

Minutes of the Meeting of  
the TYNE AND WEAR FIRE AND  
RESCUE AUTHORITY held in the  
Fire and Rescue Service  
Headquarters, Barmston Mere on  
MONDAY 13 FEBRUARY 2017 at  
10.30am.

**Present:**

Councillor T Wright in the Chair

Councillors Bell, Burdis, Dodds, Forbes, Haley, Harrison, Kilgour, Maughan, Perry, Pickard, Renton and Waller.

**Part I**

**Announcements**

The Chairman, on behalf of the Authority, congratulated ACFO Lowther on being appointed to the post of Chief Fire Officer. Both candidates were of an extremely high calibre demonstrating the excellent standard of Officers within the organisation.

The Chairman reminded Members that the LGA Fire Conference and Exhibition was scheduled to take place on 7<sup>th</sup>- 8<sup>th</sup> March at the Hilton Newcastle Gateshead. All Councillors were encouraged to attend.

A Meeting of the Independent Remuneration Panel was scheduled to take place on Wednesday 15<sup>th</sup> February to discuss Members' Allowances.

**Apologies for Absence**

Apologies for absence were submitted to the meeting on behalf of Councillors Middleton, Oliver and Stephenson.

**Declarations of Interest**

There were no declarations of interest.

**Minutes**

64. RESOLVED that:

- (i) the minutes of the meeting of the Authority, Part I held on 16 January 2017 be confirmed and signed as a correct record;

- (ii) the minutes of the meeting of the Appointments Committee held on 16 January 2017 be noted for information; and
- (iii) the minutes of the meeting of the Appointments Committee held on 1 February 2017 be noted for information.

### **Capital Programme 2017/2018 Including Prudential Indicators for 2017/2018 to 2019/2020**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Strategic Finance Manager submitted a joint report to present to Members the proposed Capital Programme for 2017/2018, including the Prudential Indicators for the years 2017/2018 to 2019/2020.

The Strategic Finance Manager advised Members that the proposed Capital Programme and Vehicle Replacement Programme totalled an estimated £7,301,432.

The Authority would also need to utilise £5.939m of its capital reserves to fund the projected costs of the current proposed capital programme in 2017/18 and a further £5.841m in future years up to 2019/20.

Members were referred to Appendix B of the report which detailed the Prudential Indicators and were requested to approve the statutory Prudential Indicators, the Authorised Limit for External Debt of £48.859m and the Operational Boundary for External Debt of £43.858m for 2017/2018, in accordance with the regulations.

The Strategic Finance Manager then referred Members to Appendix 1 of the report and explained that the Emergency Services Mobile Communication Project (ESMCP) was a new wide area communications system to replace the current Airwave radio network (£910,192). Total costs of this national project were estimated to cost in the region of £1.6m over the medium term and funding allocated from the Home Office through specific Section 31 grant currently totalled £890,541 with a potential gap in capital resources of £0.70m which at this stage would have to be met by the Authority, although government were to review the funding arrangements once all costs of the national scheme were known. The anticipated net cost included in the Capital Programme in 2017/2018 was £0.210m. Members noted that other Authorities were in a similar position.

The Vehicle Replacement Programme had been revised and updated and the proposed Programme of £1,108,000 for 2017/2018 was detailed at Appendix A of the report which included slippage of £205,000 from 2015/16 in respect of the small vehicles fleet.

Members noted that a review of capital reserves would be undertaken as they were projected to be fully utilised by 2018/19. The Authority may therefore need to consider borrowing in the near future if it was advantageous within the financial markets to do so.

The Strategic Finance Manager highlighted the requirement to set out the Policy for calculating MRP for 2017/18 and from the four options recommended the use of option 1 – Regulatory Method; applying the statutory formula set out in the 2003 Regulations before it was revoked in 2008. This position would be reviewed each year to ensure it was the most appropriate for the Authority.

65. RESOLVED that:

- (i) The Capital Programme and Vehicle Replacement Programme for 2017/2018 as set out in Appendix A, be approved;
- (ii) The Prudential Indicators for the years 2017/2018 to 2019/2020 as set out in Appendix B be approved, and specifically the Authorised Limit for External Debt of £48.859m and the Operational Boundary for External Debt of £43.858m for 2017/2018; and
- (iii) The Annual Minimum Revenue Provision Statement as set out in Section 2.12 of Appendix 1 be approved.

### **Revenue Budget 2017/2018 and MTFS 2017/2018 to 2020/2021**

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

- the Revenue Estimates for 2017/2018;
- the Authority's Council Tax Requirement for 2017/2018;
- the Precept required to be levied on the District Councils in Tyne and Wear for 2017/2018, and
- an updated Medium Term Financial Strategy Statement for 2017/2018 to 2020/2021.

Amendments to the report were circulated.

The Strategic Finance Manager advised members that the Government's Core Spending Power for Tyne and Wear Fire and Rescue Authority would reduce by £1.153m or 2.38% in 2017/2018 to £47.214m compared to an adjusted £48.367m in 2016/2017.

Members reflected on the Authority continuing to face a disproportionately greater reduction in funding compared to most other authorities and that the bulk of this reduction was in respect of the Authority's Settlement Funding Assessment (SFA) allocation which had been reduced by £1.992m in cash terms (-7.27%) in 2017/2018.

Members were advised that this, together the adjusted Council Tax Income for 2016/17 meant that the Authority's Core Spending Power (CSP) over the 4 year fixed term to 2019/2020 had slightly worsened from -2.8% to -2.9% and now resulted in the Authority receiving the highest cut to its CSP within the fire service.

The 2017/18 updated revenue budget position had improved to that indicated in the Provisional Local Government Finance Settlement and the main impact had been a number of positive outcomes received from the District Council's in respect of higher Council Tax Surpluses and higher Business Rates share than anticipated. This allowed the proposal of a revenue budget for 2017/2018 of £47.847m and a Council Tax requirement of £21.765m.

Members were then advised that the Council Tax Base for 2017/18 was 280,399 which would increase Council Tax precept income by £0.381m. This increase had already been factored into the Budget as projected in the MTFS. There was also however a one-off net surplus on the Council Tax Collection Fund for 2016/17 of £0.385m which improved the financing of the 2017/18 budget.

The Authority's local share of business rates income, totalled £3.946m. This compared favourably to the Government assessed business rates income total of £3.829m. In addition, the Authority would receive £0.204m from its share of the Section 31 grant for Business Rates Relief. However, there was an added cost pressure of £0.249m in relation to the Authority's share of the net deficit position on the business rates element of the Collection Fund for 2016/2017. In effect, taking all of these changes into account, the actual Business Rates income in total was therefore £0.072m more than the Government assessed figure.

Taking all government funding, precept income and the local share of business rates into consideration, it was possible to construct a balanced budget assuming a 1.99% increase in the Precept which was also within the Government's Council Tax guidelines.

Due to the £1.8m funding gap reported at the previous meeting of the Authority, Members acknowledged the importance of the IRMP actions and clarified that the savings identified from the nIRMP 2014/17 had already been assumed within the £1.8m figure. Therefore more IRMP actions would be required to help bridge the gap, and as austerity were set to continue into future years, the Authority faced the prospect of continued efficiency measures in the future in order to balance the revenue budget.

In response to a question from Councillor Pickard, the Strategic Finance Manager explained that the position from Government in relation to the review of Business Rates and the outcome of the self-sufficiency proposals were still unknown.

Councillor Haley questioned whether work was undertaken with constituent authorities on council tax projections for forthcoming years and was advised that it was, and that this would be undertaken annually.

As the final settlement for 2017/18 had not yet been announced the Authority agreed that any further late changes to the revenue budget be delegated to the Chairman, Vice-Chairman and Chief Fire Officer/Chief Executive (Clerk to the Authority). Any changes would be reported to the next meeting by the Strategic Finance Manager.

66. RESOLVED that:

- (a) the revised estimate for 2016/2017, as summarised at Appendix A be noted;
- (b) the proposed Revenue Estimates for 2017/2018, as summarised at Appendix A be approved;
- (c) the Projected Pensions Account 2017/2018 detailed at Appendix B be noted;
- (d) the associated risks and their mitigation as set out in Appendix C be noted;
- (e) the updated position on the General Reserves and Earmarked Reserves (Appendix D) be approved;
- (f) the updated Medium Term Financial Strategy Statement for 2017/2018 to 2020/2021 detailed at Appendix E be noted;
- (g) the Council Tax base of 280,399 (known as Item T) for the year 2017/2018, as notified by the billing authorities within Tyne and Wear under the new regulations be noted;
- (h) the following amounts for the Authority for the year 2017/2018 which represents a Council Tax increase of 1.99% for 2017/2018, in accordance with Sections 42A to 47 of the Local Government Finance Act 1992 as amended:

Act 1992 as amended:

- (i) £52,413,978 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act;
- (ii) £30,646,409 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) adjusted for item of the Act;
- (iii) £21,764,569 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 42A(4) of the Act, as its Council Tax Requirement for the year, Item R in the formula in Section 42B of the Act;
- (iv) £77.6200 - being the amount at (iii) (Item R) above divided by the Council Tax Base (Item T), calculated by the Authority in accordance with

Section 42B(1) of the Act, as the basic amount of its Council Tax for the year.

(v) **Valuation Bands**

	£	
A	51.75	being the amount given by multiplying the amount at (iv) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation and divided by the number which that proportion is applicable to dwellings listed in valuation band D, calculated by the Authority in accordance with Section 47(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
B	60.37	
C	69.00	
D	77.62	
E	94.87	
F	112.12	
G	129.37	
H	155.24	

- (i) It be noted that under Section 52ZB of the Local Government Finance Act, the Authority's relevant basic amount of council tax for 2017/2018 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum is required).
- (j) in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £21,764,569 for the financial year beginning 1<sup>st</sup> April 2017, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

### **IRMP Action – Organisational Management Review: Update**

The Chief Fire Officer/Chief Executive (Clerk to the Authority), the Strategic Finance Manager and the Personnel Advisor to the Authority submitted a joint report to update Members with progress on implementation of the Organisational and Management Review (OMR).

ACFO Baines advised Members that implementation was progressing well with the confirmation and appointment of senior managers/department heads, along with associated structures being introduced as of 9<sup>th</sup> January 2017. The middle manager positions had been finalised allowing progress to be made with supervisory manager positions to enable final implementation to commence on 3<sup>rd</sup> April 2017.

Members were reminded that the Fire Authority of 12 September 2016 set out proposals with estimated cost reductions of approximately £1.69m (41.9 FTE roles). These savings did not account for the one off costs to the Authority for the voluntary efficiency retirement or voluntary redundancy programmes, which would be a one off method by which staff numbers would be reduced. Provision had however been

made within the Organisational Change Reserve to fund the costs associated with these measures.

67. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received as required.

### **Fitness for Life**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) and the Personnel Advisor to the Authority submitted a joint report to provide members with an update of work that had been undertaken to provide the service with an overarching approach to the health and wellbeing of all employees; titled 'fitness of life'.

ACFO Baines advised Members that the 'fitness for life' approach built on the work that had already been undertaken by internal departments and the Chief Fire Officers Association under the heading of 'fire fit'. It would bring together key people within the Service to provide a more holistic approach to ensure the health and wellbeing of all employees. The focus of this work would cover a number of key areas namely:

- Health surveillance
- Wellbeing clinics
- Healthy lifestyles
- Physical training and equipment; and
- Welfare support

68. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received as appropriate.

### **Youth United Social Action Awards 2017**

The Chief Fire Officer/Chief Executive (Clerk to the Authority) submitted a report to make Members aware of the recent success of the Young Firefighters in recognition of their work on a community project.

ACFO Lowther advised Members that YFA members living in the Benwell and Elswick area of Newcastle approached their instructor wanting to make a contribution to the area in which they live to 'give something back' to the community.

In February 2016, YFA members from West Denton took part in a 'day of action' supported by Newcastle City Council and collected 78kg of refuse.

On 31 January 2017, these members were invited to Buckingham Palace to receive a reward for their contribution to the community in recognition of their work with the Community Clean-up day.

69. RESOLVED that:

- (i) The contents of the report be noted; and
- (ii) Further reports be received as appropriate.

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

70. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to contain information relating to any individual or information which was likely to reveal the identity of an individual or to consultations or negotiations in connection with labour relations matters arising between the Authority and employees of the Authority (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2 and 4).

(Signed) T WRIGHT  
Chairman

**Note:**

The above minutes comprise those relating to items of business during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.