



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 13 March 2023

Item 5 (i)

**Present:**

Councillor Tye in the Chair

Councillors Bell, Burdis, Flynn, Haley, Hunter, Johnson, Ord, Usher, Warne, Wood and Woodwark and K. McGuinness (PCC).

**Part I**

**Chair's Announcements**

The Chair apologised for Members not receiving a paper copy of the agenda which was currently being investigated.

The Chair on behalf of the Authority, went on to pay a special thanks to Councillors Doyle and Flynn who were retiring, for their dedication to TWFRS over the years commenting that they would both be a huge miss. Given the commitment of Councillor Flynn towards the Hebburn Community Tri Station it had been agreed that the Community Wing would be named after himself due to his long-standing commitment.

In relation to Item 11 – Succession Planning in TWFRS – the Chair advised that both himself and the CFO would be available following the meeting to discuss this with the press should they wish to do so.

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Dodds, Doyle and Keegan and Kilgour.

**Declarations of Interest**

K. McGuinness (PCC) declared an interest in relation to Item 5 – North-East Devolution Proposals Consultation – with the intention of standing for NE Mayor.

DCFO Heath declared an interest in relation to Item 11 – Succession Planning in TWFRS as being interested in applying for the role of CFO.

## **Minutes**

48. RESOLVED that:-

- (i) The Minutes of the Meeting of the Authority held on 13 February 2023 (Part I) be confirmed and signed as a correct record; and
- (ii) The Minutes of the Meeting of the Human Resources Committee held on 6 February 2023 (Part I) be noted for information.

## **Members' Allowances Scheme for the Financial Year 2023/24**

The Deputy Clerk to the Authority and the Finance Director submitted a joint report to adopt a Members' Allowance Scheme for 2023/24. The practice of the Authority had been to use the Independent Remuneration Panel (IRP) appointed by Sunderland City Council, to make recommendations regarding its Scheme.

Members were advised that the Panel proposed to undertake a detailed review of the Fire Authority Scheme during the course of the financial year 2023 to 2024. However, as there was a requirement to adopt a Scheme prior to 1st April 2023, the report was brought to the Authority with a recommendation that the Authority considered agreeing to continue with the terms of the current Scheme at this time. Any changes recommended by the Panel following its review, would be referred to the Authority for members' consideration and any changes would be applied from 1<sup>st</sup> April 2023.

The terms of the Authority's current Scheme were summarised in the Appendix to the report.

Councillor Woodwark expressed his disappointment with the fact that the proposed review in 2022/23 had not been undertaken but was advised by the Chair, that in his view, all Members would be invited to comment in the forthcoming review and that hopefully this could be arranged soon.

49. RESOLVED that the terms of the current Scheme, which were summarised in the Appendix to the report, for the financial year 2023/2024 be approved.

## **North East Devolution Proposals Consultation**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to bring the consultation to the attention of the Fire Authority and to seek direction on whether the Fire Authority wished to offer a letter in support of the proposals or in some capacity make any other comments to the consultation.

DCFO Heath advised Members that the Council Leaders and Elected Mayor of the seven North East councils had agreed in principle to a devolution deal, which the Government had confirmed it was 'minded to' approve.

Given the politically restricted nature of the post of the Chief Fire Officer, it was proposed that any feedback or letter of support for the devolution proposals would more appropriately come from the Fire Authority.

The devolution proposals were currently out for public consultation across the region with a closing date of 23 March for any responses. On the 20 February 2023 the Service received a letter on behalf of the seven councils involved in the devolution proposals inviting them to review the proposals and if minded to do so, offer a letter of support (Appendix 1).

Councillor Haley commented that it would be worthwhile including within the letter, a response in relation to the operational and governance aspects of the Authority.

Councillor Woodwark offered his support and commented that the Fire Services currently had 3 different set ups.

50. RESOLVED that:-

- (i) The contents of the paper and associated consultation letter be noted and endorsed; and
- (ii) Approval be given to a letter of support being drafted.

### **Treasury Management Policy & Strategy Statement 2023/2024, including Prudential 'Treasury Management' Indicators for 2023/2024 to 2026/2027**

The Finance Director submitted a report to provide members with the recommended Treasury Management Policy and Strategy Statement (including both borrowing and investment strategies) for 2023/2024 and the Prudential 'Treasury Management' Indicators for 2023/2024 to 2026/2027, for approval and also noting any comments from the Governance Committee which scrutinised the report on behalf of the Authority at their meeting held on 6th March 2023.

Members were reminded that the Treasury Management function was a specialist service that was carried out by Sunderland City Council on behalf of the Authority.

The statutory requirements were detailed in Section 3 of the report and Members were advised that the report had been submitted to the Governance Committee who recommended it to the Authority for approval.

The Finance Director explained that there were no major changes proposed to the overall Treasury Management Strategy in 2023/2024, which maintained the careful and prudent approach adopted by the Authority in previous years.

The Authority's treasury management practices were subject to regular review to ensure compliance to the agreed treasury management strategy and that the strategy adapted to changing financial markets as appropriate so that the Lead Authority, on behalf of the Authority, could take a view on the optimum time to carry out further borrowing or debt rescheduling. Whilst no new borrowing for the Authority was planned at the present time, there was likely to be a need in the future, therefore this was being closely monitored.

Members were then referred to the Prudential 'Treasury Management' Indicators 2023/2024 to 2026/2027 detailed at Appendix 1 of the report which included the Authorised Limit for External Debt of £54,607,000 for 2023/24 and also the Operational Boundary for External Debt of £49,607,000.

The Finance Director then explained that the Authority's actual external debt at 31st March 2022 was £26.597 million (calculated on the basis that all Authority debt was classed as external) and was made up of actual borrowing of £10.778 million and £15.819 million in respect of other long-term liabilities.

Being referred to Appendices 2 and 4 of the report, Members were advised that the Authority did generate a good return on investments and also that whilst interest rates were currently high, they were expected to fall over the medium term.

Councillor Haley referred to the fact that the Authority attached itself to SCC's Treasury Management Policy and questioned whether there was a way of just identifying the Fire Authority's exposures.

The Finance Director responded by advising that the total debt figure would need to be disaggregated which was a very complex process as it was tied into SCC as Lead Authority however, he could submit a summary in future to simplify the information.

Councillor Woodwark referred to Appendix 2 (2.4.7) and commented that the borrowing requirements fluctuated.

The Finance Director agreed and explained that the Lender was in control, however this arrangement did not apply to the Fire Authority's debt position and this information could also be separated out in future reports.

51. RESOLVED that:-

- (i) The Annual Treasury Management Policy and Strategy for 2023/2024 (including specifically the Annual Borrowing and Investment Strategies) be approved and,
- (i) The proposed Prudential 'Treasury Management' Indicators 2023/2024 to 2026/2027 be approved.

## Review of Reserves

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to advise Members of the outcome of a recent review of all reserves held by the Authority to ensure that they continued to be held at the appropriate amount of funding to address the financial risks of the Authority and in addition were properly categorised for the purposes that they were held.

The Finance Director explained that the Home Office believed that the Authority's reserves were too complex and should be simplified to help understanding of why they were being held, hence the review.

Members were reminded that the projected estimated amount of earmarked reserves held by the Authority at 31<sup>st</sup> March 2023 was £28.806m and that £15.295m was expected to be utilised during 2023/24 reducing the level to £13.511m by 31st March 2024.

The Finance Director referred Members to the table at section 3.5 of the report and explained that the Capital Developments Reserve was established to fund the Authority's capital spending plans detailed in its Capital Programme each year. This was updated and approved by members at the Authority meeting held on 13th February 2023 for the 4-year period to 2026/27 which totalled £23.311 million.

A review of how the Capital Programme was to be financed had shown that funding from reserves of £21.080 million was required (Capital Reserves £20.230m plus £0.850m RCCO included in the Budget Carry Forward Reserve). The remainder was to be funded from revenue contributions (revenue budget contribution of £250k each year) of £1 million and specific government grant mainly for ESMCP totalling £1.231 million.

From the table set out in 3.5 of the report there were a number of proposed changes to the Capital Development Reserve to ensure that it was very clear that these reserves were earmarked specifically to fund the Capital Programme over the next 4-year period. This being required because of the lack of central government capital grant funding.

In relation to the Resilience Reserve, it was proposed to transfer £3.000 million to the Capital Development Reserve on the basis that although this risk still prevailed, the cost implications of strike action would be greatly reduced with the government's recent legislative proposals to introduce a minimum service level for key emergency services.

With regards to the Reform and Transformation Reserve, it was proposed to retain £0.500 million for revenue budget implications of any major capital investments or service reviews but with the bulk of this reserve £12.499 million transferring to the Capital Development Reserve where this funding would have the greatest impact on reforming and transforming the service.

Members were advised that the Authority was now drawing down significant amounts from the PFI Smoothing Reserve each year, as anticipated, to meet and

smooth the increased costs of the PFI contract which had risen significantly with the inflation increases. The Finance Director explained that there was a typo within the agenda with the scheme ending in 2029 not 2027.

The Finance Director explained that additionally there was considerable uncertainty over the impact of both the proposed revised Business Rates Retention system to be introduced and the outcome of the Fair Funding Review. However, the government had now confirmed that these reviews would not take place in this parliament and had also indicated that where authorities were disadvantaged transitional arrangements could be expected. For these reasons it was proposed to transfer £3.269 million to the Capital Development Reserve and retain £1.000 million in this reserve to maintain a reasonable sum that would protect the Authority in the event that its business rates threshold were ever breached.

In relation to the New Dimensions and ESMCP Reserves, Members were advised that these two reserves were made up from specific government grant funding that could only be used for that specific purpose and was being drawn down as required by the Authority to meet the costs associated with each unique area within the fire service.

The New Dimensions Reserve was to meet any additional capital and revenue costs of providing the USAR capability and the ESMCP Reserve had been set up to recognise that specific grant funding had been received and although the project had been paused, it would be used for the purposes allocated, in due course.

For these reasons, there was no scope for the Authority to use these reserves for any other purpose.

Members were then advised that the review also examined if the level of the General Fund Balance at £4.090 million, was set at an appropriate amount bearing in mind the financial risks faced by the Authority. The financial cover provided, was 7.15% of the Authority's Net Budget Requirement (excluding use of reserves), and this was considered to be reasonable.

The Finance Director explained that the Authority currently held Capital Receipts of £1.403 million and that this would be allocated to future capital projects.

The Chief Fire Officer advised that he had persistently lobbied the fact that whilst the Authority had reserves, there had been no capital funding since 2014 and that the position from TWFRS was both prudent and cautious given that the Authority was the second worst affected in relation to Core Spending Power within the Country.

Kim McGuinness commented that the lack of capital funding was disgraceful and questioned whether the Reform and Transformation Reserve of £0.500 million was sufficient.

The Chief Fire Officer responded by advising that it was not sufficient, however it was what the Authority could afford at the present time and would be kept under review.

Councillor Woodwark commented that the benchmarking was national however the circumstances for TWFRS were local and therefore the funding formula did not reflect what the Authority needed.

Councillor Haley agreed and added that whilst the Authority was able to raise the precept by £5 for the next financial year, there was no guarantee of this flexibility for future financial years. In addition, if pay awards continued to be granted, which he stressed that they should be, that these should be funded by Government.

52. RESOLVED that the report be noted and approval be given to the proposed changes to the Earmarked Reserves as set out in the report, (and which were summarised in the table at paragraph 3.5 of the report).

### **Tyne and Wear Fire and Rescue Service Standing Orders – Refresh**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to provide an update of the work to carry out a light touch refresh of parts of the Fire Authority Standing Orders.

Members were reminded that it was identified during 2022 that the current Standing Orders of the Tyne and Wear Fire and Rescue Authority were in need of a refresh. This was to take account of changes to roles and structures within the Services Principal Officer team, remove any gender specific references and to take account of changes approved by the Fire Authority in relation to the delegated authority of the CFO relating to staffing and role as part of the process of appointment of Deputy and Assistant Chief Fire Officers.

With the support and advice from Sunderland city council legal team, parts 3 and 4 of the Standing Orders had been refreshed to take account the changes identified above and to incorporate the decisions taken by the Fire Authority on broadening of the CFO delegated staffing authority. The remainder of the Standing Orders had undergone a review to remove any gender specific references or stylistic changes or update of names of roles only.

Within Part 3 of the TWFRS Standing Orders, s.3, Chief Fire Officer, paragraph 8, now reflected the agreed change to the delegated authority to the CFO to permanently vary and amend the number of all Grey Book, uniformed posts up to and including the role of Area Manager and within Part 4 of the TWFRS Standing Orders, Terms of Reference, and s.4, Appointments Committee, paragraph 3, now reflected the agreed change to include the CFO as part of the decision making in relation to shortlisting, interview, selection and appointment of Deputy and Assistant Chief Fire Officers.

53. RESOLVED that:-

- (i) The contents of the report be noted and endorsed; and

- (ii) The updates to the standing orders be approved and approval be given to these being accepted and published to replace in their entirety the existing Standing Orders.

## **Pay Policy 2023/2024**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Finance Director submitted a joint report to inform members of the Pay Policy Statement for 2023/2024 of the Authority and to seek approval to publish this information in accordance with the statutory requirements.

Members were reminded that Section 38 of the Act required English and Welsh local authorities and fire and rescue authorities to produce an annual pay policy statement, setting out 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 Finance Director explained that while pay was important as a whole, it was fairness which was of most importance.

The current pay multiple for the Chief Fire Officer compared to the lowest paid employee was 7.79:1 which was well within the Government's expectation that the pay multiple relationship should be below 20:1 in local government. In addition, this was below the national average of 15:1 in the wider public sector.

Members were then advised that when reviewing the pay multiples it was worth noting that the pay multiple between the Chief Fire Officer and the lowest paid operational Fire-fighter was 6.26:1 and between the Chief Fire Officer and the median earnings the multiple was 4.73:1.

This however did not include the pay award offer which would change the ratio to 5.85:1.

The Finance Director advised that once the pay awards had been finalised for Gold Book employees, the Pay Policy would be refreshed and brought back to the Authority once final figures had been received.

Members were then referred to Section 16.2 of the Pay Policy and asked to note that basic estimate of spending on Unions totalled £82,615 which as a percentage of the total pay bill, was 0.30%.

DCFO commented that the Authority benefited greatly from the spend against Trade Union activity and was that this was therefore money well spent.

Councillor Flynn endorsed this and commented that the Authority's relationship with Trade Union Representatives was extremely positive.



The Chair advised that he had made representations to the National Employers in relation to the Firefighters pay award and what had been requested had been received. In addition, he had also sent a letter regarding the Gold Book pay award as this was yet to be agreed and was taking a considerable amount of time and needed resolving as soon as possible.

54. RESOLVED that:-

- (i) The Pay Policy Statement for 2023/2024 be approved; and
- (ii) Further reports be received as necessary.

As this was the last meeting of the Authority for John Rawling (HR Director) the Chairman on behalf of the Authority, thanked John for his service over the years.

(Signed) P. TYE  
Chairperson