and not what Government predicted. This information was not yet available but was likely to be lower than the government estimate for 2022/23.

Referring to Appendix 6 of the report, which detailed the response to the consultation on the Provisional Finance Settlement, Members were advised that 8 Authorities had been able to have a £5 flat rate increase on Council Tax, however this did not impact on Tyne and Wear. The response from Tyne and Wear being that a more preferred approach would be to have more funding made available from government rather than Council Tax flexibility. Whilst a review of the formula was scheduled to take place in the Spring, unfortunately this excluded the Fire Service which was disappointing and also meant that the 'unfairness' was likely to continue for some time.

The Finance Director then referred Members to Appendix 5 of the report which highlighted the change in Core Sending Powers over the last 7 years and how the Authority compared to that of other Fire and Rescue Services and Members were asked to note that TWFRS had seen an 11.3% reduction which was significantly higher than that of others.

Councillor Haley referred to the Government assumptions in relation to retained Business Rates and the Council Tax Base and questioned whether there was any analysis to compare the assumptions made by Government and where the Authority was actually at.

The Finance Director responded by advising that the assumed Council Tax Requirement of £24,751,176 (2021/2022) was adjusted down by £300,000 due to Council Tax not meeting the levels assumed by the government and this was also the case for business rates as actual collection was much lower than government projections. The figures for 2022/23 had not yet been received, but it meant that the Authority could gain or lose depending on how the levels of estimated income from its district councils compared to the overall government projections used in the Settlement. The Finance Director agreed to add a further column to the table for future reports to highlight the cumulative change year on year, to show this detail in future.

The Vice Chair referred to the Authority's response to the consultation and commented that the lobbying had been articulated particularly well and that it also set out the likely landscape ahead. The Vice Chair expressed extreme concerns in

relation to the reduction in core spending power and also the huge rise in inflation which caused budget pressures.

The Vice Chair went on to say that it was also disappointing that the FRS had received another one-year settlement and that this had happened for the last three years which made planning for the future very difficult. In addition to this, 3 years' worth of funding had been frontloaded into one year (2022/23 by way of the new services grant), which would mean a 'cliff edge' in future years for the Authority as this was effectively one-off funding.

The Vice Chair commented that the Government was becoming hugely reliant on Council Tax being used to help fund the budget which also negatively impacted on the cost of living crisis many residents may feel in the future.

The Vice Chair proposed that given that this was the most uncertain future the Authority had been faced for many years, that very clear messages needed to be continually sent to Government with strong lobbying taking place.

Councillor Woodward commented that he did not agree with Government imposing rises in Council Tax on FRS's to meet budget shortfalls and also expressed his disappointment in relation to receiving a one year settlement.

56. RESOLVED that:

- (i) The contents of the report which included the updated Draft Revenue Budget resources position for 2022/23 taking into account the implications of the provisional local government finance settlement at this stage be noted;
- (ii) The comments made on the Authority's behalf to the government's consultation on the Provisional Grant Settlement for 2022/23 be noted; and
- (iii) It be noted that the final Revenue Budget and Precept for 2022/23 would be presented to the Authority at its meeting in February together with an updated and more detailed MTFS.

Our Annual Review 2020/21 – Annual Report

The Chief Fire Officer/Chief Executive (the Clerk to the Authority) and the Finance Director submitted a joint report to present Tyne and Wear Fire and Rescue Authority's 'our year in review 2020/21' (annual report) for Fire Authority consideration and agreement to publish.

DCFO Heath advised Members that following a review by the Governance Advisor, supported by the Corporate Governance Board (CGB) it was deemed appropriate to separate the Statement of Assurance (SOA) and the Annual Report into two separate documents. This being primarily because each report had a different purpose and audience.

As the annual report concept developed and separated from the more formal, legislative requirements of the SOA, an opportunity arose to evolve the report into a

communication and engagement tool, to display the work of the Service over the past 12 months, which was more 'public facing'.

DCFO Heath explained that it was acknowledged in this initial year, the report was published later as the Service had worked to create the document however moving forward, it was anticipated that this document was published by the end of Quarter 1.

Members were then advised that the National Neighbourhood Policing Week commenced on the 17th January and that TWFRS would be providing support.

57. RESOLVED that:

- (i) The contents of the annual report be noted; and
- (ii) The annual report be approved for publication.

Local Government Association Fire Conference & Exhibition 15 & 16 March 2022

The Chief Fire Officer/Chief Executive (the Clerk to the Authority), the Finance Director and the Personnel Advisor to the Authority submitted a joint report proposing Authority representation at the Local Government Association (LGA) Conference.

ACFO McVay advised Members that the Annual Fire Conference of the Local Government Association (LGA) was scheduled to be held at The Hilton, Gateshead on 15 and 16 March 2022. Members were requested to notify the Chief Fire Officer, should they wish to attend.

Councillor Flynn questioned what the situation was given that it was to be held in Gateshead and queried whether additional places could be acquired.

The Chief Fire Officer responded by advising that this may be possible however an estimate of the numbers of Members interested was needed, prior to a discussion taking place with the LGA.

Councillor Woodward commented that given this was within Tyne and Wear's own area, it would be useful if additional Members were able to attend and showcase the region.

58. RESOLVED that any Members interested in attending the conference notify the Chief Fire Officer directly.

(Signed) T. TAYLOR,
Chairman