



This matter is being dealt
with by: Kate Kirton
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Direct Line: 07919 509174
Your Ref:
Our Ref:
Date: 15 July 2022

Dear Councillor

You are summoned to attend the Meeting of the Authority to be held in the Main Authority Room, Fire and Rescue Headquarters, Barmston Mere on **Wednesday 27 July 2022** at **10.30am** when it is proposed to transact the business set out below.

Yours sincerely

Chris Lowther
Chief Fire Officer and Chief Executive
Clerk to the Authority

Service Headquarters Nissan Way Barmston Mere Sunderland SR5 3QY
Telephone 0191 444 1500 Fax 0191 444 1512



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Sunderland
City Council

A G E N D A

PART I

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Minutes of the Extraordinary
Meeting of the TYNE AND WEAR
FIRE AND RESCUE AUTHORITY
held in the Fire and Rescue
Service Headquarters, Barmston
Mere on FRIDAY 8 JULY 2022 at
2.30pm.

Present:

Councillor Burdis in the Chair

Councillors Bell, Dodds, Doyle, Flynn, Haley, Johnson, Keegan, Kilgour, Ord, Tye, Usher, Warne, Wood, Woodward.

Part I

Appointment of Chairman

6. RESOLVED that Councillor Tye be appointed as Chairperson of the Authority for the ensuing period until the next Annual Meeting.

At this juncture, Councillor Tye took the Chair for the remainder of the meeting.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillor Hunter and also Ms. K. McGuinness (PCC).

Declarations of Interest

There were no declarations of interest.

Minutes

7. RESOLVED that the minutes of the Annual Meeting of the Authority held on 15 March 2021, Part I be confirmed and signed as a correct record.

Membership of the Authority, Appointment to Committees and Appointment of Spokespersons for 2022/2023

The Deputy Clerk to the Authority submitted a report to notify the appointments made by the Constituent Authorities to the Fire and Rescue Authority and to consider the appointments to the Committees and the spokespersons for 2022/2023.

Consideration having been given to the report, it was: -

8. RESOLVED that:-
- (i) the membership of the Authority for the Municipal Year 2022/2023 be noted;
 - (ii) the Members listed below be appointed to serve on the following Committees of the Authority for the Municipal Year 2022/2023 and be appointed as Chair and Vice Chair where indicated: -

(a) Governance Committee

Independent Chair	(Mr. G. Cook)
Independent Member	(Mr. M. Knowles)
Independent Member	(Ms. G. Goodwill)

Councillors Bell, Dodds, Flynn, Johnson, Keegan and Ord

(b) Policy and Performance Committee

Councillors Burdis, Dodds, Kilgour, Usher, Wood and Woodward

Chairperson – Councillor Burdis
Vice Chairperson – Councillor Dodds

(c) Human Resources Committee

Councillors Bell, Flynn, Haley, Hunter, Ord, Warne, Wood and Vacancy (Lab.)

Chairperson – Councillor Haley
Vice- Chairperson – Councillor Hunter

Note: On checking the named appointments immediately following the meeting, it was established that only 7 out of the available 8 seats on the Committee were filled. To correctly reflect the distribution of seats in accordance with the Authority's political balance, a further Member from the Labour Group is to be appointed.

(d) Appointments Committee

Councillors Burdis, Flynn, Haley, Hunter, Kilgour, Tye, Usher and Woodward

Chairperson – Councillor Tye

Vice-Chairperson – Councillor Burdis

Note: On checking the named appointments immediately following the meeting, it was established that one additional Member (beyond the total number of available seats) had been appointed to the Committee. To correctly reflect the distribution of seats in accordance with the Authority's political balance, a Member from the Labour Group is to step down.

(e) Disciplinary Appeals Committee

Councillors Burdis, Doyle, Haley, Hunter and Tye

Chairperson – Councillor Tye

Vice Chairperson – Councillor Burdis

(f) Personnel Appeals Committee

Councillors Burdis, Doyle, Johnson, Keegan, Kilgour, Tye and Usher

Chairperson – Councillor Tye

Vice Chairperson – Councillor Burdis

Note: On checking the named appointments immediately following the meeting, it was established that one additional Member (beyond the total number of available seats) had been appointed to the Committee. To correctly reflect the distribution of seats in accordance with the Authority's political balance, a Member from the Labour Group is to step down.

(g) Emergency Committee (3 seats – balance 2:1:0)

Councillor Burdis, Tye and Woodward

Chairperson – Councillor Tye

Vice Chairperson – Councillor Burdis

(h) Pension Board of Tyne and Wear Fire Authority

Employer Representatives

Three Members of the Strategic Management Group (SMG) – Peter Heath, John Rawling and Phil Clark

Scheme Manager Representative

Councillor Flynn (substitute Councillor Keegan) – Non-voting observer/Member of the Human Resources Committee

Member Representatives

Three Member representatives will be nominated by the relevant representative body or organised employee group and appointed by the Authority – Wayne Anderson, Chris Smith and a vacancy.

(iii) **Appointment of Spokespersons**

The following nominations for spokespersons required for the purpose of answering questions from Members of the Constituent Councils on the discharge of the Authority's functions were approved: -

Gateshead	-	Councillor Dodds
Newcastle	-	Councillor Kilgour
North Tyneside	-	Councillor Burdis
South Tyneside	-	Councillor Flynn
Sunderland	-	Councillor Tye

(iv) **Lead Member Roles**

The following Lead Members and Support Members were approved:

(i) **Community Engagement and Partnerships**

Lead Member	-	Councillor Kilgour
Support Member	-	Councillor Burdis

(ii) **Diversity and Equality**

Lead Member	-	Councillor Haley
Support Member	-	Councillor Hunter

(iii) **Performance Management**

Lead Member	-	Councillor Tye
Support Member	-	Councillor Burdis

(v) **Local Government Association (LGA)**

The following Members were approved as the Authority's representatives on the LGA:

Councillor Tye
Councillor Dodds

(vi) **Association of Metropolitan Fire and Rescue Authorities (AMFRA)**

The following Members were approved as the Authority's representatives on AMFRA:

Councillor Tye
Councillor Dodds

No substitutes were appointed.

Date, Time and Venue of Future Meetings

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Deputy Clerk to the Authority, the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report setting out the proposed dates, times and venues of meetings of the Authority and its Committees, together with training sessions for the Municipal Year 2022/2023.

The Vice-Chairperson requested that the meetings of the Fire Authority, Human Resources Committee and Policy & Performance Committee revert to Mondays at 10.30am and to link up the training sessions listed in the report to the revised Authority meeting dates. In addition, she requested the Independent Chair of the Governance Committee be consulted on changing the dates of the Committee to allow the minutes of the meetings to be reported to the immediately following scheduled Authority meetings.

Members having requested that the meetings to be held in the next two weeks be deferred until later in the month in accordance with re-scheduling the meetings to Mondays, it was:-

9. RESOLVED that the Chief Fire Officer/Chief Executive (Clerk to the Authority), in consultation with the Chairperson and Vice-Chairperson of the Authority, the Independent Chair of the Governance Committee and the Deputy Clerk to the Authority, the Strategic Finance Manager and the Personnel Advisor, be authorised to amend the schedule of meetings and to circulate the new schedule to all Members of the Authority.

(Signed)	P. TYE	C. BURDIS
	Chairperson	Chairperson

MEETING: 25 JULY 2022

SUBJECT: APPOINTMENTS TO COMMITTEES

REPORT OF THE DEPUTY CLERK TO THE AUTHORITY

1.0 INTRODUCTION

- 1.1 This report follows the report on Appointments to Committees as considered by the Authority at the Extraordinary Meeting on 8 July 2022.
- 1.2 Following the Extraordinary Meeting, an irregularity in the number of Members appointed to the Human Resources Committee, the Appointments Committee, and the Personnel Appeals Committees was noted. The purpose of this report is to address this position by noting and confirming the revised appointments.

2.0 HUMAN RESOURCES COMMITTEE

- 2.1 Councillors Bell, Flynn, Haley, Hunter, Ord, Warne and Wood were appointed to the Human Resources Committee on 8 July 2022, with Councillor Haley Councillor Hunter appointed to the position of Chair and Vice Chair respectively.
- 2.2 On checking the named appointments immediately following the Extraordinary Meeting, it was established that only 7 out of the available 8 seats on the Committee were filled. To correctly reflect the distribution of seats in accordance with the Authority's political balance, a further Member from the Labour Group is to be appointed.
- 2.3 Councillor Tye has been nominated as the Labour Member to be appointed to the Human Resources Committee

3.0 APPOINTMENTS COMMITTEE AND PERSONNEL APPEALS COMMITTEE

- 3.1 On checking the named appointments immediately following the Extraordinary Meeting, it was established that one additional Member (beyond the total number of available seats) had been appointed to both the Appointments Committee and the Personnel Appeals Committee.

- 3.2 To correctly reflect the distribution of seats in accordance with the Authority's political balance, a Member from the Labour Group is to step down from each of the aforementioned Committees.
- 3.3 The Labour Group leader is to confirm to the Clerk to the Authority which Members intend to withdraw from the Appointments Committee and the Personnel Appeals Committee.

4.0 RECOMMENDATION

The Authority is to note and confirm the revised appointments to the Human Resources Committee, the Appointments Committee, and the Personnel Appeals Committee.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No. 5

AUTHORITY MEETING: 27TH JULY 2022

SUBJECT: AUTHORITY'S STATUS AS A GOING CONCERN

REPORT OF THE FINANCE DIRECTOR

1. Purpose of the Report

- 1.1 The purpose of this report is to consider annually the Authority's status as a going concern and members are now requested to note that the Authority is a going concern as set out by the evidence provided by the Finance Director. The report has already been scrutinised by the Governance Committee at the meeting held on 27 May 2022 when this report was approved and furthermore it was recommended that it should be presented to full Authority for information.

2. Background

- 2.1 As Local Authorities are created and abolished only by statutory changes there is an underlying assumption in the CIPFA/ LASAAC Code of Practice on Local Authority Accounting (Accounting Code) each year that their accounts will be prepared on a going concern basis.
- 2.2 Authorities are required by Section 32 of the Local Government Finance Act 1992 to set a balanced budget. However, financial pressures and uncertainty within the local government sector mean that the Chief Finance Officer (Section 151 officer) may need to consider whether action is required under Section 114 of the 1988 Act, where the Section 151 officer must report, following consultation with the Authority's Monitoring Officer, to all of the Authority's members if they believe expenditure is likely to exceed incoming resources in the current or in any future year.
- 2.3 This report outlines the assessment of this Authority's status as a going concern in line with best practice, which is now considered an annual requirement to reassure both members of the Authority and the external auditor of the Authority's continued status as a going concern.

3. Context

- 3.1 The provisions in the Accounting Code on the going concern accounting requirements reflect the economic and statutory environment in which local authorities operate. The provisions confirm that local authorities have no ability to cease being a going concern as described by International Accounting Standard (IAS) 1 Presentation of Financial Statements. As local authorities

cannot be dissolved without statutory prescription, it would not be appropriate for the Authority's financial statements to be prepared on any other basis than as a going concern.

- 3.2 Although the financial context continues to be challenging and uncertain the Authority has a track record of meeting its financial obligations and maintaining financial sustainability. Over at least the past 12 years the Authority has always delivered an outturn within its original budget. An Authority wide approach to the budget, which is service priority driven and over a medium-term planning horizon ensures that this continues to be the case.
- 3.3 The Annual Audit Letter from Mazars includes a value for money conclusion including rationale behind the judgement, which considers the identification, monitoring and achievement of savings and also includes their view on the sustainability of the Authority. The latest letter issued in relation to 2020/2021 concluded that the Authority had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources and had no issues to report on the Authority's sustainability position.

4. Current Position

Budgets 2021/22

- 4.1 Authority agreed the original revenue budget for 2021/22 on 15th February 2021. This was set at £48.542m. The revenue outturn position is to be reported in July for 2021/22, including any further transfers to and from reserves but based on the latest reported forecast presented to members in January 2022, the Authority was projecting a broadly neutral budget position after already taking into account an underspend of £0.703m in November 2021 which was reported to members who agreed to transfer £0.700m to the Transformation and Reform Reserve to help fund the Authority's TWFRS25 vision for the service from planned in-year budget reductions which were also inevitably impacted by the continuing impact of the COVID-19 pandemic. The projected out-turn report elsewhere on the agenda also shows a further underspend has been achieved of £0.272m subject to final accounting entries being completed.
- 4.2 The projected capital outturn position reported in January 2022 for 2021/22 also forecast an overall underspend of £0.347m when compared to the revised budget of £17.848m, although further reductions of £14.638m have now been quantified as part of the out-turn position. All schemes had 'slipped' to some degree mainly because of the continuing adverse impact of COVID-19. This will mean that most capital projects / schemes will be delivered later than planned but will still be completed as the capital programme is fully funded. The resources required to complete these projects will also be 'slipped' to match the revised programme.
- 4.3 Revenue and capital monitoring is reported on a quarterly basis to Authority in accordance with the budget cycle framework.

Audited Statement of Accounts 2020/21

4.4 The latest audited Statement of Accounts for 2020/21 shows the health of the Authority's Balance Sheet which covered the following key points:

- The general reserve has been maintained at a planned level of £3.943m and this represented 7.9% of the 2020/21 (£49.961m) revenue budget.
- Useable revenue reserves have increased by £4.968m to £40.739m as at 31 March 2021.
- Long Term Assets have increased from £77m to £81m mainly due to a combination of the addition of 14 new fire appliances and also an increase in the assets under construction.
- Current Assets have marginally increased from £52m to £53m mainly due to an increase in cash and cash equivalents.
- Current Liabilities have also reduced slightly from £11m to £10m mainly due to a reduction in grants received in advance.
- Long Term Liabilities have increased from £908m to £1,000m mainly as a result of an increase in pension liabilities.
- *Net Liabilities have increased from £790m to £876m.

**It should be noted that whilst the Authority shows a net liability or a negative net worth of £876.227m, most of the implied 'deficit' relates to the pensions deficiency of £966.910m which must be disclosed as part of the international financial reporting standard IAS19 (Accounting for Pensions) requirements.*

The fact that all pension costs would never be incurred in one year (as implied by IAS19), coupled with the fact that the Authority is addressing this potential deficiency over a 21 year period in accordance with pension regulatory requirements by making additional annual pension deficiency payments, means the Balance Sheet Net Worth is effectively being distorted by this reporting standard.

If this accounting requirement is removed, then the Authority has a 'real' net worth of £90.683m. The Authority has assets worth £80.993m and also cash backed reserves of £40.739m which further support the view that the Authority's Balance Sheet and finances are in fact healthier than implied by the published accounts which must comply with international reporting standards and is as such a going concern. This view is shared by our external auditor.

Actual Reserves at 31st March 2021

4.5 A breakdown of the £40.739m revenue reserves as at 31 March 2021 is shown in the following table:

Reserves	£000s
General Fund	
General Fund Reserve*	(3,943)
Total General Fund Reserve	(3,943)
Earmarked Revenue Reserves	
Insurance Reserve*	(1,128)
Early Retirement Reserve*	(5)
PFI Smoothing Reserve*	(8,231)
Budget Carry Forward Reserve*	(3,269)
Medium Term Planning Reserve*	(3,444)
Capital Developments Reserve*	(9,026)
Transformation and Reform Reserve*	(10,093)
Resilience Reserve#	(3,500)
Injury Pension Reserve*	7,139
New Dimensions Reserve#	(845)
Covid19 Reserve*	(1,742)
ESMCP Revenue Reserve#	(1,080)
Total Revenue Reserves	(35,224)
Earmarked Capital Reserves	
Capital Receipts Reserve#	(1,403)
ESMCP Capital Reserve#	(169)
Total Capital Reserves	(1,572)
Total Earmarked Reserves	(40,739)
Total Useable Reserves as at 31st March 2021	(40.739)
*Total Reserves that prevent an increase in the revenue budget	(33,742)
#Total Reserves that support service delivery	(6,997)
	(40.739)

- 4.6 The audited statement of accounts for 2020/21 included the Annual Governance Statement which was approved by full Authority on 12 July 2021. This was further scrutinised by the Governance Committee's review of the evidence of assurance provided on the Authority's internal controls, risk management and governance arrangements. The statement concluded that the Governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework which adheres to best practice.

5. Future Position – 2022/23 Budget

- 5.1 Authority agreed the original revenue budget for 2022/23 on 14th February 2022. This was set at £51.487m, the budget was balanced by increasing council tax by 1.99%, budget savings of £3.712m and temporary use of reserves of £0.516m. It will depend on the level of future grant settlements if reserves are required to

temporarily fund any budget gap identified however savings and efficiencies will also reduce any long term reliance on reserves.

- 5.2 The original budget for the Capital Programme for 2022/23, as agreed by Authority on 14th February 2022, totalled £12.655m.
- 5.3 The pandemic has continued to have an adverse financial impact on the Authority's revenue position with most of the impact being in significantly reduced business rates income. However an additional one-off government grant (Service Delivery Grant) of £1.072m has been received as part of the local government grant funding settlement for 2022/23 to help the Authority address the additional costs of the planned increase in Employers National Insurance costs and to meet other inflationary cost pressures. This funding was very timely but it would be preferable if this grant was to continue into future years as the cost pressures are of a recurring nature. The overall budget position is therefore being monitored very closely to ensure that the Authority continues to achieve value for money services based on a prudent financial strategy of operating within its financial resources.
- 5.4 Cash has been managed effectively to ensure a positive cash flow for the Authority throughout the financial year and this continues to be the position projected forward.
- 5.5 The revenue and capital budgets continue to be monitored monthly by the Executive Leadership Team and quarterly by Authority with any changes to budgets being agreed by Authority.
- 5.6 The Authority's General Reserve remains at £3.943m. This is almost 8% of the 2022/23 revenue budget which is in accordance with both the Authority's MTFS principles and its Reserves policy and in line with best practice.

6. Future Position- Medium Term Financial Strategy (MTFS)

- 6.1 The current MTFS covers the period 2022/23 to 2025/26 and this estimates a £2.3m shortfall in resources over the four year period although budget savings and efficiencies have yet to be identified for the next three financial years which are expected to reduce this position significantly. The MTFS however will continue to be monitored and refreshed as required especially if any material changes should occur that impact upon the Authority's finances.
- 6.2 During 2021 the Authority and its communities have still been impacted by the COVID-19 Public Health crisis, although things are beginning to return to normal. From a financial perspective some of the cost pressures and loss of income will still have both an immediate and longer-term impact on the Authority's finances. As a result, the Authority has taken into account these likely implications in its current MTFS planning and will continue to monitor the position to ensure forecasts are updated and revised accordingly for this or any other potential 'shocks' to the MTFS forecasts.
- 6.3 The Authority continues to provide value for money services within its available financial resources and continually seeks to generate efficiencies that it can then

re-invest into its service priorities such as its IRMP proposals and its TWFRS 25 vision.

- 6.4 Reserve levels and their use will be kept under regular review and the latest position is set out in the Authority's Reserves Policy 2020/21 to 2024/25. This is currently being refreshed and will be presented to members of the Authority separately once completed.
- 6.5 The MTFS is reviewed at least twice annually to ensure Members are aware of the latest estimated future financial position of the Authority. The last review was considered by Authority in February 2022 and this covered the period 2022/23 to 2025/26. The review incorporated estimated cost pressures facing the Authority, projected funding both from government and the level of locally generated income through council tax and business rates as well as performance of the Authority in delivering its planned services. The update also takes into account the CSR21 data published in the autumn and the one year settlement provided for 2022/23, although disappointingly there was no multi-year settlement which would have been more helpful in improving effective service planning.
- 6.6 The Authority continues to actively look to streamline its processes in order to support effective decision making and make the best use of available capacity and resources. Opportunities for working in collaboration and partnership and different ways of working will be identified and developed where this will support the delivery of the Authority's outcomes and improve service efficiency and delivery. This will include working collaboratively with key partners to reduce costs and/or to generate additional income where appropriate.
- 6.7 The Authority continues to have an ambitious capital strategy and its key investment aspirations are based on the principles of delivering essential service improvements, invest to save schemes, or generating income streams which contribute to the Authority's services, the local economy and allows further capital investment.
- 6.8 Future risks for the Authority include the ongoing impact of the COVID-19 public health crisis, the continued changes in central government funding, increasing demand for services, the uncertainty concerning the possible move to 75% business rates retention, the unknown impact of the EU exit and other global events on the wider economy and the significant increased risk of inflationary cost pressures that are currently being experienced. These risks will continue to be monitored by the Executive Leadership Team and members of the Fire Authority as required and financial plans will be adapted to the possible changing resources scenario as appropriate.

7. Conclusion

- 7.1 Based on the assessment undertaken, the Authority's Chief Finance Officer (Section 151 officer) view is that the Authority is aware of the challenges it faces and is equipped to continue to deliver its services taking account of its future known risks and therefore the Authority is a going concern and the Statement of Accounts continue to be prepared on this basis.

8. Recommendation

- 8.1 It is recommended that Members note that the status of the Authority is considered to be a going concern based upon the assessment in this report and that the Accounts continue to be prepared and approved on that basis.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No. 6

MEETING: 27TH JULY 2022

**CAPITAL PROGRAMME OUTTURN 2021/2022 AND FIRST QUARTERLY REVIEW
2022/2023**

**JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK TO THE
AUTHORITY) AND THE FINANCE DIRECTOR**

1. INTRODUCTION

- 1.1 The original Capital Programme for 2021/2022 was approved at the Authority meeting on 15th February 2021.
- 1.2 The purpose of this report is to present the capital outturn position for 2021/2022, highlighting the main variances from the 2021/2022 Capital Programme Third Review presented to Members in January 2022.
- 1.3 The report also reflects the 2021/2022 outturn position and other changes to the original Capital Programme for 2022/2023 which was approved on 14th February 2022.
- 1.4 The COVID-19 pandemic has unsurprisingly adversely impacted on a number of projects within the Capital Programme during 2021/2022 and is also still continuing to affect the 2022/2023 Programme. The updates below indicate where this is the case and Members will be kept updated of these implications throughout the coming financial year.

2. OUTTURN 2021/2022

- 2.1 The outturn position on expenditure and resources for 2021/2022 is summarised overleaf:

	Third Review (January)	Outturn
	£	£
Expenditure - Projects c/fwd from 2020/2021	850,000	0
- Continuing Projects 2020/2021	11,781,376	1,337,979
- Projects Commencing 2021/2022	728,000	336,472
- Vehicle Replacement Programme	4,141,651	1,188,206
	17,501,027	2,862,657
Resources - Home Office Section 31 Grant	1,808,616	2,490
- Capital Reserve	14,006,188	2,261,153
- New Dimensions Reserve	196,000	191,533
- Government Grant	24,365	24,365
- External Funding – SCC Contribution	173,000	133,116
- RCCO – Revenue Contribution to Capital Outlay	442,858	250,000
- One-off RCCO for specific projects	850,000	0
	17,501,027	2,862,657

2.2 The Authority approved a Capital Programme for 2021/2022 of £13,224,677 which was subsequently revised to £17,501,027 during the year. This was reported to Members in January. At the end of the financial year, the Capital Programme outturn reflects a reduction in spending of £14,638,370 from £17,501,027 to £2,862,657, due to the following variations:

2.2.1 A net underspend of £168,956 has arisen from a number of schemes completed during 2021/2022. The main variations are listed below:

- £39,150 underspend on smoke detectors due to COVID-19 having an impact on the delivery of the Community Safety Programme during the year;
- £100,146 on the Command and Control budget as the technical refresh is now complete and there will be no further spend;
- £14,987 saving on the Mobilisation System (MOBS) firewall replacement;
- £4,467 underspend on the Urban Search and Rescue (USAR) training enhancement;
- £5,050 saving on the Breathing Apparatus (BA) compressors;
- £2,491 underspend on the purchase of new thermal scanners;
- £2,605 refund on the appliance CCTV; and
- A minor net underspend on a number of other projects.

2.2.2 Since the third review, there have been additions of £289,598 to the Capital Programme for 2021/2022:

- The tender for the PFI element of the security upgrade programme was £55,000 more than the remaining budget. This has been added to the Programme and will be funded from capital reserves; and
- An upgrade to Dispatch Communication Server (DCS) / LifeX is required to support the Emergency Services Network (ESN). DCS installation is critical for migration from Airwave to ESN. This is estimated to cost £234,598 and will be funded from capital reserves and a contribution of £117,299 from NFRS for half of the costs.

2.2.3 There has been further slippage of £13,909,012 into 2022/2023 on a number of projects as set out below:

Estates - £8,531,998

- Genous Security System (£345,580) – as reported at third review, there have been a number of technical issues with this project but progress is now being made. A contract has been agreed and the works are expected to be complete by autumn of 2022/2023.
- Security Upgrade Programme (£250,406) – the PFI element of the project has been delayed due to various issues during the year. A tender exercise for the works has been completed and progress is now being made.
- Stock Condition Survey Works (£67,870) – some of the works have been delayed due to restricted access to buildings and availability of contractors and materials. The planned works for 2021/2022 will now be completed early in the new financial year.
- CCTV Development (£39,884) – the transformation of the former Media Resources Unit (MRU) suite in to the new CCTV centre for Sunderland City Council (SCC) is almost finalised but a few late additional requests require the remaining budget to slip in to 2022/2023.
- Barmston Mere Training Centre (BTC) Atrium (£120,000) – this was a late addition to the Programme during the year and will be progressed in 2022/2023.
- Hebburn Station (£7,708,258) – full planning application has been issued and works will progress during 2022/2023.

ICT - £361,461

- New and Replacement Hardware (£2,440) – a small budget is remaining to be used in 2022/2023 for additional equipment.
- Information Screens (£29,423) – this project has been delayed due to COVID-19 and other priorities. A trial is currently ongoing, after which the scope of the project will be considered.
- Fireground Radios (£95,000) – the radios are awaiting delivery but lead times have increased due to microchip technology.
- DCS / Life X (£234,598) – this was a late addition to the 2021/2022 Programme as detailed in 2.2.2 and will be progressed in 2022/2023.

Operational Equipment - £64,172

- Operational Equipment Replacement (£55,052) – due to a worldwide shortage of microchips the expected lead time for the Electronic Personal Dosimeter's (EPD's) ordered may be up to 12 months.
- Foam and Firefighting Equipment (£9,120) – consideration needs to be given to ensure that the foam purchased is compatible with the equipment so this has been delayed until a decision is made on the new foam requirements.

Technical Service Centre (TSC) Non Vehicle Replacement Programme - £24,975

- Decontamination Washing Machines (£6,975) – the washing machine at the Training Centre is still awaiting installation this will be completed early in 2022/2023.

- New and Replacement Hardware – Miquet (£18,000) – a new quotation is required for this project and will be progressed in 2022/2023.

Control/Mobilising - £1,806,126

- Emergency Services Mobile Communications Project (ESMCP) (£1,808,126) – the timing of progress and expenditure on this national government led project continues to be uncertain. In the meantime, the remaining budget for 2021/2022 will be slipped into 2022/2023 and the Programme will be adjusted to reflect the new timescales when they are known.

Learning and Organisational Development - £150,000

- Fire Behaviour Units (£150,000) – replacement of the existing fire behaviour demonstration units has been considered in depth and will be progressed in 2022/2023.

Community Safety - £16,835

- Smoke Detectors (£16,835) – COVID-19 has impacted on delivery of the Community Safety Programme during 2021/2022.

Vehicle Replacement Programme - £2,953,445

- Small Fleet (£139,472) – requirements are dependent on the outcome of the small fleet review and the future needs and options for the Service. The remaining budget will need to be slipped in to 2022/2023 and will be adjusted and realigned as required.
- Appliance Replacement Programme (£2,813,973) – the order has been placed for the remaining ten fire appliances and the first stage payment has been made. Delivery is planned towards the end of 2022/2023.

2.2.4 Members will recall that the Capital Programme for 2021/2022 was set with an additional £0.850m for a number of business critical, invest to save schemes, that were slipped from 2020/2021. Plans for the two projects, repairs to Barmston Mere Training Centre and relocation of Safetyworks have continued to be impacted by the COVID-19 pandemic and as a result the £0.850m funding for these schemes will need to be carried forward in to the Capital Programme for 2022/2023.

2.3 The projects that have slipped into 2022/2023 were to be financed from Reserves, Section 31 Grant and external contributions. Adjustments have been made as part of the final accounts year end process and this funding will now be utilised in 2022/2023 instead.

3. CAPITAL PROGRAMME FIRST REVIEW - 2022/2023

3.1 The detailed Capital Programme for 2022/2023 is set out at Appendix A, and is summarised below:

	Original Estimate (February) £	Revised Estimate (July) £
Expenditure - Projects c/fwd from 2021/2022	850,000	850,000
- Continuing Projects 2021/2022	9,832,462	11,912,567
- Projects Commencing 2022/2023	1,200,300	1,977,300
- Vehicle Replacement Programme	772,496	3,585,445
	12,655,258	18,325,312
Resources - Home Office Section 31 Grant (ESN)	1,523,204	1,806,126
- Capital Reserve	10,032,054	15,262,003
- Revenue Contribution to Capital	250,000	250,000
- One-off RCCO specific projects	850,000	850,000
- External Funding – SCC Contribution	0	39,884
- External Funding – NFRS Contribution	0	117,299
	12,655,258	18,325,312

- 3.2 The Capital Programme has increased by £5,670,054 from £12,655,258 (as approved by Members in February 2022) to £18,325,312. This is made up as follows:

Additional Slippage from 2021/2022 as reported	£4,547,054
Additions to Continuing Projects	£346,000
Additional New Projects	£777,000
Increase in Capital Programme	£5,670,054

- 3.3 £9,361,958 of the slippage detailed in 2.2.3 was reported on setting the 2022/2023 Capital Programme in February 2022 based on information at that time. This was for a number of projects, including: replacement of Hebburn Station (£7,698,258), Emergency Services Mobile Communications Project (£1,523,204) and Small Fleet (£140,496), where it was recognised that the projects would be delayed into 2022/2023. Since this time, additional slippage of £4,547,054 is required across a number of other projects.
- 3.4 A number of continuing projects require additional budget to the total of £346,000:
- The final cost of the decontamination washing machines will exceed the original budget set in January 2020 by £6,000; and
 - The requirements of the fire behaviour training unit have been reconsidered and the project is estimated to cost an additional £340,000 to recognise the additional training functionality and to reduce significantly the carbon footprint of this new development in line with the Authority's environmentally friendly ambitions.
- 3.5 Five new projects totalling £777,000 have also been added to the Capital Programme for 2022/2023:

- Programme of improvement works across stations within the Estate to include:
 - IRMP implementation works and refurbishing some of the surplus space to create a dedicated Trauma Support Unit at Birtley Community Fire Station will cost £12,000;
 - IRMP implementation works at Rainton Bridge Community Fire Station to include alterations to the rest room and watch manager's office to accommodate whole time cover is estimated to cost £22,000; and
 - Inclusion works at West Denton Community Fire Station to ensure the female locker and shower facilities at West Denton Community Fire Station are to the required standard. This is estimated to cost £88,000.
- Replacement of the current foam stock with a new environmentally friendly foam is estimated to cost £55,000.
- Purchase of a High Reach Extendable Turret (HRET) Appliance. There is a requirement to replace the additional pumping appliance at West Denton Fire Station in line with all other front line pumping appliances. The provision of a pumping type appliance that comes with an additional water tower capability will enhance the ability of the service to manage large scale incidents. This is estimated to cost £600,000 and is expected to be ready for use by the end of the 2023/2024 financial year.

All new projects will be funded from capital reserves and progress monitored during the year.

- 3.6 There are no further variations to report at this early stage in the financial year, but the programme will continue to be effectively managed and monitored with any variations, being reported to Members regularly throughout the year.

4. PRUDENTIAL INDICATORS (PI's)

- 4.1 The Prudential Indicators set during the budget process are continually monitored and there are no issues with the PI's for 2021/2022 now that the final outturn position has been reported.
- 4.2 The PI's for 2022/2023 are also in line with expectations at this early stage and there are currently no issues to report for the first quarter of the current financial year. Any amendments to the indicators for 2022/2023 will be reported upon at the Second Review stage along with compliance with the relevant PI's determined for 2022/2023.

5. RISK MANAGEMENT

- 5.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control, the realisation of efficiencies, the most appropriate use of limited resources and a comprehensive evaluation of the benefits. The risk to the Authority has been assessed as low utilising the standard risk matrix based on control measures being in place. As mentioned previously, where projects are delayed

because of the coronavirus pandemic, other future schemes that have been approved may be accelerated accordingly to ensure the Capital Programme does not stagnate.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications are set out in Appendix A of the report.

7. EQUALITY AND FAIRNESS IMPLICATIONS

- 7.1 There are no equality and fairness implications in respect of most of this report, however inclusion works at West Denton have been identified to ensure the female locker and shower facilities are enhanced so that they provide the same quality as their male counterparts.

8. HEALTH AND SAFETY IMPLICATIONS

- 8.1 There are no health and safety implications in respect of this report.

9. RECOMMENDATIONS

- 9.1 The Authority is recommended to:
- Note the final outturn position for 2021/2022;
 - Approve the transfer of the additional slippage (£4,547,054) into 2022/2023;
 - Approve the additional funding (£346,000) required for continuing projects;
 - Approve the additional projects (£777,000) for 2022/2023; and
 - Approve the revised Capital Programme for 2022/2023, as set out at Appendix A, in light of the capital outturn position for 2021/2022.

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

CAPITAL PROGRAMME 2022/2023 TO 2025/2026

SUMMARY

Project Description	Gross Cost £	Expenditure to 31.03.2022 £	Slippage from 2021/22 £				
				2022/23 £	2023/24 £	2024/25 £	2025/26 £
FIRE SERVICE							
Projects Carried Forward From 2021/2022	850,000	0	850,000	850,000	0	0	0
Continuing Projects	19,952,376	6,006,581	10,955,567	11,912,567	634,276	747,508	651,444
New Projects	2,112,300	0	0	1,977,300	90,000	45,000	0
	22,914,676	6,006,581	11,805,567	14,739,867	724,276	792,508	651,444
VEHICLE REPLACEMENT PROGRAMME	11,399,000	3,931,556	3,288,445	3,585,445	80,000	1,372,000	2,430,000
TOTAL CAPITAL EXPENDITURE	34,313,676	9,938,137	15,094,012	18,325,312	804,276	2,164,508	3,081,444

Project Description	Gross Cost £	Expenditure to 31.03.2022 £	Slippage from 2021/22 £				
				2022/23 £	2023/24 £	2024/25 £	2025/26 £
Projects Carried Forward From 2021/2022							
BTC / Safetyworks - strategic projects	850,000	0	850,000	850,000	0	0	0
Total Projects Carried Forward From 2021/2022	850,000	0	850,000	850,000	0	0	0
Continuing Projects							
Estates							
Works arising from Stock Condition Survey	1,586,042	1,088,172	67,870	167,870	110,000	110,000	110,000
BTC Condition Survey Works	504,687	384,687	0	30,000	30,000	30,000	30,000
Genous Security System	346,510	930	345,580	345,580	0	0	0
Security Upgrade Programme	331,013	80,607	250,406	250,406	0	0	0
MRU Development	173,000	133,116	39,884	39,884	0	0	0
BTC Atrium	120,000		120,000	120,000	0	0	0
IT							
New and Replacement Hardware - General	1,646,530	1,168,090	2,440	121,440	119,000	119,000	119,000
Information Screens	30,000	577	29,423	29,423	0	0	0
Fireground Radios	95,000	0	95,000	95,000	0	0	0
DCS/Life X	234,598	0	234,598	234,598	0	0	0
Operational Equipment							
Operational Equipment Replacement Programme	1,705,733	1,170,681	55,052	175,052	120,000	120,000	120,000
Rope Rescue & Confined Space Equipment	191,524	121,524	0	14,000	14,000	21,000	21,000
Foam and Firefighting Equipment	9,120	0	9,120	9,120	0	0	0
Community Safety							
Smoke Detectors	1,291,732	734,897	16,835	151,835	135,000	135,000	135,000
TSC - Non Vehicle Replacement Programme Items							
PPE Replacement Programme	904,269	552,269	0	88,000	88,000	88,000	88,000
Replace BA Compressors	107,764	40,764	0	5,000	12,000	50,000	0
New and Replacement Hardware - Miquet	78,000	0	18,000	18,000	0	60,000	0
Decontamination Washing Machines	57,635	44,660	6,975	12,975	0	0	0
Learning and Organisational Development							
Fire Behaviour Units	515,000	0	150,000	490,000	0		25,000
Control/Mobilising Project							
Emergency Services Mobile Communications Project (ESMCP)	2,315,849	485,495	1,806,126	1,806,126	6,276	14,508	3,444
Estates Development Works							
Hebburn Station	7,708,370	112	7,708,258	7,708,258	0	0	0
Total Continuing Projects	19,952,376	6,006,581	10,955,567	11,912,567	634,276	747,508	651,444
Projects Commencing 2022/2023							
IT							
Telent Mobs Hardware Refresh	350,000	0	0	350,000	0	0	0
Operational Equipment							
Breathing Apparatus Replacement	800,000	0	0	800,000	0	0	0

Dry Suits	25,300	0	0	25,300	0	0	0
Foam Replacement	55,000	0	0	55,000	0	0	0
High Reach Extendable Turret (HRET) Appliance	600,000	0	0	600,000	0	0	0
Estates							
Electric Ovens	25,000	0	0	25,000	0	0	0
West Denton Inclusion Works	88,000	0	0	88,000	0	0	0
Rainton Bridge IRMP Implementation Works	22,000	0	0	22,000	0	0	0
Birtley IRMP Works and Dedicated Trauma Support Unit	12,000	0	0	12,000	0	0	0
Projects Commencing 2023/2024							
Operational Equipment							
Body Worn Cameras	90,000	0	0	0	90,000	0	0
Projects Commencing 2024/2025							
Estates							
Derv Tank and Pump Replacement	20,000	0	0	0	0	20,000	0
Operational Equipment							
Drone	25,000	0	0	0	0	25,000	0
Total Projects Commencing 2022/23 onwards	2,112,300	0	0	1,977,300	90,000	45,000	0
Total	22,914,676	6,006,581	11,805,567	14,739,867	724,276	792,508	651,444

Project Description	Gross Cost £	Expenditure to 31.03.2022 £	Slippage from 2021/22 £				
				2022/23 £	2023/24 £	2024/25 £	2025/26 £
VEHICLE REPLACEMENT PROGRAMME							
Specialist Vehicles							
Flat Bed - BTC	110,000	0	110,000	110,000	0	0	0
Fire Boat Transporter Cat08	20,000	0	20,000	20,000	0	0	0
Forklift & Moffett	80,000	0	80,000	80,000	0	0	0
Driver Training Vehicle (Curtainsider)	125,000	0	125,000	125,000	0	0	0
Welfare Vehicle (Cat12)	120,000	0	0	120,000	0	0	0
Telehandler - BTC (JCB loadall)	80,000	0	0	0	80,000	0	0
High Volume Pump	0	0	0	0	0	0	0
ALP Cat03	650,000	0	0	0	0	650,000	0
Boat (inflatable & Motors)	22,000	0	0	0	0	22,000	0
Prime Mover	200,000	0	0	0	0	200,000	0
Small Fleet							
Cars and Vans	507,001	265,529	84,472	241,472	0	0	0
Specialist Car	75,000	0	55,000	75,000	0	0	0
Appliances	8,910,000	3,666,027	2,813,973	2,813,973	0	0	2,430,000
Targeted Response Vehicles	500,000		0	0	0	500,000	0
Total Vehicle Replacement Programme	11,399,000	3,931,556	3,288,445	3,585,445	80,000	1,372,000	2,430,000
TOTAL CAPITAL PROGRAMME	34,313,676	9,938,137	15,094,012	18,325,312	804,276	2,164,508	3,081,444

CAPITAL PROGRAMME FINANCING

Home Office Section 31 Grant (Emergency Services Network ESN)	1,806,126	6,276	14,508	3,444
Revenue Contribution to Capital (RCCO)	250,000	250,000	250,000	250,000
Capital Reserve	11,676,558	468,000	528,000	398,000
External Funding - SCC Contribution	39,884	0	0	0
External Funding - NFRS Contribution	117,299	0	0	0
Additional RCCO	850,000	0	0	0
	14,739,867	724,276	792,508	651,444
Vehicle Replacement Programme Reserve	3,585,445	80,000	1,372,000	2,430,000
Total Financing	18,325,312	804,276	2,164,508	3,081,444

MEETING: 27th JULY 2022

**REVENUE BUDGET OUTTURN 2021/2022 AND FIRST QUARTERLY REVIEW
2022/2023**

**JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK
TO THE AUTHORITY) AND THE FINANCE DIRECTOR**

1. INTRODUCTION

- 1.1 The Authority's Statement of Accounts for 2021/2022 is currently being prepared and will be presented to the Authority's Governance Committee on 29th July 2022 and is within the revised statutory deadline for 2021/2022 of 31st July 2022.
- 1.2 As preparation of the Statement of Accounts is on-going, the reported outturn position set out in this report may be subject to change, although no significant issues are anticipated.
- 1.3 This report therefore advises Members of the Revenue Budget Outturn position for 2021/2022 as it currently stands, outlining the main areas of variation and the reasons behind them. It is proposed that the Finance Director, in consultation with the Chief Fire Officer/Chief Executive and the Chairman of the Authority, be given delegated authority to take any further additional final accounts decisions beyond those included in this report. If any material changes do occur to the current position, these will be reported to the next Authority meeting.

2. REVENUE OUTTURN 2021/2022

- 2.1 A summarised Revenue Budget Outturn position is shown at Appendix A for information.

Outturn Position Review and summary

- 2.2 The Third Review, reported to Members in January 2022, identified a projected net overspend of £0.051 million. The Revenue Budget Outturn for 2021/2022 is positive with an underspend at the end of the financial year of £0.272m. This is in addition to the realised savings of £0.700m already reported at the Second Review stage and agreed by Members to be transferred to the Transformation and Reform Reserve.

- 2.3 The main variations are set out in paragraph 2.4 below for Members information and are summarised in Appendix A. It is important for Members to understand the continued positive drive the Authority has made during the financial year to achieve greater savings in the year, with a number of initiatives. However, a large degree of the underspend is due to changes in the way of working and restrictions to activities caused by the COVID-19 pandemic, which has still been prevalent in the financial year 2021/22.
- 2.4 Improved financial management is embedded throughout the Authority, with increased financial awareness and tighter budgetary control achieving net savings of £0.098m across the full service. I would like to thank Budget holders across the service for their efforts in continuing to manage their budgets effectively, and identify and release revenue savings in year.

Employee budgets are set based on assumptions relating to staff turnover and vacancy levels, firefighter pension scheme membership and the numbers of operational staff who are at the development stage in their roles. As the year progresses, employee costs reflect the actual position on all of these factors which, in reality, vary against the budget assumptions made. Members will recall at second review stage realised savings of £0.575m were confirmed and transferred to reserves. Further changes in staffing numbers and those in development and pension memberships have continued to vary significantly from the prudent estimates used, with the consequence of a further underspend of £0.489m. The staffing and pension information available in December 2021 was used to inform the assumptions applied in setting the budget for 2022/2023, therefore it is becoming less likely that there will be such a significant underspend in the new year budget.

Members will be aware that during the 2021/2022 financial year, two further Trainee courses were completed bringing 53 additional staff into operational crews. This has reduced overtime costs, particularly over the last quarter of this financial year, and has contributed towards the additional underspend on the overall employee budgets highlighted.

All aspects of the Authority's finances continue to be reviewed and a more commercially based approach to income generation is carefully and sensibly applied where appropriate to ensure Best Value is achieved for the Authority. Increases in income above budget during the year help to show this is continuing to be a success and income generation is expected to increase in future years as a result. This improved direction of travel has been reflected in the 2022/2023 Revenue Budget.

These summaries help to show members that all areas of the budget continue to be monitored, challenged and proactively managed to ensure the Authority achieves Best Value from its limited resources and helps the revenue budget become more sustainable.

Main Revenue Budget Variations (Subjective Analysis)

2.5 The main variations are detailed below for information. Where relevant, this includes a brief assessment of any impact that may fall into the 2022/2023 financial year.

- Employee costs (£0.410m net underspend) – the main reason for the underspend relates to the operational and corporate vacancy levels and the numbers of operational staff in development. Along with these, savings have been made on employer pension costs, arising from the impact of temporary staffing arrangements, transitional movements between pension schemes, and employees opting out of the pension scheme altogether.

Operational overtime costs continue to be a significant budget pressure, particularly working with increased vacancy levels. The savings in salaries and pensions have accommodated these increased costs. Overtime continues to be very closely monitored, with actions considered and taken to control expenditure as appropriate.

- Premises (£0.078m net overspend) – the overspend is from energy charges and the significant increase in electricity and gas tariffs. This has been accommodated within the budgets for 2022/2023 but the extent of the increase remains uncertain. The increased bills have been partially offset by savings on water and rates for the year and the previous considerable investment in lower energy lighting across the service.
- Transport (£0.076m net underspend) – further savings have been made on car allowances and travel expenses due to changes in the ways of working and more remote access to services. This is in addition to a saving on the annual transport insurance premium.
- Supplies and Services (£0.003m net overspend) – budgets have been closely monitored and reallocated during the year to achieve this almost neutral position.
- Contingencies (£0.510m underspend) – as indicated at the Third Review stage a full review of the remaining contingency provision has been carried out resulting in a one-off saving of £0.510m, largely due to the strategic contingency budget not being required in 2021/2022, although it will be required in 2022/23.
- Support Services and Recharges (£0.018m net underspend) – there has been an in year change to the staffing model recharges for the USAR National Resilience responsibilities.
- Income (£0.044m underachieved) – the year end position shows a reduction in total income received against the revised budget.

Reductions in income from Princes Trust Courses, Contract Income from Primary Authority Scheme arrangements and rechargeable COMAH work, and under-recovery of catering income due to reduced sales have been partially offset by additional income from training courses, a one-off PFI Authority Support repayment, additional apprenticeship income, and refunds relating to prior year energy and rates.

In addition, there is an overall net increase of Section 31 Grants made up of Pension Admin Grant and NHS COVID-19 Grant, and a reduction in the Firelink Grant allocation.

- Interest Received (£0.054m over budget) – the budget was significantly reduced in 2021/2022 due to a drop in interest rates during the pandemic. Actual interest received is more than budgeted due to a rise in rates during the year. The budget set for 2022/2023 reflects the improved interest rate position.
- Reserves and Provisions Appropriations (£0.670m increase) – underspends against budget have reduced the need to draw down from Reserves in year. In addition, appropriations into the Revenue Budget Carry Forward Reserve have been made for known future requirements, including transfer of additional Fire Safety Grant, NHS Covid-19 Grant and Pension Administration Grant to be used in 2022/2023. Adjustments have also been made to reflect the IFRS Employee Benefit accounting entry and the Council Tax and Business Rates Collection Fund balance required for 2021/2022.

Earmarked Reserves

- 2.6 Earmarked reserves are funds that are set aside to meet costs for specific purposes in future financial years. Such reserves ensure that the Authority can adopt and operate a more flexible approach to budget management and meet cost pressures of committed and known future service costs. A statement showing the movement on earmarked reserves in 2021/2022 is provided at Appendix B for information at this stage.

The detail in Appendix B has been categorised as follows:

Reserves to prevent an increase in revenue budgets (£28.816m); and
Reserves to support service delivery requirements (£5.399m).

This analysis helps to further confirm that all reserves are not only fully earmarked for specific purposes but that the bulk of the reserves (£28.816m or 84%) are being held to mitigate against known future costs that the revenue budget would otherwise have to accommodate, for example, insurance, PFI, reform and transformational costs etc.

- 2.7 It is proposed, subject to Members' approval, to allocate the surplus funds totalling £0.272m to the Transformation and Reform Reserve.

3. GENERAL BALANCES

- 3.1 The balance of the general fund has been increased to £4.089m following approval at second review to transfer the remaining COVID-19 grant of £0.146m. The balance continues to be viewed as an appropriate level of General Fund Balance for the size and risks faced by the Authority.

4. REVIEW OF RESERVES

- 4.1 As part of the year end closing down process, the Chief Fire Office and the Finance Director have undertaken a detailed review of the usable reserves and the following movements are recommended for Members approval:

- Transfer the remaining COVID-19 balance of £0.044m to the Transformation and Reform Reserve; and
- Transfer uncommitted balances of £0.676m from the Budget Carry Forward Reserve to the Development Reserve to assist with the Capital Programme in 2022/2023.

5. REVENUE BUDGET 2022/2023 FIRST REVIEW

- 5.1 Regular monitoring of the revenue budget continues to take place and the full impact of the 2021/2022 revenue budget outturn, alongside current spending against budgets will continue to be evaluated during the early part of 2022/2023.
- 5.2 The financial impact of the COVID-19 pandemic continues to have implications on the budget but is affecting business rates income and to a lesser extent council tax income although problems in the economy and the adverse impact of the very high levels of inflation being experienced could have further implications on the revenue budget for 2022/23. This position will be monitored closely over the coming months and Members will be updated on the financial impact of these and any other external influences throughout the financial year.

6. FINANCIAL OUTLOOK

- 6.1 The MTFS approved by Members in February 2022 is predicated on the Fire and Rescue Service receiving annual increases in funding in line with RPI. Whether or not this position is sustainable is very difficult to predict with the uncertainty caused not only by a continuation of one year settlements, but the unknown impact on public finances of the ongoing economic issues currently being experienced, especially high inflation and the prospects of a stagnating economy which could then impact on the government's financial plans for the public sector, which is of real concern. The financial position and prospects for the Authority therefore remain unclear at this stage early in the new financial year.

- 6.2 Another potential uncertainty on the Authority's financial resources is the unknown impact of the government's planned changes to how local government resources are to be distributed, under the 'self-sufficiency' agenda although this aspect has now been further delayed to beyond the life of this parliament for the fire service.
- 6.3 In summary, however, there still remains considerable and significant uncertainty over fire and rescue service funding and there is insufficient detail to be able to confirm at this stage what the financial prospects of the Authority are both in year and also over the medium term despite the publication of the long awaited Spending Review published in November 2021. Of real concern is the additional costs of higher inflation which is now running at over 10% and that the Bank of England is now forecasting a prolonged period of high inflation. This coupled with the prospect of higher pay demands means the budget for 2022/23 could become under pressure unless the government takes measures in year to ease the financial burden on local authorities.
- 6.4 Members will be updated at the Second Review stage in November.

7. RISK MANAGEMENT

- 7.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control, the realisation of efficiencies, the most appropriate use of limited resources and a comprehensive evaluation of the benefits. The risk to the authority has been re-assessed and increased to medium risk utilising the standard risk matrix based on the increasing uncertainty around public finances and the escalating cost of goods and services despite the control measures being in place.

8. FINANCIAL IMPLICATIONS

- 8.1 The financial implications are set out in Appendix A of the report.

9. EQUALITY AND FAIRNESS IMPLICATIONS

- 9.1 There are no equality and fairness implications in respect of this report.

10. HEALTH AND SAFETY IMPLICATIONS

- 10.1 There are no health and safety implications in respect of this report.

11. RECOMMENDATIONS

11.1 The Authority is recommended to:

- Note the Revenue Budget Outturn position for 2021/2022, set out at paragraphs 2.2 to 2.5;
- Approve the proposed transfer of £0.272m to the Transformation and Reform Reserve as set out in paragraph 2.7;
- note the General Fund position of £4.089m as detailed at paragraph 3.1;
- Approve the proposed transfers between reserves as detailed at paragraph 4.1; and
- Note the position with regard to the Revenue Budget for 2022/2023 detailed at section 5 and the uncertainties identified.

REVENUE BUDGET 2021/2022 OUTURN
Appendix A

	Original Budget For Information	Revised Budget	Outturn	Variance Outturn to Revised Budget
	£'000	£'000	£'000	£'000
Expenditure				
Employees	43,240	43,748	43,338	410
Premises	2,570	2,583	2,661	-78
Transport	1,028	1,076	1,000	76
Supplies and Services	8,603	8,472	8,475	-3
Contingencies	1,700	510	0	510
Support Services	15,060	15,053	15,057	-4
Capital Financing	989	993	994	-1
Reserve Appropriations	-535	626	1,296	-670
Total Expenditure	72,655	73,061	72,821	240
Income				
Grants and Contributions	-8,063	-8,293	-8,224	-69
Receipts	-163	-350	-379	29
Fees and Charges	-1,146	-1,132	-1,128	-4
Interest Earned	-5	-5	-59	54
Recharge Income	-14,736	-14,739	-14,761	22
Total Income	-24,113	-24,519	-24,551	32
TOTAL BUDGET	48,542	48,542	48,270	272

Appendix B

Statement of Earmarked Reserves for 2021/22

Title and Purpose of Earmarked Reserve	Actual Opening Balance (01.04.21)	Transfer from Reserve	Transfer to Reserve	Expected Closing Balance (31.03.22)
	£000	£000	£000	£000
Insurance Reserve Reserve held to protect the Authority from unexpected volatility from changes in legislation that could be retrospective, unknown exposures that may arise in the future, and to cover a possible shortfall in the eventual settlement in respect of MMI.	1,128	(85)	0	1,043
Early Retirements Reserve Reserve to cover future compensatory added years payments associated with an early retirement during 2002/2003. This ensures no ongoing revenue implications.	5	(5)	0	0
PFI Smoothing Reserve Reserve established to smooth the impact of the PFI scheme on the Authority's revenue budget over the 25 year life-span of the scheme. A recent review confirms this will be fully utilised.	8,231	(43)	0	8,188
Budget Carry Forward Reserve Reserve established to fund the slippage of specific items of revenue expenditure.	3,269	(1,417)	401	2,253
Transformation and Reform Reserve Reserve covers expected costs of all major organisational changes and transformation projects required for the Authority to operate more efficiently and effectively. This also includes temporary funding of the budget over the medium term whilst longer term IRMP changes are made by the Authority.	6,523	0	2,782	9,305
Development Reserve Reserve created to fund medium term and long term capital and revenue developments.	5,457	(1,934)	1,060	4,583

Title and Purpose of Earmarked Reserve	Actual Opening Balance (01.04.21)	Transfer from Reserve	Transfer to Reserve	Expected Closing Balance (31.03.22)
	£000	£000	£000	£000
Medium Term Planning Reserve Reserve to plan for the impact of the government's new funding arrangements (safety net and rating appeals) / reductions and to address temporary shortfalls in the medium term financial plan until efficiencies are achieved.	3,444	0	0	3,444
COVID-19 Reserve Reserve temporarily established to deal with the implications of the COVID-19 pandemic.	1,742	(1,742)	0	0
Total Reserves that prevent an increase in revenue budgets	29,799	(5,226)	4,243	28,816
Resilience Reserve Reserve to enable appropriate contingency arrangements to be put in place to ensure continued service delivery.	3,500	0	0	3,500
New Dimensions Reserve Reserve to be used in future years to provide for any adverse effect of potential changes in grant arrangements and to provide resources to support delivery of the Urban Search and Rescue response.	845	(193)	0	652
Emergency Services Mobile Communications Reserve Emergency Services Mobile Communications Grant received from Home Office held in reserve to finance the new wide area communications system.	1,249	(2)	0	1,247
Total Reserves to support service delivery requirements	5,594	(195)	0	5,399
Total Reserves	35,393	(5,421)	4,243	34,215

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No. 8

MEETING: FIRE AUTHORITY 27 JULY 2022

**SUBJECT: MEMBER LINKS WITH COMMUNITY FIRE STATIONS &
DEPARTMENTS**

**JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK
TO THE AUTHORITY), THE FINANCE DIRECTOR AND THE PERSONNEL
ADVISOR TO THE AUTHORITY**

1 INTRODUCTION

- 1.1 This report sets out for the consideration of Members, a revised list of links between Members and the Community Fire Stations and departments within Tyne and Wear Fire and Rescue Service. It also proposes to assign Members a key point of contact within the Executive Leadership Team of the Service to build relationships and aid communication.

2 BACKGROUND

- 2.1 At the Fire Authority meeting held on 17 September 2007, a community fire station link scheme was approved, the aim of which was to enhance the liaison and communication between Members of the Fire Authority, and staff on Community Fire Stations and in departments (Minute No. 58/2007 refers), this scheme was also updated by Members on 18th July 2017. (Minute No. 17/2017 refers)
- 2.2 There are many benefits to be realised from Authority Members having direct contact with employees through visiting Community Fire Stations and departments on a regular basis to meet local staff, discuss current issues and to hear first-hand from staff how they are working to deliver against the services priorities and goals.
- 2.3 In addition, the direct link established by this approach also enhances the communication process by providing for the exchange of local information relevant to the appropriate ward areas and promoting networking between Members, Officers and Local Ward Councillors.
- 2.4 Furthermore, developing the links between Members, Area Managers and specific Heads of Department will help to ensure that Members are comprehensively informed of specific work in progress as well as improving communication with staff.

3 NOMINATION OF LINK MEMBERS/OFFICERS

- 3.1 Members will be allocated a key point of contact within the Executive Leadership Team. This will give Members efficient access to any relevant information they may wish.
- 3.2 A revised table of Members Links has been compiled (appendix A), which sets out for consideration the proposed links between each fire station and service departments and Fire Authority Members.
- 3.3 If the list meets with Members approval, the officers responsible for each specific location will establish contact and arrange a programme of visits to the link stations/departments.
- 3.4 A typical agenda for such visits would include discussion between officers and the link Member on current issues affecting the locality, discussions relating to the station/departmental plans and their associated targets and issues of concern to staff.
- 3.5 Members may also wish to discuss these matters with colleague Ward Councillors and, when relevant, invite them to attend meetings with Community Fire Station staff as appropriate.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications associated with this specific report.

5 EQUALITY AND FAIRNESS IMPLICATIONS

- 5.1 There are no equality and fairness implications in respect of this report.

6 HEALTH AND SAFETY IMPLICATIONS

- 6.1 There are no health and safety implications in respect of this report.

7 RECOMMENDATIONS

- 7.1 The Authority is recommended to:
 - a) Consider the report and the proposed link arrangements set out in Appendix A, and;
 - b) Endorse, subject to any changes they may wish to make, the links between Members and stations/departments

BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

- FA Report 'Members Affiliation with Community Fire Stations' 17 September 2007

APPENDIX A

Executive Leadership Team Member	Contact Details	Fire Authority Members
Chris Lowther CFO Chief Fire Officer	Chris.lowther@twfire.gov.uk	Cllr Phil Tye Kim McGuinness (PCC)
Peter Heath DCFO Deputy Chief Fire Officer	Peter.heath@twfire.gov.uk	Cllr Carole Burdis
Lynsey McVay ACFO Assistant Chief Fire Officer	Lynsey.mcvay@twfire.gov.uk	
Dennis Napier Finance Director	0191 4441621 07970 613653 dennis.napier@twfire.gov.uk	Cllr David Wood Cllr Jimmy Warne Cllr James Doyle
Paul Russell Area Manager Data, Digital and Safety	0191 444 1540 07970124494 Paul.russell@twfire.gov.uk	Cllr Carl Johnson Cllr Janet Hunter
David Leach Area Manager Service Delivery	0191 4441278 07976 6157808 david.leach@twfire.gov.uk	Cllr Ged Bell Cllr Karen Kilgour Cllr Tom Woodwark
John Rawling HR Director	07747 473883 john.rawling@twfire.gov.uk	Cllr Wilf Flynn Cllr John Usher Cllr Joan Keegan
Richie Rickaby Area Manager Community Safety	0191 444 1581 07817 147322 richie.rickaby@twfire.gov.uk	Cllr Gary Haley Cllr Kevin Dodds Cllr Christopher Ord

Community Fire Station	Station Manager / Head Of Service Delivery	Fire Authority Member
West Denton Community Fire Station Station Alpha (Stn A)	Station Manager Ian Stewart 0191 4441030 / 07825 197692 ian.stewart@twfire.gov.uk Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464	Cllr Ged Bell
Newcastle Central Community Fire Station Station Charlie (Stn C)	Station Manager Ian Stewart 0191 4441030 / 07825 197692 ian.stewart@twfire.gov.uk Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464	Cllr David Wood
Gosforth Community Fire Station Station Echo (Stn E)	Station Manager Jay Shepherd 0191 4441571 / 07795450000 Jay.Shepherd@twfire.gov.uk Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464	Cllr Tom Woodwark
Byker Community Fire Station Station Foxtrot (Stn F)	Station Manager Jay Shepherd 0191 4441571 / 07795450000 Jay.Shepherd@twfire.gov.uk Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464	Cllr Karen Kilgour
Wallsend Community Fire Station Station Golf (Stn G)	Station Manager Trevor Sturrock 0191 4441770 / 07969398673 Trevor.Sturrock@twfire.gov.uk Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464	Cllr Janet Hunter

<p>Tynemouth Community Fire Station</p> <p>Station Juliet (Stn J)</p>	<p>Station Manager Trevor Sturrock 0191 4441770 / 07969398673 Trevor.Sturrock@twfire.gov.uk</p> <p>Head of Service Delivery North Steve Burdis steve.burdis@twfire.gov.uk 0191 444 1018/ 07817147464</p>	<p>Cllr Carole Burdis Cllr Carl Johnson</p>
<p>South Shields Community Fire Station</p> <p>Station Kilo (Stn K)</p>	<p>Station Manager Steven Bewick 0191 4441823 / 07442862227 Steven.Bewick@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr Joan Keegan</p>
<p>Hebburn Community Fire Station Tango (Stn T)</p>	<p>Station Manager Steven Bewick 0191 4441823 / 07442862227 Steven.Bewick@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr Wilf Flynn</p>
<p>Marley Park Community Fire Station</p> <p>Station Mike (Stn M)</p>	<p>Station Manager Shaun Makin 0191 4441228 / 07786 695382 shaun.makin@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr James Doyle</p>
<p>Sunderland Central Community Fire Station</p> <p>Station November (Stn N)</p>	<p>Station Manager Shaun Makin 0191 4441228 / 07786 695382 shaun.makin@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr John Usher</p>

<p>Farringdon Community Fire Station</p> <p>Station Quebec (Stn Q)</p>	<p>Station Manager Andrew Nelson 0191 4441188 / 07766360699 Andrew.Nelson@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr Phil Tye</p>
<p>Washington Community Fire Station</p> <p>Station Sierra (Stn S)</p>	<p>Station Manager Martin Farrow 0191 4441448 / 07557825108 martin.farrow@twfire.gov.uk</p> <p>Head of Service Delivery West Paul Thompson 0191 4441709 / 07827 311480 paul.thompson@twfire.gov.uk</p>	<p>Cllr Jimmy Warne</p>
<p>Rainton Bridge Community Fire Station</p> <p>Station Hotel (Stn H)</p>	<p>Station Manager Andrew Nelson 0191 4441188 / 07766360699 Andrew.Nelson@twfire.gov.uk</p> <p>Head of Service Delivery East Philip Sowerby 0191 4441894 / 07557 178 055 Philip.Sowerby@twfire.gov.uk</p>	<p>Cllr Phil Tye</p>
<p>Gateshead Community Fire Station</p> <p>Station Victor (Stn V)</p>	<p>Station Manager Martin Farrow 0191 4441448 / 07557825108 martin.farrow@twfire.gov.uk</p> <p>Head of Service Delivery West Paul Thompson 0191 4441709 / 07827 311480 paul.thompson@twfire.gov.uk</p>	<p>Cllr Kevin Dodds</p>
<p>Birtley Community Fire Station:</p> <p>Station Whiskey (Stn W)</p>	<p>Station Manager Jon Anderson 0191 4441448 / 07919 173592 jon.anderson@twfire.gov.uk</p> <p>Head of Service Delivery West Paul Thompson 0191 4441709 / 07827 311480 paul.thompson@twfire.gov.uk</p>	<p>Cllr Gary Haley</p>

<p>Swalwell Community Fire Station</p> <p>Station Yankee (Stn Y)</p>	<p>Station Manager Jon Anderson 0191 4441448 / 07919 173592 jon.anderson@twfire.gov.uk</p> <p>Head of Service Delivery West Paul Thompson 0191 4441709 / 07827 311480 paul.thompson@twfire.gov.uk</p>	<p>Cllr Christopher Ord</p>
<p>Chopwell Community Fire Station</p> <p>Station Zulu (Stn Z)</p>	<p>Station Manager Jon Anderson 0191 4441448 / 07919 173592 jon.anderson@twfire.gov.uk</p> <p>Head of Service Delivery West Paul Thompson 0191 4441709 / 07827 311480 paul.thompson@twfire.gov.uk</p>	<p>Cllr Gary Haley</p>

<p>Service Headquarters</p>	<p>AM Paul Russell 0191 444 1540 / 07970613659 paul.russell@twfire.gov.uk</p>	<p>Cllr Phil Tye Cllr Carole Burdis</p>
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TYNE AND WEAR FIRE AND RESCUE AUTHORITY

Item No. 9

MEETING: 27 JULY 2022

SUBJECT: OPERATIONAL INDEPENDENCY OF THE CHIEF FIRE OFFICER

JOINT REPORT OF THE CHIEF FIRE OFFICER/CHIEF EXECUTIVE (THE CLERK TO THE AUTHORITY) THE FINANCE DIRECTOR AND THE PERSONNEL ADVISOR TO THE AUTHORITY

1 INTRODUCTION

- 1.1 This paper sets out the background to a proposal to further support operational independence of the Chief Fire Officer (CFO) in relation to staff employed under the National Joint Council for Local Authority fire and rescue services, scheme of conditions of service, often referred to as the Grey book and the selection and appointment of Brigade Managers at Assistant and Deputy Chief Fire Officer roles.
- 1.2 The paper is not intended to suggest what the future governance of Fire and Rescue Service should be as discussed within the current Home office White paper on fire reform in England. It is solely focussed on the operational independence and discretion of the CFO in relation to staff headcount, selection, recruitment and deployment in relation to Grey book staff and also the roles of Deputy Chief Fire Officer (DCFO) and Assistant Chief Fire Officer (ACFO) which are currently within the remit of the Fire Authority.

2 BACKGROUND

- 2.1 Within TWFRS operational staff work under Grey book conditions of service which is firefighting roles up to and including the role of Area Manager. Brigade Managers working under Gold Book conditions include the CFO, DCFO and ACFO.
- 2.2 To set this paper in context the relevant sections from the within Tyne and Wear Fire and Rescue Authority Standing Orders have been identified below for ease of reference.
Tyne and Wear Fire and Rescue Authority Standing Orders Delegation Scheme, page 5, section 3 (1), the responsibilities of the Chief Fire Officer it states the Chief Fire Officer,
"To be directly responsible to the Authority for the management of all executive, administration and operational aspects of the Tyne and Wear Fire and Rescue Service".

- 2.3 Further within the Standing Orders, Delegation Scheme at page 7, section 3 (8) it states that the Chief Fire Officer, *“In consultation with the Personnel Advisor, to approve temporary additions to the Grey book establishment for a period of up to 24 months in respect of posts up to and including the role of Area Manager B”*.
- 2.4 At section 5 (1), Personnel Advisor to the Authority of Standing Orders, Delegation Scheme it states in relation to the Personnel Advisor that one of their roles is *“To present reports and make recommendations to the Human Resources committee, in respect of all employees, relating to changes in establishment (SCP 57 and above), appeals and disputes, discretionary provisions of the National Conditions of Service, changes in local conditions of service and other staffing matters”*.
- 2.5 Within the Standing Orders at the Terms of Reference for Committees section, page 5, section 3, (paras 1-10) it lists the terms of reference for the Human Resource Committee. Within this section it states at paragraph 1 that, *“Subject to those matters delegated to the Chief Fire Officer and Personnel Advisor to the Authority:-*
“1. To determine and approve the establishment and terms and conditions of all non-uniformed (Green Book) employees of the Authority graded above POL”.
- 2.6 At section 4, Appointments Committee, page 6 of the Standing Orders, Terms of Reference paragraph 1 and 2 it states,
“1. Where appropriate, to shortlist candidates for the posts of Chief Executive/Chief Fire Officer (Clerk to the Authority) and Assistant Chief Fire officers”. At paragraph 2 it adds, *“2. To interview candidates for and make appointments to the posts of Chief Executive/Chief Fire Officer (Clerk to the Authority) and Assistant Chief Fire officers”*.
- 2.7 The extracts from the Standing Orders highlight at paragraph 2.2 that the CFO is already recognised by the Fire Authority as having operational discretion however, as highlighted in the other extracts, this is not fully reflected in some of the other sections and specifically in relation to the workforce establishment numbers, recruitment and selection of all roles below the role of CFO.
- 2.8 The CFO does have full independence in relation to almost all Green book (non-operational / Corporate staff) staff numbers and independence to vary this should it be necessary without recourse to the Fire Authority. However, in relation to the operational workforce (Grey book), the Standing Orders hint at the CFO only having delegated authority to make temporary changes to operational staffing headcount with decisions relating to permanent changes being referred to the HR Committee and Fire Authority.
- 2.9 Of note is the current practice as set out in paragraph 2.8 above in that the CFO must seek approval of the Fire Authority to make permanent changes to any Grey book / operational roles, however, this is not explicitly set out within the Standing Orders other than for temporary changes.

- 2.10 In essence, the CFO has extremely limited decision making authority in relation to permanently increasing, decreasing or amending the overall number of staff working under Grey book / operational conditions as this currently is reverted to the Fire Authority with the CFO only able to make temporary decisions on this via a time limited delegation process.

As staff working under Grey book conditions are directly engaged in operational activity it is proposed that continuing support for the role of the CFO and enabling operational independence would be enhanced by placing responsibility for all staffing decisions directly with the CFO on behalf of the Fire Authority.

- 2.11 The current position in practical terms means that the CFO cannot increase or decrease the number of Firefighters and other roles working under Grey Book conditions based on local risk and operational needs as this is reserved for the Fire Authority but the CFO does not have the same restriction in terms of staff in supporting / corporate roles under Green book conditions.

- 2.12 Also within the current arrangements, it is the Fire Authority that selects the Deputy and Assistant Chief Fire Officers in consultation with the CFO. So whilst the CFO is appointed by the Fire Authority to run the service, deliver for local communities and be held to account by the Fire Authority for performance, the CFO does not have the authority to appoint those whom are employed to support the CFO directly on this.

Given that it is the CFO whom is held to account by the Fire Authority for performance, it is proposed that it may be more effective and logical for the CFO to be the person, in consultation with the Fire Authority who selects their Deputy and Assistant Chief Fire officers.

- 2.13 What is evident is that between the Fire Authority and the CFO the existing arrangements have been able to function and operate with the recent emergency powers given the CFO during covid in 2020 /21 whilst the Fire Authority was unable to meet due to restrictions as an example of how things may operate if the CFO had full operational independence.

3 DISCUSSION

- 3.1 Given the increasing focus on operational independence of CFOs it is believed that placing direct responsibility and authority for all staffing with the CFO is a sound business decision that is pragmatic and a logical step in support of operational independence.

Such a move would provide the CFO with the operational flexibility to deploy and make decisions on operational matters related to staffing whilst retaining the need to ensure that any staff changes were considered by the section 151 officer in terms of affordability and scrutinised via the Fire Authority governance structures. This would align with the role and level of operational independence of Chief Constables of Police who currently have the operational independence in relation to staffing for operational matters and activity.

- 3.2 The current Home Office white paper consultation on Fire and Rescue reform specifically references their case for introducing operational independence for all CFOs. This includes a table within the consultation paper under the section on Governance at page 31 with an indicative division of decision making responsibilities of CFOs and an elected individuals.

The table indicates the Home Office intentions in terms of operational independence for CFOs and may present the Fire Authority with an opportunity to consider this now as a clear indication of their effective approach to CFO operational independence. The table below is provided for reference to inform the discussion.

Task	Responsible
Setting priorities	Executive leader
Budget setting	Executive leader
Setting precept	Executive leader
Setting response standards	Executive leader
Opening and closing fire stations	Executive leader*
Appointment and dismissal of chief fire officer	Executive leader
Appointment and dismissal of other fire service staff	Chief fire officer
Allocation of staff to meet strategic priorities	Chief fire officer
Configuration and organisation of resources	Chief fire officer
Deployment of resources to meet operational requirements	Chief fire officer
Balancing of competing operational needs	Chief fire officer
Expenditure up to certain (delegated) levels	Chief fire officer

*Opening and closing of fire stations could be a joint decision; operationally fire chiefs could be responsible for decisions on moving teams, whilst ultimate political and executive responsibility lies with the executive leader.

[extract from the Fire Reform white paper, page 31]

- 3.3 During 2020/21 and most of 2021/22 the Fire Authority conferred emergency powers to the CFO for all decision making to ensure that the Service could continue to function during the restrictions imposed as a result of the covid pandemic.

The decisions taken by the CFO were brought to the Fire Authority meetings in subsequent months for scrutiny and no issues or adverse outcomes arose as a result of the application of the emergency powers. It enabled decision making at the appropriate times to meet the needs of the service and communities and it is proposed that this offers a level of confidence to the Fire Authority that any change to the responsibility for Grey book and Principal Officers staffing up to DCFO could confidently be placed with the CFO.

- 3.4 The Fire Authority for Tyne and Wear Fire and Rescue Service have a strong track record of working to support the CFO and ensuring that resources are aligned to local risks within communities. There are a number of discretions within the Standing Orders available to the CFO however, operational staffing and appointment of the most senior managers (DCFO and ACFO) that work directly to support the CFO appear not within the CFOs responsibility. This proposal is founded on a number of key documents and reviews which amongst other matters, comment on the operational independence of CFOs and what reform of the fire and rescue sector may look like in the years ahead in terms of governance, role and remit of firefighters within communities.
- 3.5 The report by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) inspections and Sir Thomas Winsor's State of Fire and Rescue Report 2019 identified operational independence for CFOs as one of four key recommendations.
- 3.6 During July 2020, Kit Malthouse MP and Minister for Crime and Policing laid a Ministerial statement in Parliament launching a review of the Police and Crime Commissioner model to be undertaken in two parts. The first part of this review has been concluded with the Secretary of State for the Home Department setting out the key outcomes during a statement on 16 March 2021.
- 3.7 In relation to Fire, it was made clear in the statement that further reform of the fire and rescue services is required to respond to the recommendations from the Grenfell Tower Inquiry, the Kerslake Review and to build on the findings from Sir Thomas Winsor's State of Fire and Rescue Report. The reform agenda focusses on three key areas: people; professionalism; and governance as set out in the White Paper.
- 3.8 The Home Office launched a consultative White Paper on fire reform which Closes on 27 July 2022. The White Paper sets out the reform agenda for fire and rescue in more detail and proposals on fire governance which were listed as including:
- Legislating to create operational independence for Chief Fire Officers and to clearly separate and delineate strategic and operational planning for fire and rescue.
 - Consulting on whether to mandate the transfer of fire and rescue functions to a directly elected Mayor or other delegated executive officer.
 - Consulting on how to address coterminosity challenges.
- 3.9 With regard to mayoral devolution, the Review has cemented Governments view that the join up of public safety functions under a combined authority mayor has, in their opinion, the potential to offer wider levers to prevent crime. It is noted in part one review that the Government will take steps to remove barriers to more mayors taking on these functions and will work with MHCLG to develop the forthcoming Devolution and Local Recovery White Paper with that longer-term trajectory in mind.

- 3.10 On the back of the statement laid in Parliament on 16 March 2020 and the outcome of the stage review outlined above, Lord Greenhalgh, former Minister of State for Building Safety, Fire and Communities wrote to all Fire Authority Chairs and CFOs outlining the recommendations of the review and next steps.
- 3.11 Whilst this paper does not seek to engage in the political discussion regarding fire reform and potential changes in this respect, it is mentioned for context and background relating to the proposal for greater operational independence for the CFO.

4 THE PROPOSAL FOR OPERATIONAL INDEPENDENCE

- 4.1 Building on the strong track record of Fire Authority support for the CFO and officers of Tyne and Wear Fire and Rescue Service, a move to place all staffing decisions up to and including appointment of DCFO strengthens the operational independence of the CFO but retains the vital role of the Fire Authority of holding the CFO to account for performance and delivery of services to the communities of Tyne and Wear.
- 4.2 Practically what a change as described above would mean is that the CFO would carry the responsibility for all staffing decisions in pursuit of delivery of fire and rescue services. This would require continued engagement and input from the Director of Finance / section 151 officer in terms of affordability and sustainability as well as ongoing advice and support from the Executive Leadership Team. Any significant changes would continue to be subject to the Integrated Risk Management Planning (IRMP) and Community risk Management Planning arrangements process to ensure that the public are consulted.
- 4.3 The CFO already has authority for staff working under Green book conditions which is limited to staff in non-operational roles associated with key supporting / corporate functions. Changing to add staff and decisions of those working under the Grey book conditions of service which is those engaged in operational firefighting and control room roles represents a sound business decision in support of operational discretion and independence.
- 4.4 Separating out the responsibility for all staffing (excluding appointment of the CFO) from the Fire Authority provides an opportunity to ensure that the Fire Authority can fully focus its attention on holding the CFO to account for performance and delivery of services to the community and scrutinising and advising on strategic issues related to the IRMP process.

In practical terms what this would lead to is a situation where the CFO would have decision authority to determine the staffing profile they required to address the risks presented across communities and delivery of services, which the Fire Authority would continue to advise, scrutinise and hold the CFO to account on in terms of performance.

5 RISK MANAGEMENT

- 5.1 A risk assessment has been undertaken to ensure that the risk to the Authority has been minimised as far as practicable. The assessment has considered an appropriate balance between risk and control, the realisation of efficiencies, the most appropriate use of limited resources and a comprehensive evaluation of the benefits. The risk to the authority has been assessed as low utilising the standard risk matrix based on control measures being in place. The Fire Authority would continue to have responsibility for the appointment of a CFO and have the ability to scrutinise, advise and hold the CFO to account for performance once any change is enacted.

6 FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications in respect of this report.

7 EQUALITY AND FAIRNESS IMPLICATIONS

- 7.1 There are no equality and fairness implications in respect of this report.

8 HEALTH AND SAFETY IMPLICATIONS

- 8.1 There are no health and safety implications in respect of this report.

9 RECOMMENDATIONS

- 9.1 The Authority is recommended to:
- a) Agree that responsibility for recruitment, retention and exit of FRS staff and, all staffing decisions up to and including appointment of the DCFO is placed with the CFO.
 - b) Agree the changes to Standing Orders and governance arrangements should recommendation be approved.
 - c) Receive further reports as appropriate.
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BACKGROUND PAPERS

The under mentioned Background Papers refer to the subject matter of the above report:

[State of Fire and Rescue – The Annual Assessment of Fire and Rescue Services in England 2020 - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/state-of-fire-and-rescue-the-annual-assessment-of-fire-and-rescue-services-in-england-2020/)

[State of Fire and Rescue – The Annual Assessment of Fire and Rescue Services in England 2021 - HMICFRS \(justiceinspectorates.gov.uk\)](https://www.justiceinspectorates.gov.uk/hmicfrs/state-of-fire-and-rescue-the-annual-assessment-of-fire-and-rescue-services-in-england-2021/)

[Written statements - Written questions, answers and statements - UK Parliament](#)

[Reforming our fire and rescue service - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/reforming-our-fire-and-rescue-service)

