

Item 3

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 19 NOVEMBER 2012
at 10.30 am.

Present:

Councillor T Wright in the Chair

Councillors Bell, M. Forbes, N. Forbes, Gambling, McAtominey, Mole,
Mortimer, Mulvenna, Ord, Padgett, Renton and Stephenson.

Part I

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors
Ahad, Haley and Waller.

Declarations of Interest

There were no declarations of interest.

Minutes

38. RESOLVED that:-

- (i) The minutes of the meeting of the Authority held on 15 October, 2012, Part I be confirmed and signed as a correct record;
- (ii) The minutes of the meeting of the Human Resources Committee held on 15 October, 2012, Part I be noted for information;
- (iii) The minutes of the meeting of the Governance Committee held on 24 September, 2012, Part I be noted for information; and
- (iv) Minutes of the meeting of the Policy and Performance Committee held on 22 October, 2012, Part I be noted for information.

Revenue Budget 2012/2013 – Second Review

The Chief Fire Officer and the Finance Officer submitted a joint report advising Members of issues relating to the 2012/2013 Revenue Budget position, and providing an updated Statement of Balances.

Members were advised that staffing costs would be retained within budget due to continued prudent and robust budget management.

The Authority's investment in its health awareness and intervention measures had also brought about a reduction in ill health retirements. There had been no such retirements in 2012/2013 and should this continue, there would be an underspend on this budget.

A review of the revenue budget had been undertaken and savings of up to £400,000 may accrue. Members would be updated in due course.

39. RESOLVED that the position with regard to the Revenue Budget for 2012/2013 as set out in the report, including the updated Statement of Balances set out at Appendix A, be noted.

Capital Programme 2012/2013 – Second Review

The Chief Fire Officer and the Finance Officer submitted a joint report to review the current year's Programme and reflect changes from that presented to the Authority as a consequence of the First Capital Programme Review on 11 June 2012.

The Finance Officer explained that the Capital Programme had been increased by £373,470 from £4,713,279 to £5,086,749.

Members were referred to section 2.12 of the report and noted that the cost of the control/mobilising system was now estimated to be £2,630,517. This comprised the mobilising and resource management system cost of £1,813,410, estates building works of £565,700 and ICT enabling works of £251,407.

The project would be partly funded by the £1,400,000 capital grant.

40. RESOLVED that the revised Capital Programme for 2012/2013, as set out at Appendix A of the report, be approved.

Medium Term Financial Strategy 2013/2014 to 2016/2017

The Chief Fire Officer, Clerk to the Authority and the Finance Officer submitted a joint report to consider the draft Medium Term Financial Strategy (MTFS) 2013/2014 to 2016/2017 and the approach to meeting the funding gap and also to consider the Budget Planning Framework for preparation of the 2013/2014 detailed Revenue Budget.

Members were referred to Appendix D which detailed indicative budget forecasts which showed that a range of options would need to be considered to deliver a balanced budget in 2013/2014 and also for future years. These options would be driven by a number of initiatives designed to deliver significant savings, as set out in the recently updated IRMP.

The Finance Officer then highlighted section 12.5 of the report which set out the best and worst case scenario. The best case scenario was based latest figures from the Business Rates technical consultation document and assumed a flat rate reduction. A total reduction in grant allocation of 14.5% from 2013 to 2015, 9% in 2013/2014 and 5.4% in 2014/2015, then a reduction of 8% and 6% in 2015/2016 and 2016/2017 respectively.

Alternatively, the worst case scenario was based on the premise that the Fire Authority could potentially face double the cuts. A total reduction in grant allocation of 29% from 2013 to 2015, 18% in 2013/2014 and 11% in 2014/2015, then a reduction of 16% and in 2015/2016 and 2016/2017 respectively.

Members were assured that planning was well underway and strong financial management continued.

Members welcomed this prudent approach in light of the uncertainties around the financial Settlement, which was expected on 20 December.

41. RESOLVED that:-

- (i) the Medium Term Financial Strategy for 2013/2014 to 2016/2017 be noted and endorsed and updated to reflect the reviews outlined in the report (Appendix 1); and
- (ii) the Budget Planning Framework for preparation of the 2013/2014 Revenue Budget (Appendix 1 – Section 13) be noted.

Treasury Management – Half Yearly Review of Performance 2012/2013

The Finance Officer submitted a report detailing the Treasury Management performance for 2012/2013.

The Finance Officer informed members that the Authority's rate on borrowing was very low, currently averaging 3.51% and as such the Authority continued to benefit from this low cost of borrowing and from the ongoing savings from past debt rescheduling exercises.

Prudential indicators were regularly reviewed and the Authority was within the limits set for all of its TM Prudential Indicators.

Referring to section 4 of the report, Members noted that the Authority had benefited from additional investment income in the first half of the year of

£51,000 in cash terms based on a higher rate of return of 0.80% compared to the benchmark rate of 0.43%.

Councillor N Forbes raised the capital financing and refinancing risk and expressed his concerns that restrictions on lending could pose a problem for the Authority if strict criteria was applied as this would reduce opportunities for debt rescheduling and borrowing. As a result, he proposed that this issue be built into future lobbying.

The Chair, on behalf of the Authority, commended Finance Officers on their prudent approach to treasury management.

42. RESOLVED that the positive progress in implementing the Treasury Management Strategy in 2012/2013 be noted.

Integrated Risk Management 2012/2013 Action Plan Update

The Chief Fire Officer submitted a report to provide an update for members in respect of the implementation of the Integrated Risk Management Plan (IRMP) Annual Action Plan for 2012/13.

Assistant Chief Fire Officer (ACFO) Brindle advised Members of the following work which had been undertaken to complete the Annual Action Plan:-

- Back Office Review – An implementation plan was in place to deliver reconfigured teams by January 2013. Members asked that this process be carefully monitored
- Management Structure – A full review had been carried out and the Senior Management Team had been reduced by one Area Manager. The review also investigated the management structure of service delivery and the main recommendation was to reduce the number of station managers from 16 to 11. Plans were progressing to enable implementation in January 2013.
- Protection and Technical Activities – The introduction of the new staffing structure was being carried out in phases. The first phase involving the P&T management structure was implemented on 20 August 2012.
- Aerial Ladder Platform Provision and Crewing – Changes were implemented on 7 August 2012
- Mobilising – Contractual works were hoped to start mid-September and Enabling works were underway. The works for the connection between the two control rooms had also begun and tenders from suppliers to the building works were awaited.
- Day Crewing (close call) – The introduction of day crewing was progressing well with Station 13 going live first.

The Chief Fire Officer advised members of the vast amount of work which had been undertaken in implementing plans and explained that some of the processes had been difficult for the organisation.

43. RESOLVED that:-

- (i) the contents of the report be noted for information; and
- (ii) further reports detailing progress of the action be received in due course.

LGA Annual Fire Conference – 12th and 13th March 2013

The Chief Fire Officer submitted a report proposing an Authority representative at the LGA Annual Fire Conference.

The Chief Fire Officer advised the Authority that the sixteenth Annual Fire Conference was scheduled to be held in Brighton on 12th and 13th March 2013.

The conference theme would be designed to address the issues and key challenges facing the service in the coming months and years. It was envisaged that an address from the Fire Minister, Brandon Lewis MP would be made.

The cost of the conference was £360 per person which Members were advised had been held at 2008 prices, in recognition of financial pressures.

44. RESOLVED that the attendance of the Chairman and one member at the LGA Fire Conference be approved.

Pay Award 2012

The Chief Fire Officer, Clerk to the Authority, the Finance Officer and the Personnel Advisor submitted a joint report outlining the position with regard to pay awards for all sectors of the Service, for the information of Members.

Deputy Chief Fire Officer (DCFO) Hindmarch spoke to the report and in doing so explained that an increase of 1% had been agreed for Grey Book Staff. This was effective from 1 July 2012. No increase would be applied in 2012/13 to continual professional development payments or to allowances set at a national level.

With regards to Green Book Employees, the National Employers had informed the 'Green Book' unions that they were unable to make a pay offer in response to their 2012 pay claim.

The effect of the 1.0% pay award in 2012/2013 was approximately £260,000. The financial implications of this could be met from within the existing 2012/2013 Revenue Budget, as prudent provision was made for pay increases.

45. RESOLVED that:-

- (i) the contents of the report be noted;
- (ii) the action taken by the Chief Fire Officer be endorsed; and
- (iii) further reports be received as appropriate.

Correspondence List

The Chief Fire Officer submitted a list of items of correspondence that had been received since the last meeting of the Authority, and were not subject to a separate report.

46. RESOLVED that the correspondence list be received for information.

(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.